

**MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE
A.B. WON PAT INTERNATIONAL AIRPORT AUTHORITY, GUAM
Friday, October 11, 2019, 3:00 p.m.
GIAA TERMINAL CONFERENCE ROOM #3**

1. CALL TO ORDER AND ATTENDANCE

The October 11, 2019 special meeting of the Board of Directors of the A.B. Won Pat International Airport Authority, Guam ("GIAA" or the "Authority") was called to order by Chairman Sobti at 3:10 p.m. at the GIAA Terminal Conference Room #3, 355 Chalan Pasaheru, Tamuning, Guam, 96913.

Directors Present:

Brian J. Bamba
Gurvinder Sobti
Donald I. Weakley
Lucy M. Alcorn
Zenon E. Belanger
Doyon A. Morato

Offices or positions:

Chairman
Vice Chairman
Secretary

Directors Absent:

Rosie R. Tainatongo (Excused)

GIAA Officials:

Thomas C. Ada
John M. Quinata
John A. Rios
Jean M. Arriola
Edward Muna
Vince Naputi
Raymond Mantanona
Ken McDonald
Tony Laniog
Joseph Javellana
RolendaFaasuamalie
Henry Cruz

Executive Manager
Deputy Executive Manager
Comptroller
Airport Services Manager
Air Terminal Manager, Acting
Chief, Airport Police
Chief, GIAA ARFF
Properties & Facilities Superintendent
Acting Engineering Supervisor
Program Coordinator IV
Airport Marketing
Management Analyst I

Janalynn C. Damian, Esq.
Frank R. Santos

GIAA Legal Counsel
GIAA Consultant

Chairman Bamba welcomed Airport tenants, stakeholders, and members of the public who are noted in a sign-in sheet attached to these minutes.

2. APPROVAL OF AGENDA

Motion to approve the agenda as presented duly made by Director Weakley, seconded by Vice Chairman Sobti; motion unanimously passed.

3. NEW BUSINESS

- A. Approval of Board Resolution No. 20-01: Issue and Sell General Revenue Bonds to Refund Certain Outstanding General Revenue Bonds, and Approving and Authorizing Related Documents, Agreements and Actions**

Executive Manager Ada advised the Board that a team consisting of Chairman Bamba, Vice Chairman Sobti, John Rios, Comptroller, Jean Arriola, Airport Services Manager, Frank Santos, GIAA Consultant, Christina Garcia, Guam Economic Development Authority (GEDA) Public Finance Manager, Ricky Hernandez, GEDA Deputy Administrator, and Lester Carlson (BBMR Director) travelled to San Francisco from September 27, 2019 to October 4, 2019 to appear before rating agencies Standard & Poor's and Moody's, and make presentations in terms of financial performance, and to affirm GIAA's credit rating. The team that attended the rating trip did well. GIAA's credit rating should be available in about a week, at which time the GIAA team will then be ready to travel to New York for the bond sale.

Executive Manager Ada informed the Board that the referenced resolution presents to the Board a number of documents for Board consideration - Fourth Supplemental Indenture, Continuing Disclosure Agreement, Bond Purchase Contract, Escrow Agreement, and Preliminary Official Statement. Executive Manager Ada advised that a number of data elements are still required to be inputted on the documents, such as amount and interest rate, to name a few. The resolution designates Chairman Bamba and Executive Manager Ada as Authorized Officers and authorizes the Chairman or Executive Manager to make those last minute adjustments to the documents once the information becomes available, in consultation with Legal Counsel. Executive Manager Ada briefly presented each document to the Board.

Director Belanger advised the Board of a typo on the section numbering.

Director Morato inquired if this is a typical for the final terms of the documents to be determined at a later time. Executive Manager Ada introduced Mr. Lester Carlson, who has many years of experience with Guam bond issuances. Mr. Carlson informed the Board that terms such as pricing and yield are unknown at this time and will not be known until the pricing. Mr. Carlson added that the referenced resolution authorizes the designated officers, Chairman Bamba and Executive Manager Ada, to act in the best interest of the Authority and to finalize the deal terms, upon consultation with legal counsel. Mr. Carlson confirmed that this is a typical process. Discussion followed.

Chairman Bamba informed the Board and Management that he was very impressed with the effort by GIAA and expressed his appreciation to GEDA and BBMR for their involvement in guiding GIAA throughout this process. Chairman Bamba noted that he is confident in what the Executive Manager has presented, and further expressed his appreciation for the Executive Manager Ada's thorough presentation.

After further discussion, on motion duly made by Director Weakley, seconded by Director Morato, the following motion was unanimously approved:

Resolution No. 20-01

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 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;

WHEREAS, Section 1208 of the Act and Section 50103(k) of Division 2 of Title 12 of the Guam Code Annotated additionally require the approval of the Legislature of Guam (the "Legislature") and the Guam Economic Development Authority ("GEDA") prior to the issuance of such bonds;

WHEREAS, the Authority 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 International Airport Authority, Guam General Revenue Bonds (the "Bonds");

WHEREAS, the Authority proposes to issue and sell one or more new series of Bonds under the Indenture (the "2019 Bonds") for the purpose of refunding a portion of the outstanding A.B. Won Pat International Airport Authority, Guam General Revenue Bonds 2013 Series C (the "2013 Series C Bonds") previously issued under the Indenture, and paying related costs of issuance and of such refunding;

WHEREAS, this Board of Directors (the "Board") has determined that it is in the best interests of the Authority to redeem, defease or otherwise retire such outstanding 2013 Series C Bonds, and that it is in the best interests of the Authority to issue the 2019 Bonds pursuant to the Act for the purposes described in this resolution;

WHEREAS, the Legislature, by the enactment of Bill 140-35, signed into law by the Governor of Guam (the "Governor") as Public Law 35-33 on September 4, 2019 (the "Bond Act"), has provided its approval for the issuance of the 2019 Bonds, subject to the conditions and limitations set forth therein, and GEDA has been requested to provide its approval;

WHEREAS, as required by the Bond Act, the Authority submitted to the Legislature a notice of intent to issue and sell the 2019 Bonds no less than 10 working days prior to the date hereof, a copy of which is attached to this resolution as Exhibit A;

WHEREAS, this Board desires to approve the issuance and sale of the 2019 Bonds, and certain documents and instruments in connection with the 2019 Bonds, and to authorize the appropriate officers and employees of the Authority to determine the terms of the 2019 Bonds to be issued and to proceed with arrangements for the sale of the 2019 Bonds and the refunding of the 2013 Series C Bonds; and

WHEREAS, there have been presented to this Board proposed substantially final forms of certain documents pursuant to which the 2019 Bonds are proposed to be issued and sold and pursuant to which the 2013 Series C Bonds are to be refunded or defeased;

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 Fourth 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 the Indenture and providing for the issuance of the 2019 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 2019 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 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") to be executed by the Authority, GEDA and Barclays Capital Inc., as representative of the underwriters of the 2019 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. The Bond Purchase Agreement shall specify the aggregate principal amount of 2019 Bonds to be issued, the number of series of such 2019 Bonds, the maturity or maturities (which shall not extend beyond October 1, 2026) and the fixed interest rate or rates of the 2019 Bonds and the price or prices at which the 2019 Bonds are sold.

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 2019 Bonds and other interested parties, and to execute and cause to be delivered a final official statement (the "Official Statement") to purchasers of the 2019 Bonds and other interested parties, in substantially the form of the Preliminary Official Statement but 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 2019 Bonds and to be distributed in preliminary form in connection with the marketing and sale of the 2019 Bonds.

Section 6. The sale, issuance and delivery of the 2019 Bonds, pursuant to the Bond Act and the Indenture, as supplemented by the Supplemental Indenture, in one or more series, which may be taxable or tax-exempt, and in an aggregate principal amount not to exceed the amount authorized by the Bond Act, is hereby approved. Notwithstanding any other provision of this resolution, the 2019 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.

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 Authority and the 2019 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, the Bond Act and the Internal Revenue Code of 1986 (the "Code"), including requirements of the Tax Equity and Fiscal Responsibility Act of 1982, and any reports required to be prepared and delivered by or in coordination with GEDA or the Authority pursuant to the Bond Act, execution of any agreements, amendments, terminations, notices, consents or directions in connection with the refunding of the 2013 Series C Bonds or the investment of any funds on deposit under the Indenture, and the 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 2019 Bonds and the refunding of the 2013 Series C Bonds. The Authorized Officers are hereby expressly authorized to arrange for such bond insurance, reserve fund surety bond or other supplemental security arrangements for all or such portion of the 2019 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 8. All actions heretofore taken by the officers, representatives or agents of the Authority in connection with the issuance and sale of the 2019 Bonds are hereby ratified, confirmed and approved.

Section 9. This resolution shall take effect from and after its adoption and upon the approval by the Governor of this resolution in writing as required by Section 1208 of the Act.

B. Approval of Award for Secure Access Control System Management and Infrastructure Support Services - RFP No. RFP-007-FY19

The next item requiring Board action was the award for Secure Access Control System Management and Infrastructure Support Services. Ms. Jean Arriola, Airport Services Manager, provided background information to the Board on the referenced RFP including the scope of services, contract term, dates of advertisement of the RFP, proposal submission deadline, and the number of interested proposers. A total of fifteen (15) firms showed their interest by obtaining the RFP package, and two (2) firms submitted proposals before the established deadline. An evaluation committee was established to evaluate the two (2) proposals based on the evaluation criteria set forth in the RFP. As a result of the committee's evaluation, the two offerors were found to be responsible and responsive and the offerors in order of their ranking are as follows:

1. Offeror A
2. Offeror B

The term of the contract is for a period of three (3) years with additional two (2) one (1) year option years to be exercised at the sole discretion of GIAA, not to exceed a total contract period of five (5) years and subject to the availability of funding. The contract will be funded under the Administration Division's O&M Budget.

Management recommends that the Board approve the ranking results and the contract award to Offeror A for Secure Access Control System Management and Infrastructure Support Services, subject to negotiation of fair and reasonable fees to be submitted by Offeror A at a time and in a format determined by GIAA. If GIAA is unable to negotiate a contract with Offeror A, the Executive Manager or his designee, may enter into negotiations with the next ranked offeror, consistent with the Guam Procurement Law & Regulations.

Chairman Bamba inquired if the current contract is similar in scope. Management replied yes. The Chairman inquired whether Management sees the Airport saving any money with the new contract in light of improvements in technology. Ms. Arriola replied that the scope is for the current terminal system, but additional areas may be added such as the Third Floor, once it comes online.

Director Weakley inquired on cost for the current contract. Ms. Arriola replied that the current incumbent's (5) year contract costs GIAA \$170,000.00 per year.

After further discussion, on motion duly made by Director Weakley, seconded by Director Belanger, the following resolution was unanimously approved:

Resolution No. 20-02

The Board hereby approves the ranking results as presented and the contract award to Offeror A for Secure Access Control System Management and Infrastructure Support Services - RFP No. RFP-007-FY19, subject to Management's negotiation of fair and reasonable fees and review by legal counsel.

Ms. Jean Arriola announced that Offeror A is SecureSafe Solutions.

C. Approval of Award for Paging System Management and Infrastructure Support Services - RFP No. RFP-008-FY19

The next item requiring Board action was the award for Secure Access Control System Management and Infrastructure Support Services. Ms. Jean Arriola, Airport Services Manager, provided background information to the Board on the referenced RFP including the scope of services, contract term, dates of advertisement of the RFP, proposal submission deadline, and the number of interested proposers. A total of fourteen (14) firms showed their interest by obtaining the RFP package, and one proposal was submitted before the established deadline. An evaluation committee was established to evaluate the one (1) proposal that was submitted

based on the evaluation criteria set forth in the RFP. As a result of the committee's evaluation, the offeror was found to be responsible and responsive and the ranking result is as follows:

1. Offeror A

The term of the contract is for a period of one (1) year with four (4) one (1) year options to be exercised at the sole discretion of GIAA, not to exceed a total contract term of five (5) years and subject to the availability of funding. The contract will be funded under the Administration Division's O&M Budget.

Management recommends that the Board approve the ranking results and the contract award to Offeror A for Paging System Management and Infrastructure Support Services, subject to negotiation of fair and reasonable fees to be submitted by Offeror A at a time and in a format determined by GIAA. If GIAA is unable to negotiate a contract with Offeror A, the Executive Manager or his designee, may proceed consistent with the Guam Procurement Law & Regulations.

Chairman Bamba inquired if the referenced paging system integrates with the emergency system. Ms. Arriola replied that it is a standalone system at the gates and ticket counters. Emergency announcements are made through the terminal system. Mr. Frank Santos, GIAA Consultant, added that the gate agent is able to dial up for just onegate or all gates. In addition, at the ticket counters, you are able to hear the paging on the opposite side of the building.

After further discussion, on motion duly made by Director Weakley, seconded by Vice Chairman Sobti, the following resolution was unanimously approved:

Resolution No. 20-03

The Board hereby approves the ranking results as presented and the contract award to Offeror A for Paging System Management and Infrastructure Support Services - RFP No. RFP-008-FY19, subject to Management's negotiation of fair and reasonable fees and review by legal counsel.

Ms. Jean Arriola announced that Offeror A is SecureSafe Solutions.

Before adjourning, Chairman Bamba took the time to recognize the GEDA representatives in attendance and thanked them for the support offered to GIAA on the recent bond rating trip to San Francisco and that he looks forward to New York and getting the best deal for the Airport and for Guam with the sale of the Bonds.

4. ADJOURNMENT

Motion to adjourn duly made by Director Alcorn, seconded by Vice Chairman Sobti; motion

unanimously passed. The meeting was adjourned at 3:40 p.m.

Dated this 12th, day of November, 2019.

A stylized signature in black ink, consisting of several overlapping loops and a vertical stroke.

Brian J. Bamba
Chairman

Attest:

A signature in blue ink, featuring a large initial 'D' followed by a series of horizontal, wavy strokes.

Donald I. Weakley
Board Secretary

Prepared and Submitted By:

A signature in blue ink, with a large initial 'A' and a long, horizontal, wavy stroke extending to the right.

Amanda O'Brien-Rios
Corresponding Secretary



BOARD OF DIRECTORS OF THE
A.B. WON PAT INTERNATIONAL AIRPORT AUTHORITY, GUAM

RESOLUTION NO. 20-01

RESOLUTION DETERMINING TO ISSUE AND SELL
GENERAL REVENUE BONDS TO REFUND CERTAIN
OUTSTANDING GENERAL REVENUE BONDS, 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 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;

WHEREAS, Section 1208 of the Act and Section 50103(k) of Division 2 of Title 12 of the Guam Code Annotated additionally require the approval of the Legislature of Guam (the "Legislature") and the Guam Economic Development Authority ("GEDA") prior to the issuance of such bonds;

WHEREAS, the Authority 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 International Airport Authority, Guam General Revenue Bonds (the "Bonds");

WHEREAS, the Authority proposes to issue and sell one or more new series of Bonds under the Indenture (the "2019 Bonds") for the purpose of refunding a portion of the outstanding A.B. Won Pat International Airport Authority, Guam General Revenue Bonds 2013 Series C (the "2013 Series C Bonds") previously issued under the Indenture, and paying related costs of issuance and of such refunding;

WHEREAS, this Board of Directors (the "Board") has determined that it is in the best interests of the Authority to redeem, defease or otherwise retire such outstanding 2013 Series C Bonds, and that it is in the best interests of the Authority to issue the 2019 Bonds pursuant to the Act for the purposes described in this resolution;

WHEREAS, the Legislature, by the enactment of Bill 140-35, signed into law by the Governor of Guam (the "Governor") as Public Law 35-33 on September 4, 2019 (the "Bond Act"), has provided its approval for the issuance of the 2019 Bonds, subject to the conditions and limitations set forth therein, and GEDA has been requested to provide its approval;

WHEREAS, as required by the Bond Act, the Authority submitted to the Legislature a notice of intent to issue and sell the 2019 Bonds no less than 10 working days prior to the date hereof, a copy of which is attached to this resolution as Exhibit A;

WHEREAS, this Board desires to approve the issuance and sale of the 2019 Bonds, and certain documents and instruments in connection with the 2019 Bonds, and to authorize the appropriate officers and employees of the Authority to determine the terms of the 2019 Bonds to be issued and to proceed with arrangements for the sale of the 2019 Bonds and the refunding of the 2013 Series C Bonds; and

WHEREAS, there have been presented to this Board proposed substantially final forms of certain documents pursuant to which the 2019 Bonds are proposed to be issued and sold and pursuant to which the 2013 Series C Bonds are to be refunded or defeased;

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 Fourth 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 the Indenture and providing for the issuance of the 2019 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 2019 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 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") to be executed by the Authority, GEDA and Barclays Capital Inc., as representative of the underwriters of the 2019 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. The Bond Purchase Agreement shall specify the aggregate principal amount of 2019 Bonds to be issued, the number of series of such 2019 Bonds, the maturity or maturities (which shall not extend beyond October 1, 2026) and the fixed interest rate or rates of the 2019 Bonds and the price or prices at which the 2019 Bonds are sold.

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 2019 Bonds and other interested parties, and to execute and cause to be delivered a final official statement (the “Official Statement”) to purchasers of the 2019 Bonds and other interested parties, in substantially the form of the Preliminary Official Statement but 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 2019 Bonds and to be distributed in preliminary form in connection with the marketing and sale of the 2019 Bonds.

Section 6. The sale, issuance and delivery of the 2019 Bonds, pursuant to the Bond Act and the Indenture, as supplemented by the Supplemental Indenture, in one or more series, which may be taxable or tax-exempt, and in an aggregate principal amount not to exceed the amount authorized by the Bond Act, is hereby approved. Notwithstanding any other provision of this resolution, the 2019 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.

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 Authority and the 2019 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, the Bond Act and the Internal Revenue Code of 1986 (the “Code”), including requirements of the Tax Equity and Fiscal Responsibility Act of 1982, and any reports required to be prepared and delivered by or in coordination with GEDA or the Authority pursuant to the Bond Act, execution of any agreements, amendments, terminations, notices, consents or directions in connection with the refunding of the 2013 Series C Bonds or the investment of any funds on deposit under the Indenture, and the 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 2019 Bonds and the refunding of the 2013 Series C Bonds. The Authorized Officers are hereby expressly authorized to arrange for such bond insurance, reserve fund surety bond or other supplemental security arrangements for all or such portion of the 2019 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 8. All actions heretofore taken by the officers, representatives or agents of the Authority in connection with the issuance and sale of the 2019 Bonds are hereby ratified, confirmed and approved.

Section 9. This resolution shall take effect from and after its adoption and upon the approval by the Governor of this resolution in writing as required by Section 1208 of the Act.

SECRETARY'S CERTIFICATE

I, Donald I. Weakley, 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 October 11, 2019, 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: 6

Noes: 0

Absent: 1

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: October 14, 2019


Secretary of the Board of Directors

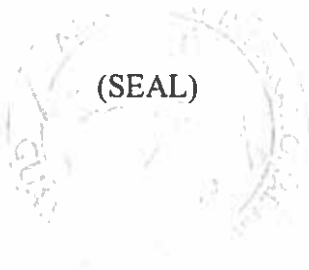


EXHIBIT A

[Notice of intent to issue and sell the 2019 Bonds]



September 10, 2019

356L-19-1008
Speaker Tina Rose Muña Barnes

Honorable Tina Muña Barnes
Speaker
I Mina'trentai Singko Na Liheslaturan Guåhan
Guam Congress Building
163 Chalan Santo Papa
Hagåtña, Guam 96910

SEP 12 2019
Time 2:00 () AM / PM
Received By: alan

Re: Notice of Intent under Public Law No. 35-33

Hafa Adai, Speaker:

As you are aware, Governor Lou Leon Guerrero recently signed into law Public Law No. 35-33, which authorizes the A.B. Won Pat International Airport Authority (the "Authority") to issue General Revenue Bonds (the "Bonds") to refund a portion of its outstanding General Revenue Bonds, 2013 Series C (the "2013 C Bonds"). As you are further aware, Section 2(c)(1) of Public Law No. 35-33 requires the Authority to submit a Notice of Intent to issue and sell Bonds to *I Liheslaturan Guåhan* no less than (10) working days before the consideration of a bond resolution of the Board of Directors of the Authority. Therefore, pursuant to Section 2(c)(1) of the Public Law No. 35-33, the Authority hereby provides such Notice of Intent by submittal of this letter to you. The savings derived from the issuance of the Bonds and the refunding of a portion of the 2013 C Bonds will be applied by the Authority solely towards capital improvement projects.

Thank you very much for your attention on this matter.

Senseramente,

Thomas C. Ada
Executive Manager

2019 SEP 12 PM 2:28

1008

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

Dated: October 15, 2019



LOURDES A. LEON GUERRERO
Governor of Guam

BOARD OF DIRECTORS SPECIAL MEETING
3:00 p.m., Friday, October 11, 2019
GIAA TERMINAL CONFERENCE ROOM #3

Public Notice

First Notice:

PDN – October 4, 2019

Notice to Media – October 4, 2019

Second Notice:

PDN - October 9, 2019

Notice to Media – October 9, 2019

AGENDA

1. Call to Order and Attendance
2. Approval of Agenda
3. •New Business
 - A. Approval of Board Resolution No. 20-01: Issue and Sell General Revenue Bonds to Refund Certain Outstanding General Revenue Bonds, and Approving and Authorizing Related Documents, Agreements and Actions
 - B. Approval of Award for Secure Access Control System Management and Infrastructure Support Services - RFP No. RFP-007-FY19
 - C. Approval of Award for Paging System Management and Infrastructure Support Services - RFP No. RFP-008-FY19
4. Adjournment

A.B. WON PAT INTERNATIONAL AIRPORT AUTHORITY, GUAM

Board of Directors Special Meeting

3:00 p.m., Friday, October 11, 2019

GIAA Terminal Conference Room #3

SIGN-IN SHEET

	<u>PRINT NAME</u>	<u>COMPANY/AGENCY</u>
1.	J. G. Javelana	PMD
2.	Tina Garcia	GEDA
3.	Raymond Mantuana	ARFF
4.	JOAN ARRIOLA	ADMIN
5.	Artemio Hernandez	GEDA
6.		
7.		
8.		
9.		
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ROOMMATES

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& 10/06 7:00am-10:00am
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Blue 2stry nr Mayors Ofc.
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GovernorThe Honorable
JOSHUA F. TENORIO
Lt. Governor

PUBLIC NOTICE

The Board of Directors of the A.B. Won Pat International
Airport Authority, Guam (GIAA) will hold a **Special** Board
meeting on Friday, October 11, 2019 at 3:00 p.m. in
Terminal Conference Room No. 3 to approve Board
Resolution No. 20-01: Issue and Sell General Revenue
Bonds to Refund Certain Outstanding General Revenue
Bonds, and Approving and Authorizing Related Documents,
Agreements and Actions; Approval of Award for Secure
Access Control System Management and Infrastructure
Support Services - RFP No. RFP-007-FY19; and Approval
of Award for Paging System Management and Infrastructure
Support Services - RFP No. RFP-008-FY19. Parking is
available in the Public Parking Lot.For special accommodations or agenda items, please
call the Board Office at 642-4717/18.

(This ad paid for by GIAA)

UNIVERSITY OF GUAM
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Guam Cancer Trust Fund

NOTICE OF AVAILABILITY OF FUNDS FOR FY2020

The Guam Cancer Trust Fund Council, pursuant to PL 30-80 as amended,
announces the availability of funds for the prevention, treatment and support of
cancer patients. Eligible applicants are non-profit organizations duly incorporated
in the island of Guam. Services may include but are not limited to: off-island
transportation to and from cancer treatment centers/clinics; consumable supplies
for cancer care; provision of special dietary needs or food assistance during
active treatment; medications required for symptom control; and education and
outreach.The deadline for submission of applicants is Friday, October 25, 2019 at 5:00
p.m. at the Office of Research and Sponsored Programs located at Dean's Circle
House #27. Interested applicants may get more information by contacting Bruce
San Nicolas at 735-2672 or email gctf@triton.uog.edu. You may also visit our
website at https://www.uog.edu/research/guam-cancer-trust-fund./s/ Dr. Thomas W. Krise
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This advertisement is paid for by the Guam Cancer Trust Fund.

Sports



United States forward Alex Morgan is seen during the World Cup final against Netherlands on July 7. PRESSE SPORTS/USA TODAY SPORTS

US women counter soccer federation's assertions on compensation

Anne M. Peterson ASSOCIATED PRESS

U.S. Soccer was misleading when it asserted some players for the women's national team made more money than their male counterparts, the women's team players said in court documents filed Monday.

The players say in the documents that the men's pay would have been far greater if they'd had the same success on the field as the women.

The filing was a response to a U.S. Soccer motion opposing the players' request to certify a lawsuit seeking equitable pay as a class-action. The women asked a court last month to include all players called up to the national team, which could increase the class to more than 50 players.

Twenty-eight players, including stars Alex Morgan and Megan Rapinoe, were part of the original suit filed against U.S. Soccer in March alleging institutionalized gender discrimination that includes inequitable compensation between the men's and women's teams. A May 5 trial date has been set in U.S. District Court in Los Angeles.

The federation has maintained that compensation for each team is the result of separate collective bargaining agreements, and that the pay structures are different as a result. Men's team players are paid largely by appearance and performance, while the contract for the women's team includes provisions for health care and other benefits, as well as salaries in the National Women's Soccer League.

U.S. Soccer further argued last week that four players – Morgan, Rapinoe, Carli Lloyd and Becky Sauerbrunn – were each paid more than the highest-paid player on the men's national team in four years over the period between 2014 and 2019. The four earned more even when NWSL salaries weren't included, the motion said.

U.S. Soccer said because those players made more, they lack the standing to represent a class.

"The women chose to have a guaranteed salary of up to \$172,500 per year, and in addition to this salary, they earn game and tournament bonuses, and receive a robust package of benefits. While the players on our men's national team can earn larger bonuses, they take more risk as they do not receive any guaranteed money or benefits within their pay-for-play contract structure," U.S. Soccer said in a statement.

The women's filing Monday said the only reason those four players were able to earn more was "they worked in far more games, had far greater success and thus were able to earn more money in salary and bonuses even under the indisputably discriminatory set of the USSF's compensation policies." It said this didn't constitute equal pay.

The players' response maintains that the four players were paid less than one-third of what a male counterpart would have made if the men's team had been as successful over the same period.

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The Honorable
LOURDES A. LEON GUERRERO
Governor

The Honorable
JOSHUA F. TENORIO
Lt. Governor



PUBLIC NOTICE

The Board of Directors of the A.B. Won Pat International Airport Authority, Guam (GIAA) will hold a **Special** Board meeting on Friday, October 11, 2019 at 3:00 p.m. in Terminal Conference Room No. 3 to approve Board Resolution No. 20-01: Issue and Sell General Revenue Bonds to Refund Certain Outstanding General Revenue Bonds, and Approving and Authorizing Related Documents, Agreements and Actions; Approval of Award for Secure Access Control System Management and Infrastructure Support Services - RFP No. RFP-007-FY19; and Approval of Award for Paging System Management and Infrastructure Support Services - RFP No. RFP-008-FY19. Parking is available in the Public Parking Lot.

For special accommodations or agenda items, please call the Board Office at 642-4717/18.

(This ad paid for by GIAA)

Ray Cruz Haddock, Esq.
PACIFIC LAW
PROFESSIONALS, PLLC
277 Chalan Santo Papa
Hagåtña, Guam 96910
Telephone: 671-477-0000
Facsimile: 671-477-0001
mail@pacilawpro.com

Attorneys for Petitioner

IN THE SUPERIOR
COURT OF GUAM

IN THE MATTER
OF THE ESTATE
OF

JOSEFINA CRUZ CRUZ,
Deceased.

Probate Case No.
PR0038-18

NOTICE
OF HEARING

THIS NOTICE IS
REQUIRED BY LAW. YOU
ARE NOT REQUIRED TO
APPEAR IN COURT
UNLESS YOU DESIRE.

NOTICE IS HEREBY GIVEN that Norma Cruz Manglona has filed herein a Petition for Probate of Will and of Administration with the Will Annexed upon the above captioned estate of the Deceased, and the time and place of said hearing is in the Superior Court of Guam on October 17, 2019 at the hour of 10:30 a.m., and all persons interested are hereby notified to appear and show cause, if any they have, why the Petition should not be granted.

Reference is made to said petition for further particulars. Dated: September 23, 2019.

Danielle T. Rosete
Clerk of Court,
Superior Court of Guam
By: Jacqueline S. C. Terlaite
Deputy Clerk

BOARD OF DIRECTORS OF THE
A.B. WON PAT INTERNATIONAL AIRPORT AUTHORITY, GUAM

RESOLUTION NO. 20-01

RESOLUTION DETERMINING TO ISSUE AND SELL
GENERAL REVENUE BONDS TO REFUND CERTAIN
OUTSTANDING GENERAL REVENUE BONDS, 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 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;

WHEREAS, Section 1208 of the Act and Section 50103(k) of Division 2 of Title 12 of the Guam Code Annotated additionally require the approval of the Legislature of Guam (the “Legislature”) and the Guam Economic Development Authority (“GEDA”) prior to the issuance of such bonds;

WHEREAS, the Authority 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 International Airport Authority, Guam General Revenue Bonds(the “Bonds”);

WHEREAS, the Authority proposes to issue and sell one or more new series of Bonds under the Indenture (the “2019 Bonds”) for the purpose of refunding a portion of the outstanding A.B. Won Pat International Airport Authority, Guam General Revenue Bonds 2013 Series C (the “2013 Series C Bonds”) previously issued under the Indenture, and paying related costs of issuance and of such refunding;

WHEREAS, this Board of Directors (the “Board”) has determined that it is in the best interests of the Authority to redeem, defease or otherwise retire such outstanding 2013 Series C Bonds, and that it is in the best interests of the Authority to issue the 2019 Bonds pursuant to the Act for the purposes described in this resolution;

WHEREAS, the Legislature, by the enactment of Bill 140-35, signed into law by the Governor of Guam (the “Governor”) as Public Law 35-33 on September 4, 2019 (the “Bond Act”), has provided its approval for the issuance of the 2019 Bonds, subject to the conditions and limitations set forth therein, and GEDA has been requested to provide its approval;

WHEREAS, as required by the Bond Act, the Authority submitted to the Legislature a notice of intent to issue and sell the 2019 Bonds no less than 10 working days prior to the date hereof, a copy of which is attached to this resolution as Exhibit A;

WHEREAS, this Board desires to approve the issuance and sale of the 2019 Bonds, and certain documents and instruments in connection with the 2019 Bonds, and to authorize the appropriate officers and employees of the Authority to determine the terms of the 2019 Bonds to be issued and to proceed with arrangements for the sale of the 2019 Bonds and the refunding of the 2013 Series C Bonds; and

WHEREAS, there have been presented to this Board proposed substantially final forms of certain documents pursuant to which the 2019 Bonds are proposed to be issued and sold and pursuant to which the 2013 Series C Bonds are to be refunded or defeased;

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 Fourth 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 the Indenture and providing for the issuance of the 2019 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 2019 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 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”) to be executed by the Authority, GEDA and Barclays Capital Inc., as representative of the underwriters of the 2019 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. The Bond Purchase Agreement shall specify the aggregate principal amount of 2019 Bonds to be issued, the number of series of such 2019 Bonds, the maturity or maturities (which shall not extend beyond October 1, 2026) and the fixed interest rate or rates of the 2019 Bonds and the price or prices at which the 2019 Bonds are sold.

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 2019 Bonds and other interested parties, and to execute and cause to be delivered a final official statement (the “Official Statement”) to purchasers of the 2019 Bonds and other interested parties, in substantially the form of the Preliminary Official Statement but 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 2019 Bonds and to be distributed in preliminary form in connection with the marketing and sale of the 2019 Bonds.

Section 6. The sale, issuance and delivery of the 2019 Bonds, pursuant to the Bond Act and the Indenture, as supplemented by the Supplemental Indenture, in one or more series, which may be taxable or tax-exempt, and in an aggregate principal amount not to exceed the amount authorized by the Bond Act, is hereby approved. Notwithstanding any other provision of this resolution, the 2019 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.

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 Authority and the 2019 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, the Bond Act and the Internal Revenue Code of 1986 (the “Code”), including requirements of the Tax Equity and Fiscal Responsibility Act of 1982, and any reports required to be prepared and delivered by or in coordination with GEDA or the Authority pursuant to the Bond Act, execution of any agreements, amendments, terminations, notices, consents or directions in connection with the refunding of the 2013 Series C Bonds or the investment of any funds on deposit under the Indenture, and the 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 2019 Bonds and the refunding of the 2013 Series C Bonds. The Authorized Officers are hereby expressly authorized to arrange for such bond insurance, reserve fund surety bond or other supplemental security arrangements for all or such portion of the 2019 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 9. All actions heretofore taken by the officers, representatives or agents of the Authority in connection with the issuance and sale of the 2019 Bonds are hereby ratified, confirmed and approved.

Section 10. This resolution shall take effect from and after its adoption and upon the approval by the Governor of this resolution in writing as required by Section 1208 of the Act.

SECRETARY'S CERTIFICATE

I, Donald I. Weakley, 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 October 11, 2019, 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: _____, 2019

Secretary of the Board of Directors

(SEAL)

EXHIBIT A

[Notice of intent to issue and sell the 2019 Bonds]

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

Dated: _____, 2019

LOURDES A. LEON GUERRERO
Governor of Guam



September 10, 2019

356L-19-1008
Speaker Tina Rose Muña Barnes

Honorable Tina Muña Barnes
Speaker
I Mina'trentai Singko Na Liheslaturan Guåhan
Guam Congress Building
163 Chalan Santo Papa
Hagåtña, Guam 96910

SEP 12 2019
Time 2:00 ()AM (X)PM
Received By: alan

Re: Notice of Intent under Public Law No. 35-33

Hafa Adai, Speaker:

As you are aware, Governor Lou Leon Guerrero recently signed into law Public Law No. 35-33, which authorizes the A.B. Won Pat International Airport Authority (the "Authority") to issue General Revenue Bonds (the "Bonds") to refund a portion of its outstanding General Revenue Bonds, 2013 Series C (the "2013 C Bonds"). As you are further aware, Section 2(c)(1) of Public Law No. 35-33 requires the Authority to submit a Notice of Intent to issue and sell Bonds to *I Liheslaturan Guåhan* no less than (10) working days before the consideration of a bond resolution of the Board of Directors of the Authority. Therefore, pursuant to Section 2(c)(1) of the Public Law No. 35-33, the Authority hereby provides such Notice of Intent by submittal of this letter to you. The savings derived from the issuance of the Bonds and the refunding of a portion of the 2013 C Bonds will be applied by the Authority solely towards capital improvement projects.

Thank you very much for your attention on this matter.

Senseramente,

Thomas C. Ada
Executive Manager

1008

2019 SEP 12 PM 2:28

A.B. WON PAT INTERNATIONAL AIRPORT AUTHORITY, GUAM

and

BANK OF GUAM,
as Trustee,

and

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

FOURTH SUPPLEMENTAL INDENTURE

Dated as of November 1, 2019

Relating to

[\$[2019A PAR] A.B. Won Pat International Airport Authority, Guam
General Revenue Bonds, 2019 Series A

and

[\$[2019B PAR] A.B. Won Pat International Airport Authority, Guam
General Revenue Bonds, 2019 Series B (Taxable)

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THIS FOURTH SUPPLEMENTAL INDENTURE, made and entered into and dated as of November 1, 2019, 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 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”),

W I T N E S S E T H:

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”), 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 and as further supplemented and amended by that certain Third Supplemental Indenture, dated as of September 1, 2013 (the “Third Supplemental Indenture”) (as so 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, as of the date hereof, under the Indenture, \$[] aggregate principal amount of the 2013 Series A Bonds, \$[] aggregate principal amount of the 2013 Series B Bonds, and \$[] aggregate principal amount of the 2013 Series C Bonds remain Outstanding;

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 \$[2019A PAR] principal amount of Bonds further designated as “2019 Series A Bonds” and \$[2019B PAR] principal amount of Bonds further designated as “2019 Series B Bonds (Taxable)” (collectively, the “2019 Bonds”) for the purposes set forth herein, including to refund [all or a portion of] the remaining outstanding 2013 Series C Bonds;

WHEREAS, by its resolution number [] adopted on [], 2019, the Board has approved the issuance and sale of the 2019 Bonds;

WHEREAS, subject to the satisfaction of certain terms and conditions, the Legislature of Guam (as required by Section 50103(k) of Title 12, Guam Code Annotated (the “GEDA Law”) and the Act), by Public Law 35-33, has approved the terms and conditions of the issuance of said 2019 Bonds;

WHEREAS, pursuant to the GEDA Law, by its resolution number [] adopted on [], 2019, the Guam Economic Development Authority has approved the issuance and sale of the 2019 Bonds;

WHEREAS, the 2019 Bonds shall be additional Bonds issued under the Indenture as supplemented hereby, in particular Section 3.04 thereof; and

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 2019 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 FOURTH SUPPLEMENTAL INDENTURE WITNESSETH, in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the 2019 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 XXVI

DEFINITIONS

Section 26.01 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” means, with respect to the 2019 Bonds, the period of twelve consecutive months ending on October 1 of each year if 2019 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 2019 Bonds and end on [October____, 2020].

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

“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” means that certain Escrow Agreement, dated as of November 1, 2019 by the Authority to the Escrow Agent relating to the establishment of an escrow fund for the purpose of the refunding [a portion of] the Refunded Bonds.

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

“Principal Office” means, with respect to the Co-Trustee, the corporate trust office of the Co-Trustee in Los Angeles, California, provided for transfer, exchange, surrender, presentation and payment with respect to the Bonds means the corporate trust operations office of the co-trustee in Saint Paul, Minnesota, or such other office designated by the Co-Trustee to the Authority in writing.

“Refunded Bonds” means [all or a portion of] of the remaining Outstanding 2013 Series C Bonds.

Standard & Poor’s and Moody’s Investors Service are each designated as a Rating Agency with respect to the 2019 Bonds.

“Representation Letter” means any representation letter delivered to or agreement with DTC with respect to the 2019 Bonds.

“Serial Bonds” means, with respect to the 2019 Bonds, the 2019 Bonds designated as such by Section 27.02, and for which no Mandatory Sinking Account Payments are provided.

“Series 2019 Closing Date” means [CLOSING DATE], the Date of Issuance of the 2019 Bonds.

“Term Bonds” means, with respect to the 2019 Bonds, the 2019 Bonds designated as such by Section 27.02, and for which Mandatory Sinking Account Payments are scheduled.

“2013 Series A Bonds” means the \$4,620,000 original principal amount of A.B. Won Pat Guam International Airport Authority, Guam General Revenue Bonds, 2013 Series A, originally issued on September 12, 2013.

“2013 Series B Bonds” means the \$33,675,000 original principal amount of A.B. Won Pat Guam International Airport Authority, Guam General Revenue Bonds, 2013 Series B, originally issued on September 12, 2013.

“2013 Series C Bonds” means the \$199,040,000 original principal amount of A.B. Won Pat Guam International Airport Authority, Guam General Revenue Bonds, 2013 Series C, originally issued on September 12, 2013.

“2019 Authorized Amount” means \$[Total Par] in the aggregate, composed of 2019 Series A Bonds which may be issued and Outstanding under this Supplemental Indenture in an amount not exceeding \$[2019A PAR] and 2019 Series B Bonds which may be issued and Outstanding under this Supplemental Indenture in an amount not exceeding \$[2019B PAR].

“2019 Bonds” means the 2019 Series A Bonds and the 2019 Series B Bonds.

“2019 Series A Bonds” means the \$[2019A PAR] principal amount of A.B. Won Pat International Airport Authority, Guam General Revenue Bonds, 2019 Series A.

“2019 Series B Bonds” means the \$[2019B PAR] principal amount of A.B. Won Pat International Airport Authority, Guam General Revenue Bonds, 2019 Series B (Taxable).

ARTICLE XXVII

AUTHORIZATION AND TERMS OF THE 2019 BONDS

Section 27.01 Authorization of 2019 Bonds. The following Series of Bonds are hereby authorized and created under the Act for the purpose(s) of (i) refunding the Refunded Bonds and (ii) 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, 2019 Series A,” and “A.B. Won Pat International Airport Authority, Guam General Revenue Bonds, 2019 Series B (Taxable)”. The aggregate principal amount of 2019 Bonds authorized to be issued and outstanding hereunder is expressly limited to the 2019 Authorized Amount.

The 2019 Series A Bonds and the 2019 Series B Bonds shall collectively be treated as a single Series under the Indenture.

Section 27.02 Terms of 2019 Bonds; Mandatory Sinking Account Payments; Appointments; Depositary Designations.

The 2019 Bonds shall be issued as fully registered Bonds without coupons in the denominations of \$5,000 or any integral multiple thereof. The 2019 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 [April 1, 2020], (each, an “Interest Payment Date” for the 2019 Bonds).

The 2019 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:

<u>Maturity Date (October 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
--------------------------------------	-----------------------------	--------------------------

The Principal Payment Period for the 2019 Series A Bonds shall be the twelve calendar months next preceding each maturity date for such Bonds. The 2019 Series A Bonds are Serial Bonds.

The 2019 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:

<u>Maturity Date (October 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
--------------------------------------	-----------------------------	--------------------------

The Principal Payment Period for the 2019 Series B Bonds shall be the twelve calendar months next preceding each maturity date for such Bonds. [The 2019 Series B Bonds maturing October 1 in the years [20__] through [20__], inclusive, are Serial Bonds. The 2019 Series B Bonds maturing October 1 in the years [20__], [20__] and [20__] are Term Bonds.]

The Record Date for all scheduled payments of principal of and interest on the 2019 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 and Paying Agent and Registrar for the 2019 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 2019 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 2019 Costs of Issuance Account and the Series 2019 Rebate Account.

The principal of and premium, if any, on each 2019 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 2019 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 2019 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 2019 Bonds with respect to which such payment is made. Each payment of interest or principal on 2019 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 2019 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 [March 15, 2020], in which event it shall bear interest from its date of delivery; provided, however, that if, at the time of authentication of any 2019 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 2019 Bonds shall assign each 2019 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 2019 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 27.03 Terms of Redemption of the 2019 Bonds. (A) The Authority shall have the right to redeem 2019 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 2019 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 2019 Bonds shall not be subject to redemption prior to their respective stated maturities at the option of the Authority.]

(C) *[for term bonds if any]* [The 2019 Series [A/B] Bonds maturing on October 1, 20[] (the “2019 Series [A/B] Term Bonds”) are subject to redemption prior to their stated maturity in part, by lot, from Mandatory Sinking Account Payments established for such maturity, 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 2019 Series [A/B] Term Bonds shall be redeemed (or paid at maturity, as the case may be) by application of Mandatory Sinking Account Payments for such 2019 Series [A/B] 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
2019 Series [A/B] Bonds Due
October 1, 20[]

Year	Amount
------	--------

* maturity

Section 27.04 Special Covenants as to Book-Entry Only System for 2019 Bonds.

(a) Except as otherwise provided in subsections (b) and (c) of this Section 27.04, all of the 2019 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 2019 Bond registered in the name of Cede & Co. shall be made on each interest payment date for such 2019 Bonds to the account, in the manner and at the address indicated in or pursuant to the Representation Letter.

(b) The 2019 Bonds initially shall be issued in the form of a single authenticated fully registered bond for each Series and stated maturity of each portion of such 2019 Bonds, representing the aggregate principal amount of the 2019 Bonds of such portion and maturity. Upon initial issuance, the ownership of all such 2019 Bonds shall be registered in the registration records maintained by the Registrar pursuant to Section 2.05 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 2019 Bonds

registered in its name for the purposes of payment of the principal or redemption price of and interest on such 2019 Bonds, selecting the 2019 Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Bondowners hereunder, registering the transfer of 2019 Bonds, obtaining any consent or other action to be taken by Bondowners of the 2019 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 27.04, 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 2019 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 2019 Bonds, (iii) any notice which is permitted or required to be given to Holders of the 2019 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 2019 Bonds, or (v) any consent given or other action taken by DTC as Holder of the 2019 Bonds. The Paying Agent shall pay all principal of and premium, if any, and interest on the 2019 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 2019 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 2019 Bonds will be transferable to such new nominee in accordance with subsection (f) of this Section 27.04.

(c) In the event that the Authority elects to discontinue the book-entry system for any 2019 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 2019 Bonds will be transferable in accordance with subsection (f) of this Section 27.04. DTC may determine to discontinue providing its services with respect to the 2019 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 2019 Bonds will be transferable in accordance with subsection (f) of this Section 27.04. 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 2019 Bonds then Outstanding. In such event, the 2019 Bonds will be transferable to such securities depository in accordance with subsection (f) of this Section 27.04, 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 2019 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

2019 Bond and all notices with respect to each such 2019 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 2019 Bonds is authorized under subsection (b) or (c) of this Section 27.04, such transfer or exchange shall be accomplished upon receipt by the Registrar from the registered owner thereof of the 2019 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 2019 Bond certificates are issued to Holders other than Cede & Co., its successor as nominee for DTC as holder of all the 2019 Bonds, another securities depository as holder of all the 2019 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 2019 Bonds and the method of payment of principal of, premium, if any, and interest on the 2019 Bonds.

Section 27.05 Selection of 2019 Bonds for Redemption. For purposes of selecting any 2019 Bonds for redemption, such 2019 Bonds shall be selected accordance with Section 4.02; [provided, however, that in the event that less than all of the 2019 Series B Bonds of any maturity are to be redeemed at any one time, the 2019 Series B Bonds or portions thereof to be redeemed shall be selected by the Authority or, in the absence of such a selection by the Authority, by the applicable Registrar on a pro rata basis from such maturity or mandatory sinking fund payment within such maturity.]

ARTICLE XXVIII

ISSUANCE OF 2019 BONDS; CREATION OF ACCOUNTS; APPLICATION OF PROCEEDS

Section 28.01 Issuance of 2019 Bonds. At any time after the execution and delivery of this Supplemental Indenture, the Authority may sell and execute and the Registrar for the 2019 Bonds shall authenticate and, upon the Order of the Authority, deliver 2019 Series A Bonds in an aggregate principal amount not to exceed \$[2019A PAR] and 2019 Series B Bonds in an aggregate principal amount not to exceed \$[2019B PAR].

Section 28.02 Application of Proceeds of 2019 Bonds and Other Moneys; Defeasance of Refunded Bonds. The net proceeds received by the Authority from the sale of the 2019 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 2019 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 apply \$[_____] to the redemption of a portion of the 2013 Series C Bonds on the Series 2019 Closing Date];

(b) [the Co-Trustee shall transfer to the Escrow Agent, for deposit in the Escrow Fund, an amount equal to \$[_____]]; and]

(c) the Co-Trustee shall transfer to the 2019 Costs of Issuance Account Depositary, for deposit in the 2019 Costs of Issuance Account, the balance of such proceeds, being \$[_____].

(2) The proceeds received from the sale of the 2019 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 transfer to the 2019 Costs of Issuance Account Depositary, for deposit in the 2019 Costs of Issuance Account, the balance of such proceeds, being \$[_____].

The Co-Trustee may establish one or more temporary funds or accounts to facilitate and record the foregoing deposits and transfers. Pursuant to Section 8.02 of the Indenture, the deposit of proceeds of the 2019 Bonds with the Co-Trustee pursuant hereto shall satisfy the requirement of Section 3.02 of the Indenture that proceeds received by the Authority from the sale of each Series of Bonds shall be deposited with the Trustee.

Section 28.03 Establishment and Application of the 2019 Costs of Issuance Account. (A) The Trustee, as 2019 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 “2019 Costs of Issuance Account”. Amounts in the 2019 Costs of Issuance Account shall be used and withdrawn, as provided in the Indenture, solely for the payment of Costs of Issuance of the 2019 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 2019 Bonds have been paid and (ii) 180 days after the Series 2019 Closing Date, any moneys remaining on deposit in the 2019 Costs of Issuance Account shall be transferred to the Revenue Fund.

Section 28.04 Designation of Bond Reserve Account Requirement for 2019 Bonds. [to be discussed]

ARTICLE XXIX

TAX COVENANTS

Section 29.01 2019 Rebate Account.

(A) The Trustee, as 2019 Rebate Account Depositary, shall establish and maintain within the Rebate Fund a separate subaccount designated as the “2019 Rebate Account.” There shall be deposited in the 2019 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 2019 Series A Bonds. All money at any time deposited in the 2019 Rebate Account shall be held by the Trustee in trust, to the extent required to satisfy the Rebate Requirement for the 2019 Series A 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 2019 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 2019 Rebate Account exceeds the Rebate Requirement for the 2019 Series A Bonds, upon the Request of the Authority, the Trustee shall transfer the excess from the 2019 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 the 2019 Series A 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 29.02 Tax Covenants for 2019 Bonds. (A) The Authority intends that, and shall at all times do and perform all acts and things permitted by law, this Indenture and the Tax Certificate to assure that, interest on the 2019 Series A Bonds be excluded from gross income for federal income tax purposes, that the 2019 Bonds be exempt, as to principal and interest, from taxation by any state or territory of the United States or political subdivision thereof or by the District of Columbia and that interest on the 2019 Series A Bonds not be treated as a specific preference item for purposes of the federal alternative minimum tax. The Authority reserves the right to determine the desired tax status of any additional Series of Bonds.

(B) The Authority shall not use or permit the use of any proceeds of the 2019 Series A 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 2019 Series A 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.

ARTICLE XXX

MISCELLANEOUS

Section 30.01 Qualification of Depositories. In accordance with the requirements of Section 8.03(F)(3) of the Indenture:

(A) The continued designation of U.S. Bank National Association as a Depositary is confirmed.

(B) [**confirm?**] [First Hawaiian Bank is hereby designated, ratified and confirmed as Depositary in respect of a portion of the Capital Improvement Fund in accordance with Section 5.01(C)(1) of the Indenture, unless and until designated otherwise by a Supplemental Indenture or Statement of the Authority.]

Section 30.02 Waiver of Brokerage Confirmations; Periodic Statements from Co-Trustee. At the request of the Co-Trustee, the Authority acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Authority the right to receive brokerage confirmations of security transactions as they occur, the Authority specifically waives receipt of such confirmations to the extent permitted by law. The Co-Trustee will furnish the Authority periodic cash transaction statements which shall include detail for all investment transactions made by the Co-Trustee hereunder.

IN WITNESS WHEREOF, the A.B. WON PAT INTERNATIONAL AIRPORT AUTHORITY, GUAM has caused this Fourth 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 FOURTH 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

[SEAL]

By _____
Executive Manager

BANK OF GUAM, as Trustee

By _____
Authorized Officer

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

By _____
Authorized Officer

[Signature page – Fourth Supplemental Indenture - GIAA]

The undersigned BANK OF GUAM hereby accepts and agrees to perform the duties and obligations of Depositary for the 2019 Costs of Issuance Account and the 2019 Rebate Account under this FOURTH SUPPLEMENTAL INDENTURE.

BANK OF GUAM, as Trustee

By _____
Authorized Officer

[Signature page – Fourth Supplemental Indenture]

The undersigned U.S. BANK NATIONAL ASSOCIATION hereby accepts and agrees to perform the duties and obligations of [Depository for the 2019 Bond Reserve Account], Registrar and Paying Agent under this FOURTH SUPPLEMENTAL INDENTURE.

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

By _____
Authorized Officer

[Signature page – Fourth Supplemental Indenture]

EXHIBIT A

FORM OF BOND

[FORM TO BE UPDATED]

No. R-_____ \$ _____

A.B. WON PAT INTERNATIONAL AIRPORT AUTHORITY, GUAM
GENERAL REVENUE BOND,
2019 SERIES __ [(TAXABLE)]

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>DATED DATE</u> [____], 2019	<u>CUSIP</u>
----------------------	----------------------	-----------------------------------	--------------

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 [March 15, 2020], 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 [April 1, 2020]; 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 St. Paul, Minnesota, 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 2019 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 2019 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 “2019 Series __ [(Taxable)]” (together with the other Bonds so designated, herein called the “2019 Series __ Bonds”), and is also one of a duly authorized Series of Bonds (the “2019 Bonds”) in the aggregate principal amount of \$_____, comprised of the 2019 Series __ Bonds and the Authority’s A.B. Won Pat International Airport Authority, Guam General Revenue Bonds, 2019 Series __ [(Taxable)], issued under the provisions of the Indenture. The 2019 Bonds are issued for the purpose, among others, of refunding the Authority’s General Revenue Bonds, 2013 Series C. 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 2019 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 2019 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 2019 Bonds maturing on or after October 1, 20__ 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.]

[to come – description of term bonds if applicable]

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 2019 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 St. Paul, Minnesota, 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
(State)

UNIF GIFT MIN ACT - ____ Custodian
(Cust) (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.

APPENDIX H**PROPOSED FORM OF CONTINUING DISCLOSURE AGREEMENT**

[Closing Date]

This Continuing Disclosure Agreement (the “Disclosure Agreement”) is executed and delivered by the A.B. Won Pat International Airport Authority, Guam (the “Authority”), and Digital Assurance Certification, L.L.C., as dissemination agent (the “Dissemination Agent”), in connection with the issuance of \$ _____ A.B. Won Pat International Airport Authority, Guam General Revenue Bonds, 2019 Series A (the “2019 Series A Bonds”) and \$ _____ A.B. Won Pat International Airport Authority, Guam General Revenue Bonds, 2019 Series B (Taxable) (the “2019 Series B Bonds” and, together with the 2019 Series A Bonds, the “Bonds”). The Bonds are being issued pursuant to the Indenture, dated as of September 1, 2003 (the “General Indenture”), by and between the Authority and Bank of Hawaii, as predecessor trustee, as amended and supplemented, including by a Fourth Supplemental Indenture, dated as of November 1, 2019 (the “Fourth Supplemental Indenture”), by and between the Authority and Bank of Guam, as successor trustee (the “Trustee”), and U.S. Bank National Association (the “Co-Trustee”). The General Indenture, as amended and restated, including by the Fourth 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 Underwriters in complying with Securities and Exchange Commission 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 Digital Assurance Certification, L.L.C., 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.

“Financial Obligation” means, for purposes of the Listed Events set out in Section 5(a)(10) and Section (5)(b)(8), a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “Financial Obligation” shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

“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 _____, 2019, relating to the Bonds.

“Participating Underwriters” shall mean, collectively, the original underwriters of the Bonds required to comply with the Rule in connection with the 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) (such date, the “Annual Filing Date”), commencing with the report for the fiscal year ended September 30, 2019, 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, subject to the requirement in Section 4(a) of this Disclosure Agreement to file the unaudited financial statements. 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 the Annual Filing Date, the Authority shall provide the Annual Report to the Dissemination Agent (if other than the Authority). If the Authority is acting as Dissemination Agent and the Authority is unable to provide to the MSRB an Annual Report by the Annual Filing 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 Dissemination Agent has not received an Annual Report by 6:00 p.m. Eastern time on the Annual Filing Date (or, if such date falls on a Saturday, Sunday or holiday, then the first business day thereafter) for the Annual Report, a “failure to file event” shall have occurred and the Authority irrevocably directs the Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as Exhibit A without reference to the anticipated filing date for the Annual Report.

(d) 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. 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, the issuance by the Internal Revenue Service of proposed or final determinations of taxability or of Notices of Proposed Issue (IRS Form 5701-TEB);
6. Tender offers;
7. Defeasances;
8. Rating changes;
9. Bankruptcy, insolvency, receivership or similar event of the obligated person; or
10. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

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 Section 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. 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;
7. Appointment of a successor or additional trustee or co-trustee, or the change of name of a trustee or co-trustee; or
8. Incurrence of a Financial Obligation of the obligated person, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect Bond holders.

(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 10 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.

(e) The Authority intends to comply with the Listed Events described in Section 5(a)(10) and Section 5(b)(8), and the definition of “Financial Obligation” in Section 1, with reference to the Rule, any other applicable federal securities laws and the guidance provided by the Commission in Release No. 34-83885 dated August 20, 2018 (the “2018 Release”), and any further amendments or written guidance provided by the Commission or its staff with respect the amendments to the Rule effected by the 2018 Release.

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 Digital Assurance Certification, L.L.C.

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 Underwriters 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, to the fullest extent permitted by applicable law, 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

DIGITAL ASSURANCE CERTIFICATION, L.L.C.

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, Guam

Name of Bond Issue: A.B. Won Pat International Airport Authority, Guam General Revenue Bonds,
2019 Series A and 2019 Series B (Taxable)

Date of Issuance: November __, 2019

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 INTERNATIONAL AIRPORT
AUTHORITY, GUAM

By _____ [to be signed only if filed]

A.B. WON PAT INTERNATIONAL AIRPORT AUTHORITY, GUAM

GENERAL REVENUE BONDS, 2019 SERIES A (AMT)

PRINCIPAL AMOUNT OF \$ _____

AND

GENERAL REVENUE BONDS, 2019 SERIES B (TAXABLE)

PRINCIPAL AMOUNT OF \$ _____

BOND PURCHASE CONTRACT

October ___, 2019

Board of Directors
A.B. Won Pat International Airport Authority, Guam
355 Chalan Pasaheru
Tamuning, Guam 96913

Guam Economic Development Authority
ITC Building, Suite 511
590 S Marine Corps Drive
Tamuning, Guam 96913

Ladies and Gentlemen:

Barclays Capital Inc.(the “Representative”), on behalf of itself and Morgan Stanley & Co. LLC (together with the Representative, the “Underwriters”) hereby offers to enter into this bond purchase contract (this “Purchase Contract”) with 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 and the Guam Economic Development Authority (“GEDA”) 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 and GEDA in the space provided below, this Purchase Contract 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).

1. Purchase and Sale. Subject to the terms and conditions and upon the basis of the representations, warranties and agreements hereinafter set forth, the Underwriters hereby agree to purchase from the Authority for offering to the public, and the Authority hereby agrees to sell to the Underwriters for such purpose, all (but not less than all) of the \$ _____ principal amount of the Authority’s General Revenue Bonds, 2019 Series A(AMT) (the “2019Series A Bonds”); and \$ _____ principal amount of the Authority’s General Revenue

Bonds, 2019 Series B Bonds (Taxable) (the “2019 Series B Bonds,” and together with the 2019 Series A Bonds, the “2019 Bonds”).

The 2019 Bonds shall be dated as of their date of delivery, and shall have the maturities, bear interest on the dates and at the rates per annum and be subject to redemption as set forth in the Official Statement and in Exhibit A attached hereto, such interest being payable semiannually as described in the Official Statement and in such Exhibit A. The aggregate purchase price of the 2019 Bonds shall be the purchase price set forth in Exhibit A attached hereto.

The issuance, sale and delivery of the 2019 Bonds have been approved by Resolution No. _____ of the Authority adopted on October 11, 2019 (the “GIAA Resolution”). The issuance and sale of the 2019 Bonds have been approved by GEDA pursuant to Resolution No. _____ adopted on _____, 2019 (the “GEDA Resolution”). The 2019 Bonds shall be issued pursuant to Chapter 1 of Title 12 of the Guam Code Annotated, as amended (the “Act”) and Public Law No. 35-33, adopted by the Guam Legislature on August 22, 2019 and signed by the Governor on September 4, 2019 (the “Bond Act”). The 2019 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 Fourth Supplemental Indenture, dated as of November 1, 2019 (the “Fourth Supplemental Indenture” and, together with the Master Indenture, the “Indenture”), each by and among, the Authority, Bank of Guam, as successor trustee (the “Trustee”) and U.S. Bank National Association, as co-trustee and paying agent and registrar (the “Co-Trustee”).

The 2019 Bonds are being issued for the purposes described in the Preliminary Official Statement relating to the 2019 Bonds dated October ___, 2019 (together with all appendices thereto and such amendments thereto as shall have been accepted by the Representative, the “Preliminary Official Statement”), namely to:

- (a) refund a portion of the Authority’s General Revenue Bonds, 2013 Series C;
and
- (b) pay the costs of issuing the 2019 Bonds.

2. Official Statement. The Authority and GEDA hereby ratify the use by the Underwriters (in connection with the initial public offering of the 2019 Bonds) prior to the date hereof of the Preliminary Official Statement. The Authority and GEDA hereby represent that the Preliminary Official Statement has been deemed final by the Authority and GEDA as of its date, except for the omission of information permitted to be excluded by Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended (“Rule 15c2-12”). The official statement of the Authority relating to the 2019 Bonds, in the form of the Preliminary Official Statement, with only such changes as permitted by Rule 15c2-12 as shall have been accepted by the Representative, is referred to as the “Official Statement.”

The Authority and GEDA authorize the use of the Preliminary Official Statement and the Official Statement by the Underwriters in connection with the public offering and sale of the 2019 Bonds. The Authority covenants and agrees to cause reasonable quantities of the Official Statement to be delivered to the Underwriters, without charge, within seven business days after

the date hereof, and in any event, upon the request of the Representative, in sufficient time to accompany any confirmation requesting payment from any customer of the Underwriters and in sufficient time to permit the Underwriters to comply with the provisions of Rule 15c2-12 and with all applicable rules of the Municipal Securities Rulemaking Board.

Unless otherwise notified in writing by the Representative, the Authority may assume that the “end of the underwriting period” for purposes of Rule 15c2-12 shall be the Closing Date (defined herein). In the event such notice is so given in writing by the Representative, the Representative agrees to notify the Authority and GEDA in writing following the occurrence of the end of the underwriting period.

The Authority and GEDA covenant and agree that if, after the date hereof and until 25 days after the end of underwriting period: (a) any event shall occur that would cause the Official Statement to contain an untrue statement of 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, or (b) it is necessary to amend or supplement the Official Statement to comply with law, then in either such case, the Authority or GEDA will notify the Representative and provide the Representative with such information as the Representative may from time to time reasonably request, and will prepare and furnish, at its own expense (in a form and manner approved by the Representative), a reasonable number of copies of either amendments or supplements to the Official Statement so that the statements in the Official Statement as so amended or supplemented, as of the time the Official Statement is delivered to a purchaser, (i) will not contain an untrue statement of a material fact or to omit to state a material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading; and (ii) will comply with law.

3. Public Offering. The Underwriters agree to make a bona fide public offering of all the 2019 Bonds at prices not in excess of the public offering prices (or the prices corresponding to the yields) as set forth on the inside cover of the Official Statement; provided, that, subject to Section 7, the initial public offering prices (or the prices corresponding to the yields) may be changed, from time to time, by the Underwriters as they deem necessary in connection with the marketing of the 2019 Bonds. Subject to Section 7, the Underwriters also reserve the right to offer and sell the 2019 Bonds to certain dealers (including the Underwriters and other dealers depositing such 2019 Bonds into investment trusts or money market funds) at prices lower than such initial public offering prices (or the prices corresponding to the yields). At the time of the Closing (as defined herein), the Underwriters shall provide to the Authority a certificate substantially in the form of Exhibit B attached hereto.

Following the initial offering period, at such time as all price restrictions have been lifted by the Underwriters, and subject to Section 7, the offering prices may be changed from time to time by the Underwriters without prior notice to any person. In connection with the initial public offering of the 2019 Bonds, subject to Section 7, the Underwriters may over-allot or effect transactions that stabilize or maintain the market price of the 2019 Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time by the Underwriters without prior notice to the Authority.

4. Representations and Covenants. The Authority and GEDA represent and covenant to the Underwriters that:

(a) 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 2019 Bonds pursuant to the Act.

(b) The Authority has full legal right, power and authority to: (i) execute and deliver this Purchase Contract, (ii) execute and deliver the Fourth Supplemental Indenture, the Continuing Disclosure Agreement, and the Escrow Agreement dated as of November 1, 2019 between the Authority and U.S. Bank National Association, as escrow agent (the “Escrow Agreement” and together with the Fourth Supplemental Indenture and the Continuing Disclosure Agreement, the “Legal Documents”) on the Closing Date, (iii) deliver the Preliminary Official Statement and execute and deliver the Official Statement, (iv) issue, sell and deliver the 2019 Bonds to the Underwriters pursuant to the Indenture, as provided herein, (v) perform its obligations under the 2019 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 (vi) to carry out and consummate all other transactions contemplated thereby and hereby, subject, in the case of (v) and (vi), to the proceedings described in the Official Statement under “AGREEMENTS FOR USE OF AIRPORT FACILITIES — Passenger Terminal Building Concessions and Revenue Arrangements — Duty Free Concession.”

(c) 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 2019 Bonds, this Purchase Contract, the Legal Documents, the Airport Use Agreements and the consummation by it of all other transactions contemplated by this Purchase Contract, 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 Legal Documents and this Purchase Contract will be, and the Master Indenture and the Airport Use Agreements are, in full force and effect and each will or does 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, and subject (with respect to the Airport Use Agreements) to the proceedings described in the Official Statement under “AGREEMENTS FOR USE OF AIRPORT FACILITIES — Passenger Terminal Building Concessions and Revenue Arrangements — Duty Free Concession.”

(d) The 2019 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.

(e) Subject (with respect to the Airport Use Agreements) to the proceedings described in the Official Statement under "AGREEMENTS FOR USE OF AIRPORT FACILITIES —Passenger Terminal Building Concessions and Revenue Arrangements — Duty Free Concession", the execution and delivery of the 2019 Bonds and the Legal Documents, and compliance with the provisions on the Authority's part contained in the Master Indenture, the 2019 Bonds, this Purchase Contract, 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.

(f) The Authority is in compliance with the provisions of the Indenture, no Event of Default exists thereunder, and no event has occurred which, with the passing of time or the delivery of notice, would constitute an Event of Default thereunder.

(g) 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 Purchase Contract) 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 Purchase Contract 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.

(h) 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 Purchase Contract, the issuance of the 2019 Bonds or due performance by the Authority of its obligations thereunder, under the Master Indenture or hereunder, at this time have been duly obtained.

(i) The 2019 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 2019 BONDS” and Appendix E - “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE”; the proceeds of the 2019 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.

(j) The Preliminary Official Statement, as of its date and as of the date hereof (excluding any information permitted to be omitted pursuant to Rule), 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.

(k) The Authority has the legal authority to apply and will apply, or cause to be applied, the proceeds from the sale of the 2019 Bonds as provided in and subject to all of the terms and provisions of the Indenture, including for payment or reimbursement of Authority expenses incurred in connection with the negotiation, marketing, issuance and delivery of the 2019 Bonds to the extent required by Section 10 of this Purchase Contract, and will not take or omit to take any action which action or omission will adversely affect the exclusion from gross income for federal income tax purposes of the interest on the 2019 Series A Bonds.

(l) 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 (i) affecting the existence of the Authority or the title of any official of the Authority to such person’s office, (ii) seeking to restrain or enjoin the issuance, sale or delivery of the 2019 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 2019 Bonds or the pledge thereof, (iii) contesting or affecting the validity or enforceability of the Act, the GIAA Resolution, the GEDA Resolution, the Master Indenture, the Legal Documents, this Purchase Contract, the Airport Use Agreements, or the 2019 Bonds, or (iv) 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 2019 Bonds, the Master Indenture, the Legal Documents, the Airport Use Agreements or this Purchase Contract, or the exclusion of interest on the 2019 Series A 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 2019

Bonds, the Master Indenture, the Legal Documents, the Airport Use Agreements, or this Purchase Contract.

(m) The Authority will comply with the requirements of the Tax Certificate executed by the Authority in connection with the delivery of the 2019 Series A Bonds.

(n) The Authority has the legal authority to apply and will apply, or will cause to be applied, the proceeds from the sale of the 2019 Bonds in accordance with and subject to all of the terms and provisions of the Act, the Bond 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 2019 Series A Bonds.

(o) Any certificate signed by any officer of the Authority and delivered to the Underwriters pursuant to the Indenture or this Purchase Contract 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.

(p) 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 Purchase Contract, the Act, the Bond Act, the GIAA Resolution, the GEDA Resolution, the 2019 Bonds, or the Indenture or the validity or enforceability of the 2019 Bonds.

(q) 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.

(r) Between the date of this Purchase Contract 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 (as defined in the Indenture) prior to or on a parity with the 2019 Bonds.

(s) Between the date of this Purchase Contract 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 (as defined in the Indenture).

(t) The Authority will furnish such information, execute such instruments and take such action in cooperation with the Underwriters, at no expense to the Authority, as the Underwriters may reasonably request: (i) to (A) qualify the 2019 Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions in the United States as the Underwriters may designate and (B) determine the eligibility of the 2019 Bonds for investment under the laws of such states and other jurisdictions; and (ii) to continue such qualifications in effect so long as required for the distribution of the 2019 Bonds (provided, however, that the Authority will not be required to qualify as a foreign corporation or to file any general or special consents to service of process under the laws of any jurisdiction) and will advise the Representative

immediately of receipt by the Authority of any written notification with respect to the suspension of the qualification of the 2019 Bonds for sale in any jurisdiction or the initiation or threat of any proceeding for that purpose.

(u) 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.

(v) As of the time of the Authority's acceptance hereof and (unless the Official Statement is amended or supplemented pursuant to Section 2 of this Purchase Contract) at all times subsequent thereto during the period up to and including the Closing Date, the Official Statement will be true and correct in all material respects and does not and will not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements and information therein contained, in light of the circumstances under which they were made, not misleading.

(w) If the Official Statement is supplemented or amended pursuant to Section 2 of this Purchase Contract, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such Section) at all times subsequent thereto up to and including that date that is 25 days after the end of the underwriting period (as defined in Section 2), the Official Statement as so supplemented or amended will not contain any untrue statement of a material fact or omit to state any 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.

(x) The Authority has duly authorized and approved the delivery of the Preliminary Official Statement and has duly authorized and approved the delivery and execution of the Official Statement, including any amendments or supplements thereto pursuant to Section 2 of this Purchase Contract.

(y) The Authority or GEDA will advise the Underwriters promptly of any proposal to amend or supplement the Official Statement and will not affect any such amendment or supplement without the prior written consent of the Underwriters. The Authority or GEDA will advise the Underwriters promptly of the institution of any proceedings known to it by any governmental agency prohibiting or otherwise affecting the use of the Official Statement in connection with the offering, sale or distribution of the 2019 Bonds.

(z) Both at the time of acceptance hereof and as of the Closing Date, except as otherwise disclosed in the Preliminary Official Statement or the Official Statement, there has been no material adverse change since September 30, 2018, in the financial position, results of operations or condition financial or otherwise of the Authority, other than changes in the ordinary course of business or in the normal operation of the Authority.

(aa) Between the date hereof and the Closing, the Authority will not, without the prior written consent of the Underwriters, offer or issue any bonds, notes or other obligations for borrowed money or incur any material liabilities, direct or contingent, except in the ordinary course of business; and, subsequent to the respective dates as of which information is given in the Official Statement and to and including the Closing Date, the Authority has not incurred and will not incur with respect to the operations of the Authority any material liabilities (direct or contingent) other than those occurring in the ordinary course of operating the Airport, nor will there be any action, or any failure to act, on the part of the Authority which would result in an adverse change of a material nature in the financial position, results of operations or condition, financial or otherwise, of the Authority, except as contemplated by the Official Statement.

(bb) All authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter which are required for the due authorization 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 Preliminary Official Statement, the Official Statement, this Purchase Contract, or the issuance of the 2019 Bonds or the due performance by the Authority of its obligations under the GIAA Resolution, the GEDA Resolution, the Preliminary Official Statement, the Official Statement, this Purchase Contract and the 2019 Bonds, have been duly obtained.

(cc) The Authority has not failed during the previous five years to comply with any previous undertakings in a written continuing disclosure contract or agreement under Rule 15c2-12.

(dd) The Authority has agreed in the Continuing Disclosure Agreement to provide or cause to be provided ongoing disclosure about the Authority for the benefit of the holders of the 2019 Bonds as required by Paragraph (b)(5) of Rule 15c2-12 (the “Undertaking”), which Undertaking shall be in the form and substance set forth in Exhibit H to the Official Statement, with such changes as may be agreed to in writing by the Representative.

(ee) The Authority has not defaulted in the payment of principal or interest on any of its debt obligations.

(ff) The Authority has not been notified of any listing or proposed listing by the Internal Revenue Service that its arbitrage certificates may not be relied upon by bondholders.

(gg) Nothing has occurred since September 30, 2018, that is material to the Airport or the Authority that has not been disclosed and should be disclosed to make the Preliminary Official Statement and the Official Statement true and correct in all material respects.

(hh) Prior to the Closing Date, the Authority will not take any action within or under its control that will cause any adverse change of a material nature in such financial position, results of operations or condition, financial or otherwise, of the Authority.

5. Closing. At 11:45 p.m., Guam time on November 14, 2019 (8:45 a.m., New York time, on November 14, 2019), or at such other time or on such earlier or later business day as shall have been mutually agreed upon by the Authority and the Representative (the “Closing Date”), the Authority will deliver to the Underwriters the 2019 Bonds, duly executed and authenticated, through the facilities of DTC in New York, New York, or to the Co-Trustee on behalf of DTC by Fast Automated Securities Transfer, and shall deliver to the Representative such documents mentioned in Section 6 of this Purchase Contract, at such place as may be mutually agreed upon by the Authority and the Representative. The 2019 Bonds will be issued as one fully registered Bond for each maturity, registered in the name of “Cede and Co.,” as registered owner and nominee for DTC, as securities depository. The Underwriters will accept such delivery and pay the purchase price of the 2019 Bonds as set forth in Exhibit A hereto by wire in immediately available federal funds. The payment and delivery of the 2019 Bonds, together with the delivery of the aforementioned documents, is referred to herein as the Closing (the “Closing”). The documents mentioned in Section 6 of this Purchase Contract shall be made available at a mutually agreeable location for inspection by the Underwriters at least one full business day before the Closing.

6. Closing Conditions. The Representative has entered into this Purchase Contract on behalf of itself and the other Underwriter in reliance upon the representations and warranties herein and the performance by the Authority of its obligations hereunder, both as of the date hereof and as of the Closing Date. The Underwriters’ obligations under this Purchase Contract are and shall be subject to the performance by the Authority of its obligations to be performed hereunder and under the documents mentioned in this Section 6, at or prior to the Closing, and also shall be subject to the following conditions:

(a) Receipt of a certificate from a duly authorized officer of the Authority that the representations of the Authority contained herein shall be true, complete and correct at the date hereof and on the Closing Date, as if made on and as of the Closing Date.

(b) At the time of the Closing: (i) the Act, the GIAA Resolution and the GEDA Resolutions shall be in full force and effect, and shall not have been amended, modified or supplemented, except as disclosed in the Preliminary Official Statement or the Official Statement; (ii) no 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 in such manner as may have been agreed to in writing by the Underwriters; and (iii) the Authority shall perform or shall have performed all of its obligations required under or specified in this Purchase Contract, the Official Statement and the GIAA Resolution to be performed at or prior to the Closing.

(c) At the time of the Closing, no Event of Default shall have occurred or be existing under the Indenture, nor shall any event have occurred which, with the passage of time or the giving of notice, shall constitute an Event of Default under the Indenture,

nor shall the Authority be in default in the payment of principal or interest on any of its obligations for borrowed money.

(d) At or prior to the Closing, the Representative shall receive the following documents relating to the issuance of the 2019 Bonds:

(i) A copy of the GIAA Resolution, certified by the Secretary of the Board of Directors of the Authority as having been duly adopted by such board and as being in full force and effect on the Closing Date.

(ii) A copy of the GEDA Resolution, certified by the Secretary of the Board of Directors of GEDA as having been duly adopted by such board and as being in full force and effect on the Closing Date.

(iii) One copy of the Official Statement.

(iv) The Fourth Supplemental Indenture duly authorized, executed and delivered by the Authority, the Trustee and the Co-Trustee, together with a true and certified copy of the Indenture.

(v) The Continuing Disclosure Agreement duly authorized, executed and delivered by the Authority.

(vi) 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 F, and a reliance letter of such Counsel, dated the Closing Date and addressed to the Underwriters, to the effect that such opinion may be relied upon by the Underwriters to the same extent as if such opinion were addressed to them.

(vii) 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: (A) this Purchase Contract, the Continuing Disclosure Agreement, and the Escrow Agreement have each been duly executed and delivered by the Authority and, assuming due execution and delivery by and validity against the other parties to such agreements, each constitutes 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, liquidated damages, penalty (including any remedy deemed to constitute a penalty), choice of law, choice of forum, choice of venue, waiver or severability provisions contained in such agreements; (B) the 2019 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 Preliminary Official Statement and the Official Statement under the captions “THE 2019 BONDS,” “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS,” “TAX MATTERS” and Appendices E and F thereto, excluding any material that may be treated as included under such captions by cross-reference, insofar as the statements contained under such captions expressly summarize provisions of the Indenture and the form and content of the final opinion of such counsel with respect to such 2019 Bonds, are accurate in all material respects.

Such opinion shall also contain a conclusion to the effect that, based on its participation in certain specified conferences, and in reliance thereon, on oral and written statements and representations of the Authority and others and on the records, documents, certificates, opinions and matters mentioned in such opinion, subject to the limitations on its role as Bond Counsel to the Authority, as a matter of fact and not opinion, (x) as of the date hereof, no facts had come to the attention of Bond Counsel to the Authority which caused it to believe as of the date hereof that the Preliminary Official Statement contained any untrue statement of a material fact or omitted to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and (y) as of the date of the Official Statement and as of the date of such opinion, no facts had come to the attention of Bond Counsel to the Authority which caused it to believe as of the date of the Official Statement and as of the date of such opinion that the Official Statement contained or contains any untrue statement of a material fact or omitted or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; excluding from the scope of such conclusion (A) with respect to the Preliminary Official Statement, any difference in information contained therein compared to what is contained in the Official Statement, whether or not related to pricing or sale of the 2019 Bonds, and whether any such difference is material and should have been included in the Preliminary Official Statement, and (B) with respect to both the Preliminary Official Statement and the Official Statement, any CUSIP numbers, financial, accounting, statistical or economic, engineering or demographic data or forecasts, numbers, charts, tables, graphs, estimates, projections, assumptions or expressions of opinion, any information about real estate or environmental matters, the litigation described under “CERTAIN LEGAL MATTERS,” any management discussion and analysis, Appendices A, C, D, G, and I, or any information about book-entry, DTC, ratings, rating agencies, underwriters, or underwriting included or referred to therein.

(viii) An opinion of counsel to the Trustee, dated the Closing Date and addressed to the Underwriters and the Authority, to the effect that: (A) 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; (B) 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; (C) assuming the corporate power and, legal authority of, and the due

authorization, execution and delivery of the Fourth 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; (D) 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 Fourth Supplemental Indenture by the Trustee (except that such counsel need express no view as to federal or state securities laws); and (E) 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 2019 Bonds, the Indenture or any other agreement, document, or certificate related to such transactions.

(ix) An opinion of counsel to the Co-Trustee, dated the Closing Date and addressed to the Underwriters and the Authority, to the effect that: (A) the Co-Trustee 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; (B) the Co-Trustee has duly authorized, executed and delivered the Fourth Supplemental Indenture and the Escrow Agreement and has taken all necessary corporate action to authorize the execution and delivery of the Fourth Supplemental Indenture and the Escrow Agreement the performance of its obligations thereunder and under the Indenture; (C) assuming the corporate power and legal authority of, and the due authorization, execution and delivery of the Indenture and the Escrow Agreement by, the Authority and the Trustee, the Indenture and the Escrow Agreement each constitutes a valid and binding agreement of the Co-Trustee enforceable against the Co-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; (D) the 2019 Bonds have been validly authenticated by the Co-Trustee in its capacity as Registrar under the Indenture; (E) 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 Fourth Supplemental Indenture and the Escrow Agreement by the Co-Trustee or the authentication of the 2019 Bonds (except that such counsel need express no view as to federal or state securities laws); and (F) to the best knowledge of such counsel, there is no litigation pending against the Co-Trustee to be pending or threatened against or affecting the Co-Trustee to restrain or enjoin the Co-Trustee's participation in, or in any way contesting the powers of the Co-Trustee with respect to, the transactions contemplated by the 2019 Bonds, the Indenture, the Escrow

Agreement or any other agreement, document, or certificate related to such transactions.

(x) An opinion of counsel to the Authority, dated the Closing Date and addressed to the Underwriters singularly or together, to the effect that: (A) the Authority is on the Closing Date a public corporation and an autonomous instrumentality of the Government of Guam and pursuant to the Act, the Bond Act, the GIAA Resolution and the GEDA Resolution, has full legal right, power and authority to enter into this Purchase Contract and the Continuing Disclosure Agreement, and perform its obligations under this Purchase Contract, the Master Indenture and the Legal Documents, to authorize, issue and sell the 2019 Bonds, to *collect and enforce the collection of Revenues and to carry out and consummate all transactions required of it as contemplated by this Purchase Contract, the Master Indenture and the Legal Documents; (B) the GIAA Resolution was duly adopted on October 11, 2019, at a special meeting of the Board of GIAA duly called for such purpose and has not been amended or repealed; (C) this Bond Purchase Contract, the Indenture, the Escrow Agreement, and the Continuing Disclosure Agreement have each been duly authorized, executed and delivered by, and, assuming due execution and delivery by and validity against the other parties to such agreements, each constitutes a valid and legal obligation 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, liquidated damages, penalty (including any remedy deemed to constitute a penalty), choice of law, choice of forum, choice of venue, waiver or severability provisions contained in such agreements, (D) the execution and delivery of the Legal Documents and this Purchase Contract, 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; (v) 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 Purchase Contract, the Master Indenture, the Legal Documents or the 2019 Bonds and which can reasonably be obtained by the time of Closing have been obtained; (E) 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 local or Federal courts on Guam), (a) to restrain or enjoin the execution or delivery of the 2019 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 2019 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 2019 Bonds, or the pledge thereof, or (d) in any way contesting or affecting the validity or enforceability of the 2019 Bonds, the Master Indenture, the Legal Documents or this Purchase Contract, 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 2019 Bonds, the Master Indenture, the Legal Documents or this Purchase Contract; (F) as of the date of the Official Statement and as of the Closing Date, the statements contained in the Official Statement under the captions "AGREEMENTS FOR USE OF AIRPORT FACILITIES - Passenger Terminal Building Concessions and Revenue Arrangements - Duty Free Concessions," and "LITIGATION" are accurate in all material respects; and (G) without passing upon or assuming any responsibility for the accuracy (except as and to the extent stated in section (F) above), completeness and fairness of any of the statements contained in the Preliminary Official Statement or the Official Statement or any other offering material relating to the 2019 Bonds, and making no representation that it has independently verified the accuracy, completeness or fairness of any such statements, 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 formula for calculating rates, rents and fees, the financial statements and other financial and statistical data included in the Preliminary Official Statement and the Official Statement and the Appendices thereto, and the Report of the Airport Consultant, as to which no view need be expressed).

(xi) An opinion of counsel to GEDA, dated the Closing Date and addressed to the Underwriters and the Authority, to the effect that: (A) the GEDA Resolution was duly adopted on _____, 2019, at a regular meeting of GEDA duly called and has not been amended or repealed; and (B) 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 (in local or Federal courts on Guam) 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 2019 Bonds or in any way contesting or affecting the validity or enforceability of the 2019 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 2019 Bonds).

(xii) A certification by the Guam Compiler of Laws attaching a full, true and correct copy of the Act and the Bond Act and including a statement to the effect that Public Law No. 35-33 was duly passed by the Guam Legislature on August 22, 2019 and signed by the Governor on September 4, 2019, and that such public law has not been amended or repealed and is in full force and effect

(xiii) An opinion, dated the Closing Date and addressed to the Underwriters, of Kutak Rock LLP, Counsel for the Underwriters, in form and substance satisfactory to the Representative.

(xiv) 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: (A) 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 2019 Bonds or to restrain or enjoin the Trustee from performing its obligations under the Master Indenture and the Legal Documents; and (B) 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.

(xv) A certificate the Co-Trustee (in its capacities as Co-Trustee and Escrow Agent, as applicable) 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: (A) 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 2019 Bonds or to restrain or enjoin the Co-Trustee from performing its obligations under the Indenture or the Escrow Agreement; and (B) 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 pertaining to the Co-Trustee and contained in the Official Statement or which should be reflected therein in order to make the statements and information pertaining to the Co-Trustee therein not misleading in any material respect.

(xvi) A certificate, dated the Closing Date and signed by an authorized official of the Authority, to the effect that: (A) 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; (B) no event materially adversely affecting the Authority has occurred since the date of the Official Statement; (C) 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; (D) the Authority has complied with this Purchase Contract and has satisfied all the conditions on its part herein to be performed or satisfied at or prior to the Closing; and (E) there is no litigation or proceeding pending or, to the knowledge of the Authority, threatened and having merit (in local or Federal courts on Guam) (a) to restrain or enjoin the execution or delivery of the 2019 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 2019 Bonds, or the pledge of Revenues, or in any way contesting or affecting the validity or enforceability of the 2019 Bonds, the Legal Documents or this Purchase Contract, 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 2019 Bonds, the Master Indenture, the Legal Documents or this Purchase Contract.

(xvii) A Tax Certificate with respect to the 2019 Series A Bonds, in form satisfactory to Bond Counsel.

(xviii) A letter of Ernst & Young LLP, dated the date hereof and addressed to the Underwriters and the Authority, to the effect that: (A) they are independent certified public accountants with respect to the Authority, within the meaning of the Rules of Conduct of the Code of Professional Ethics of the American Institute of Certified Public Accountants, and (B) they consent to the inclusion of their audit report in the financial statements of the Authority for the fiscal year ended September 30, 2018, and to all references to their firm included in the Preliminary Official Statement and the Official Statement, and a letter from Ernst & Young LLP, dated the Closing Date, with work extending to a date not more than five business days prior to the Closing Date, addressed to the Underwriters, in form and substance satisfactory to the Representative, carrying out such procedures relating to the Official Statement and the financial statements of the Authority as shall be requested by the Representative and agreed to by Ernst & Young LLP.

(xix) A copy of the Tax Certificate with respect to the 2019 Series A Bonds.

(xx) Evidence satisfactory to the Representative that the 2019 Bonds have been rated "_____" by Moody's Investors Service, Inc. and "_____" by S&P Global Ratings.

(xxi) A copy of the Blanket Issuer Letter of Representations between the Authority and DTC.

(xxii) The Escrow Agreement duly authorized, executed and delivered by the Authority and the Escrow Agent.

(xxiii) A written report prepared by _____ (the “Verification Agent”), verifying the mathematical accuracy of the mathematical computations relating to the sufficiency of the cash, if any, and maturing principal of and interest on the escrow investments to pay the principal of and interest on the Refunded 2013 Bonds through and including their redemption dates.

(xxiv) An opinion of Bond Counsel, dated the Delivery Date, required by Section 10.01 of the Master Indenture to the effect that all conditions to defeasing the Refunded 2013 Bonds have been satisfied.

(xxv) A copy of the Issue Price Certificate with respect to the 2019 Series A Bonds, substantially in the form set forth in Exhibit B attached hereto.

(xxvi) A letter addressed to the Authority from Ricondo & Associates, Inc. (the “Airport Consultant”), dated the Closing Date, to the effect that the Airport Consultant consents to (A) the use and inclusion of the Report of the Airport Consultant dated _____, 2019, included as Appendix D to the Preliminary Official Statement and the Official Statement; and (B) the references to such firm in the Preliminary Official Statement and the Official Statement.

(xxvii) Such additional certificates, instruments and other documents as the Representative may reasonably deem necessary to evidence the truth and accuracy as of the time of the Closing of the representations of the Authority and the due performance or satisfaction by the Authority at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the Authority.

(e) Subsequent to the Closing, each of the Underwriters shall receive no less than one electronic copy of the transcript proceedings relating to the 2019 Bonds.

All of the opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Purchase Contract 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 6(d)(vi) shall be deemed satisfactory if it is substantially in the form of Appendix F 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 2019 Bonds contained in this Purchase Contract, or if the obligations of the Underwriters to purchase, to accept delivery of and to pay for the 2019 Bonds are terminated for any reason permitted by this Purchase Contract, this Purchase Contract 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 2 and the representations, warranties and covenants of the Authority contained in Section 4 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 Purchase Contract.

7. Establishment of Issue Price.

(a) The Underwriters agree to assist the Authority in establishing the issue price of the 2019 Series A Bonds and shall execute and deliver to the Authority at Closing an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriters, the Authority and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the 2019 Series A Bonds.

(b) Except as otherwise set forth in Schedule I attached hereto, the Authority will treat the first price at which 10% of each maturity of the 2019 Series A Bonds (the “10% test”) is sold to the public as the issue price of that maturity. At or promptly after the execution of this Purchase Contract, the Underwriters shall report to the Authority and Bond Counsel the price or prices at which they have sold to the public each maturity of the 2019 Series A Bonds. If at that time the 10% test has not been satisfied as to any maturity of the 2019 Series A Bonds, the Underwriters agree to promptly report to the Authority the prices at which they sell the unsold 2019 Series A Bonds of that maturity to the public. That reporting obligation shall continue, whether or not the Closing has occurred, until either the: (i) the Underwriters have sold all the 2019 Series A Bonds of that maturity or (ii) the 10% test has been satisfied as to the 2019 Series A Bonds of that maturity, provided that, the Underwriters’ reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Authority or Bond Counsel. For purposes of this Section, if any 2019 Series A Bonds mature on the same date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the 2019 Series A Bonds.

(c) The Underwriters confirm that they have offered the 2019 Series A Bonds to the public on or before the date hereof at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in Schedule I attached hereto, except as otherwise set forth therein. Schedule I also sets forth, as of the Sale Date (as defined below), the maturities, if any, of the 2019 Series A Bonds for which the 10% test has not been satisfied and for which the Authority and the Underwriters agree that the restrictions set forth in the next sentence shall apply, which will allow the Authority to treat the initial offering price to the public of each such maturity as of the Sale Date as the issue price of that maturity (the “hold-the-offering-price rule”). So long as the hold-the-offering-price rule remains applicable to any maturity of the 2019 Series A Bonds, the Underwriters will neither offer nor sell unsold 2019 Series A Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the Sale Date and ending on the earlier of the following:

- (i) the close of the fifth business day after the Sale Date; or

(ii) the date on which the Underwriters have sold at least 10% of that maturity of the 2019 Series A Bonds to the public at a price that is no higher than the initial offering price to the public.

The Underwriters will advise the Authority promptly after the close of the fifth business day after the Sale Date whether it has sold 10% of that maturity of the 2019 Series A Bonds to the public at a price that is no higher than the initial offering price to the public.

(d) The Underwriters confirm that:

(i) any selling group agreement and any third-party distribution agreement relating to the initial sale of the 2019 Series A Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

(1) (I) to report the prices at which it sells to the public the unsold 2019 Series A Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all the 2019 Series A Bonds of that maturity allocated to it have been sold or it is notified by the Underwriters that the 10% test has been satisfied as to the 2019 Series A Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon the request of the Underwriters; and (II) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriters.

(2) to promptly notify the Underwriters of any sales of 2019 Series A Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the 2019 Series A Bonds to the public (each such term being used as defined below), and

(3) to acknowledge that, unless otherwise advised by the dealer or broker-dealer, the Underwriters shall assume that each order submitted by the dealer or broker-dealer is a sale to the public.

(ii) any selling group agreement relating to the initial sale of the 2019 Series A Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the 2019 Series A Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to: (1) report the prices at which it sells to the public the unsold 2019 Series A Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all 2019 Series A Bonds

of that maturity allocated to it have been sold or it is notified by the Underwriters or the dealer that the 10% test has been satisfied as to the 2019 Series A Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Underwriters or the dealer, and (2) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriters or the dealer and as set forth in the related pricing wires.

(e) The Authority acknowledges that, in making the representations set forth in this Section, the Underwriters will rely on:

(i) in the event a selling group has been created in connection with the initial sale of the 2019 Series A Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the 2019 Series A Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the 2019 Series A Bonds, as set forth in a selling group agreement and the related pricing wires; and

(ii) in the event that a third-party distribution agreement was employed in connection with the initial sale of the 2019 Series A Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing the issue price of the 2019 Series A Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the 2019 Series A Bonds, as set forth in the third-party distribution agreement and the related pricing wires.

The Authority further acknowledges that the Underwriters shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement, to comply with its corresponding agreement to comply with the requirements for establishing issue price of the 2019 Series A Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the 2019 Series A Bonds.

(f) The Underwriters acknowledge that sales of any 2019 Series A Bond to any person that is a related party to an underwriter participating in the initial sale of the 2019 Series A Bonds to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this Section. Further, for purposes of this Section:

(i) “public” means any person other than an underwriter or a related party;

(ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the Authority (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the 2019 Series A Bonds to the public and (B) any person that agrees pursuant to a

written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the 2019 Series A Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the 2019 Series A Bonds to the public); and

(iii) a purchaser of any of the 2019 Series A Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to: (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(iv) “Sale Date” means the date of the execution of this Purchase Contract by all parties.

8. Termination of Contract. The Underwriters shall have the right to terminate the Underwriters’ obligation under this Purchase Contract to purchase, to accept delivery of and to pay for the 2019 Bonds if, after the execution hereof and prior to the Closing, the market price or marketability of the 2019 Bonds or the ability of the Underwriters to enforce contracts for the sale of the 2019 Bonds shall be materially adversely affected in the reasonable judgment of the Underwriters by the occurrence of any of the following:

(a) legislation shall be enacted by or introduced in the Congress of the United States or the legislature of the Government of Guam or recommended to the Congress for passage by the President of the United States, or the Treasury Department of the United States or the Internal Revenue Service or favorably reported for passage to either House of the Congress by any committee of such House to which such legislation has been referred for consideration, a decision by a court of the United States or of the Government of Guam or the United States Tax Court shall be rendered, or an order, ruling, regulation (final, temporary or proposed), press release, statement or other form of notice by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency shall be made or proposed, the effect of any or all of which would be to alter, directly or indirectly, federal income taxation upon interest received on obligations of the general character of the 2019 Series A Bonds, or the interest on the 2019 Series A Bonds as described in the Official Statement, or other action or events shall have transpired which may have the purpose or effect, directly or indirectly, of changing the federal income tax consequences of any of the transactions contemplated herein.

(b) any legislation, resolution, rule or regulation shall be introduced in, considered by or be enacted by any governmental body, department or political subdivision of Guam, or a decision by any court of competent jurisdiction within Guam shall be rendered which, in the reasonable judgment of the Representative, does or will materially adversely affect the market prices of the 2019 Bonds;

(c) legislation introduced in or enacted (or resolution passed) by the Congress or an order, decree, or injunction issued by any court of competent jurisdiction, or an order, ruling, regulation (final, temporary, or proposed), press release or other form of notice issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, to the effect that obligations of the general character of the 2019 Bonds are not exempt from registration under or other requirements of the Securities Act of 1933, as amended, or that the Indenture is not exempt from qualification under or other requirements of the Trust Indenture Act of 1939, as amended, or that the issuance, offering, or sale of obligations of the general character of the 2019 Bonds, as contemplated hereby or by the Official Statement or otherwise, is or would be in violation of the federal securities law as amended and then in effect.

(d) there shall have occurred: (i) any new material outbreak of hostilities (including, without limitation, an act of terrorism), (ii) the escalation of hostilities existing prior to the date hereof, or (iii) any other extraordinary event, material national or international calamity or crisis, any declaration of a national emergency, or any material adverse change in the financial, political or economic conditions affecting the United States or the Authority.

(e) a general suspension of trading in securities on the New York Stock Exchange or any other national securities exchange, the establishment of minimum or maximum prices on any such national securities exchange, the establishment of material restrictions (not in force as of the date hereof) upon trading securities generally by any governmental authority or any national securities exchange, or any material increase of restrictions now in force (including, with respect to the extension of credit by, or the charge to the net capital requirements of, the Underwriters).

(f) a general banking moratorium declared by federal, State or Territory officials.

(g) any event occurring, or information becoming known which, in the reasonable judgment of the Underwriters, makes untrue in any material respect any material statement or information contained in the Official Statement, or has the effect that the Official Statement contains any untrue statement of material fact 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.

(h) there shall have occurred since the date of this Purchase Contract any materially adverse change in the affairs or financial condition of the Authority, except for

changes which the Preliminary Official Statement and the Official Statement discloses are expected to occur.

(i) 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 Purchase Contract has published a rating (or has been asked to furnish a rating on the 2019 Bonds) on any of the Authority's debt obligations, which action reflects a change or possible change, in the ratings accorded any such obligations of the Authority (including any rating to be accorded the 2019 Bonds).

(j) a material disruption in commercial banking or securities settlement, payment or clearance services shall have occurred.

If the Authority shall be unable to satisfy the conditions contained in this Purchase Contract or if the obligations of the Underwriters shall be terminated for any reason permitted by this Purchase Contract, this Purchase Contract shall terminate and neither the Underwriters nor the Authority shall be under a further obligation hereunder, except that the Authority and the Underwriters shall pay their respective expenses as set forth in Section 10.

9. Fiduciary. The Authority acknowledges and agrees that: (a) with respect to the engagement of the Underwriters by the Authority, including in connection with the purchase, sale and offering of the 2019 Bonds, and the discussions, conferences, negotiations and undertakings in connection therewith, the Underwriters: (i) is and has been acting as a principal and not as an agent, municipal advisor, financial advisor or a fiduciary of the Authority; and (ii) has not assumed an advisory or fiduciary responsibility in favor of the Authority (irrespective of whether the Underwriters have provided other services or are currently providing other services to the Authority on other matters); (b) the Authority has consulted its own legal, accounting, tax, financial and other advisors to the extent it has deemed appropriate; and (c) this Purchase Contract expresses the entire relationship between the parties hereto.

10. Expenses. The Authority shall pay or cause to be paid from the proceeds of the 2019 Bonds, the expenses incident to the performance of its obligations hereunder, including, but not limited to: (a) the fees and disbursements of the Trustee, and of the Co-Trustee as Registrar, in connection with the issuance of the 2019 Bonds; (b) the fees and disbursements of Bond Counsel, General Counsel to the Authority, any verification agent and any other financial advisors, experts or consultants retained by the Authority in connection with the transactions contemplated hereby; (c) the cost of obtaining ratings on the 2019 Bonds; (d) the cost of preparing and printing the Preliminary Official Statement and the Official Statement; (e) the cost of preparing the investor road show in connection with the marketing and sale of the 2019 Bonds; (f) any costs of the Authority, GEDA or the Government of Guam in connection with the negotiation, marketing, sale, issuance and delivery of the 2019 Bonds; and (g) the costs of meals, lodging and travel arrangements for the Authority, GEDA and the Government of Guam representatives in connection with the negotiation, marketing, sale, issuance and delivery of the 2019 Bonds.

As a convenience to the Authority, the Underwriters may, from time to time, make arrangements for certain items and advance certain costs for which the Authority is responsible

hereunder, such as printing of the Preliminary Official Statement and Official Statement, meals, lodging and travel arrangements for Authority representatives, in connection with the negotiation, marketing, sale, issuance and delivery of the 2019 Bonds for which it will be reimbursed from the proceeds of the 2019 Bonds.

The Underwriters shall pay the cost of delivering the purchase price of the 2019 Bonds in immediately available federal funds, the cost of their counsel and all other expenses they incur in connection with their public offering and distribution of the 2019 Bonds.

11. Notice. Any notice or other communication to be given to the Authority under this Purchase Contract may be given by delivering the same in writing to A.B. Won Pat International Airport Authority, Guam, 355 Chalan Pasaheru, Tamuning, Guam 96913, Attention: Executive Manager, with a copy to its General Counsel; and any notice or other communication to be given to the Underwriters under this Purchase Contract may be given by delivering the same in writing to Barclays Capital Inc., Attn: Sean Keatts, Director, 701 Fifth Avenue, Suite 7101, Seattle, Washington 98104, as Representative.

12. Indemnification.

(a) To the fullest extent permitted by applicable law, 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 Purchase Contract (including a breach the result of which would require in connection with a public offering of the 2019 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 Agreement, or any statement or information in the Preliminary Official Statement or in the Official Statement (excluding therefrom the information under the headings "UNDERWRITING," "REPORT OF AIRPORT CONSULTANT," and "TAX MATTERS"; and the information about the investment agreement provider, ratings, rating agencies, and DTC and its book-entry system and the information in the appendices to the Preliminary Official Statement and the Official Statement) 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.

(b) 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 12(a) 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 2019 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 2019 Bonds paid to the Authority pursuant to Section 1 hereof (before deducting expenses) bear to the underwriting discount received by the Underwriters (the difference between the initial public offering price for the 2019 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 Underwriters' discount of purchase of the 2019 Bonds pursuant to this Purchase Contract. 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.

13. Entire Agreement. This Purchase Contract shall constitute the entire agreement between the Authority and the Underwriters and is made solely for the benefit of the Authority and the Underwriters (including any successor or assignee of any of the Underwriters). This Purchase Contract shall become effective when accepted by the Authority and GEDA in writing as heretofore specified, and may not be amended or modified except in a writing signed by the Authority and the Underwriters. No other person shall acquire or have any right hereunder by virtue hereof. All the Authority's representations, warranties and agreements in this Purchase Contract shall remain operative and in full force and effect, regardless of: (a) any investigation made by or on behalf of the Underwriters; (b) delivery of and payment for the 2019 Bonds hereunder; and (c) any termination of this Purchase Contract.

14. Governing Law. The validity, interpretation and performance of this Purchase Contract shall be governed by the laws of the State of New York, except that the authorization, execution and delivery by the Authority of this Purchase Contract and the Authority's obligations hereunder shall be governed by the laws of Guam.

15. Severability. If any one or more of the provisions of this Purchase Contract are declared by a court of competent jurisdiction to be contrary to law, then such provision shall be deemed separable from, and shall in no way affect the validity of, any of the other provisions in this Purchase Contract.

16. Counterparts. This Purchase Contract may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document.

[Signature Page to Purchase Contract to Follow]

THE UNDERWRITERS:

BARCLAYS CAPITAL INC., on behalf of
itself and MORGAN STANLEY & CO. LLC

Sean Keatts, Director

Accepted and agreed to as of the date first above written:

THE AUTHORITY:

A.B. WON PAT INTERNATIONAL
AIRPORT AUTHORITY, GUAM

Thomas C. Ada, Executive Manager

**GUAM ECONOMIC DEVELOPMENT
AUTHORITY:**

Artemio Hernandez, Deputy Administrator

[Signature Page to Purchase Contract]

EXHIBIT A-1

DESCRIPTION OF CERTAIN TERMS OF THE 2019SERIES A BONDS

Aggregate Principal Amount: \$ _____
Plus Original Issue Premium: _____
Less Underwriters' Discount: (_____)
Aggregate Purchase Price: \$ _____

Maturity Dates and Interest Rates:

<u>Due</u> <u>October 1</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>Price</u>
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Interest Payment Dates:

Interest on the 2019 Series A Bonds shall be payable commencing April 1, 2020, and semiannually thereafter on each October 1 and April 1, to their respective dates of maturity or prior redemption, whichever occurs first.

Redemption Provisions:

Optional Redemption: The 2019 Series A Bonds are not subject to optional redemption prior to their respective stated maturities.

Mandatory Sinking Fund Redemption: The 2019 Series A Bonds stated to mature on October 1, _____, are Term Bonds and, if not optionally redeemed or purchased, are subject to mandatory redemption at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the date fixed for redemption, and without premium, on October 1 in the years and principal amounts as follows:

_____ Term Bonds (interest rate of _____ %)	
<u>Mandatory Sinking Fund Redemption Dates</u>	<u>Mandatory Sinking Fund Redemption Amounts</u>

* Final maturity.

The 2019 Series A Bonds stated to mature on October 1, _____, are Term Bonds and, if not optionally redeemed or purchased, are subject to mandatory redemption at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the date fixed for redemption, and without premium, on October 1 in the years and principal amounts as follows:

_____ Term Bonds (interest rate of _____ %)	
<u>Mandatory Sinking Fund Redemption Dates</u>	<u>Mandatory Sinking Fund Redemption Amounts</u>

* Final maturity.

All other redemption provisions shall be as set forth in the Indenture.

EXHIBIT A-2

DESCRIPTION OF CERTAIN TERMS OF THE 2019SERIES B BONDS

Aggregate Principal Amount: \$ _____
Plus Original Issue Premium: _____
Less Underwriters' Discount: _____ (_____)
Aggregate Purchase Price: \$ _____

Maturity Dates and Interest Rates:

<u>Due</u> <u>October 1</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>Price</u>
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Interest Payment Dates:

Interest on the 2019 Series B Bonds shall be payable commencing April 1, 2020, and semiannually thereafter on each October 1 and April 1, to their respective dates of maturity or prior redemption, whichever occurs first.

Redemption Provisions:

Optional Redemption: The 2019 Series B Bonds are not subject to optional redemption prior to their respective stated maturities.

Mandatory Sinking Fund Redemption: The 2019 Series B Bonds stated to mature on October 1, _____, are Term Bonds and, if not optionally redeemed or purchased, are subject to mandatory redemption at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the date fixed for redemption, and without premium, on October 1 in the years and principal amounts as follows:

_____ Term Bonds (interest rate of _____ %)	
<u>Mandatory Sinking Fund Redemption Dates</u>	<u>Mandatory Sinking Fund Redemption Amounts</u>

* Final maturity.

The 2019 Series B Bonds stated to mature on October 1, _____, are Term Bonds and, if not optionally redeemed or purchased, are subject to mandatory redemption at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the date fixed for redemption, and without premium, on October 1 in the years and principal amounts as follows:

_____ Term Bonds (interest rate of _____ %)	
<u>Mandatory Sinking Fund Redemption Dates</u>	<u>Mandatory Sinking Fund Redemption Amounts</u>

* Final maturity.

All other redemption provisions shall be as set forth in the Indenture.

**EXHIBIT “B”
ISSUE PRICE CERTIFICATE**

§ _____
**A.B. WON PAT INTERNATIONAL AIRPORT AUTHORITY, GUAM
GENERALREVENUE BONDS, 2019SERIES A (AMT)**

The undersigned, Barclays Capital Inc. (the “Representative”), on behalf of itself and Morgan Stanley & Co. LLC) (collectively, the “Underwriters”) hereby certifies as set forth below with respect to the sale and issuance of the above-captioned bonds (the “2019 Series ABonds”).

1. ***Sale of the General Rule Maturities.*** As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule 1.

2. ***[Initial Offering Price of the Hold-the-Offering-Price Maturities.***

(a) The Underwriters offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule 1 (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the 2019 Series A Bonds is attached to this certificate as Schedule 2.

(b) As set forth in the Purchase Contract, the Underwriters have agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the 2019Series A Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity. Pursuant to such Purchase Contract, the Underwriters have neither offered nor sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the 2019 Series A Bonds during the Holding Period.]

3. ***Defined Terms.***

(a) *General Rule Maturities* means those Maturities of the 2019 Series A Bonds listed in Schedule 1 hereto as the “General Rule Maturities.”

(b) *[Hold-the-Offering-Price Maturities* means those Maturities of the 2019 Series A Bonds listed in Schedule 1 hereto as the “Hold-the-Offering-Price Maturities.”

(c) *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of: (i) the close of the 5th business day after the Sale Date, or (ii) the date on which the Underwriters have sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.]

(d) *Issuer* means A.B. Won Pat International Airport Authority, Guam.

(e) *Maturity* means the 2019 Series A Bonds with the same credit and payment terms. 2019 Series A Bonds with different maturity dates, or the 2019 Series A Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(f) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter, as defined in subsection (h) below. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50% common ownership, directly or indirectly.

(g) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Series 2019 A Bonds. The Sale Date of the 2019 Series A Bonds is _____, 2019.

(h) *Underwriters* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the 2019 Series A Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the 2019 Series A Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the 2019 Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Underwriters’ interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Authority with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the 2019 Series A Bonds, and by Orrick, Herrington & Sutcliffe LLP in connection with rendering its opinion that the interest on the 2019 Series A Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the 2019 Series A Bonds.

Dated: _____, 2019.

BARCLAYS CAPITAL INC., on behalf of itself
and MORGAN STANLEY & CO. LLC

Sean Keatts, Director

SCHEDULE I

SALE PRICES OF THE GENERAL RULE MATURITIES [AND INITIAL OFFERING PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES]

\$ _____
A.B. WON PAT INTERNATIONAL AIRPORT AUTHORITY, GUAM
GENERAL REVENUE BONDS, 2019 SERIES A (AMT)

Maturity (October 1)	Principal Amount	Sales Price of General Rule Maturities (10% Sold to Public) ¹	(Initial Offering Prices of the Hold- The-Offering-Price Maturities	Notes
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¹ Represents a percentage of the principal (or par) amount of the maturities of the 2019 Series A Bonds.

SCHEDULE 2
PRICING WIRE OR EQUIVALENT COMMUNICATION
(ATTACHED)

ESCROW AGREEMENT

by and between the

A.B. WON PAT INTERNATIONAL AIRPORT AUTHORITY, GUAM

and

U.S. BANK NATIONAL ASSOCIATION,
as Escrow Agent

relating to the refunding of:

GUAM INTERNATIONAL AIRPORT AUTHORITY
General Revenue Bonds, 2019 Series C

Dated as of [November 1, 2019]

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ESCROW AGREEMENT

THIS ESCROW AGREEMENT, dated as of [November 1, 2019] (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 and acting as escrow agent hereunder (in both such capacities, the “Escrow Agent”).

WITNESSETH:

WHEREAS, [the\$[_____] A.B. Won Pat International Airport Authority, Guam, General Revenue Bonds, 2019 Series A (the “2019 Series A Bonds”) and] \$[_____]A.B. Won Pat International Airport Authority, Guam, General Revenue Bonds, 2019 Series B (Taxable) (the “2019 Series B Bonds”) ([collectively] the “Refunding Bonds”) are being issued 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 (the “General Indenture”), as previously supplemented and amended, as further supplemented and amended by a fourth supplemental indenture, dated as of [November 1, 2019] (collectively, the “Indenture”) by and among the Authority, the Trustee and the Co-Trustee;

WHEREAS, the Refunding Bonds are being issued for the purpose, among others, of providing moneys to refund and redeem or pay upon the maturity thereof [all or a portion of the outstanding] Guam International Airport Authority General Revenue Bonds, 2013 Series C (the “2013 Series C Bonds”) previously issued by the Authority, which are currently outstanding in the aggregate principal amount of \$[_____] ([such portion,]the “Refunded Bonds”); and

WHEREAS, 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 as set forth in 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, 2013 Series C 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

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 \$[] (comprised of \$[] to be derived from the proceeds of the Refunding Bonds [and \$[] to be derived from moneys relating to the Refunded Bonds on deposit with the Escrow Agent in the funds established under the Indenture)], which shall be held in the Escrow Fund as [uninvested cash]. The Authority hereby deems the moneys deposited in the Escrow Fund to have been deposited with the Trustee for purposes of Article X of 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 Eligible 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.]

For purposes of this Escrow Agreement, the term “Eligible Securities” means noncallable Federal Securities described in the definition thereof in the Indenture]

SECTION 3. [Non-Investment of Escrow Fund]/[Investment of Escrow Fund]. [as applicable] [The Escrow Agent shall hold the moneys deposited pursuant to Section 2 as uninvested cash. The Escrow Agent 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 cash held under the terms of this Escrow Agreement.]

[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 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 confirms its irrevocable instruction to the Escrow Agent to give notice of redemption on [_____, 20__] of the Refunded Bonds maturing after [_____, 1, 20__], in the manner required by Section 4.03 of the Indenture. A copy of such notice as distributed, together with the Authority's instruction, is attached as Appendix A hereto.

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 or upon the direction of 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.

(b) 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.

(c) 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.

(d) 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.

(e) 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.

(f) 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.

(g) 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.

(h) 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.

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

(j) 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.

(k) 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.

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

(m) 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 other moneys 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 Escrowed 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 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”).

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 and 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

[Signature page – Escrow Agreement 2013C Refunding of 2019]

SCHEDULE I—Required Payments

(Attach pages Exhibit [] through [] of final Verification Report)

SCHEDULE II—Escrowed Securities

(Attach pages Exhibit [] through [] of final Verification Report)

APPENDIX A

Submitted Notice of Redemption

(to be attached)

PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER [17], 2019

NEW ISSUES-BOOK-ENTRY ONLY

RATINGS: SEE “RATINGS” HEREIN

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Authority, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the 2019 Series A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the “Code”), except that no opinion is expressed as to the status of interest on any 2019 Series A Bond for any period that such 2019 Series A Bond is held by a “substantial user” of the facilities financed or refinanced by the 2019 Series A Bonds or by a “related person” within the meaning of Section 147(a) of the Code. Bond Counsel observes, however, that interest on the 2019 Series A Bonds is a specific preference item for purposes of the federal alternative minimum tax. Bond Counsel is also of the opinion that, under 48 U.S.C. Section 1423a, interest on the 2019 Series A Bonds is exempt from taxation by any state or territory of the United States or any political subdivision thereof, or by the District of Columbia. Bond Counsel observes that interest on the 2019 Series B Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Code. Bond Counsel is of the opinion that, under 48 U.S.C. Section 1423a, interest on the 2019 Series B Bonds is exempt from taxation by any state of the United States or any political subdivision thereof, or by the District of Columbia. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the 2019 Bonds. See “TAX MATTERS.”

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

\$20,010,000*
General Revenue Bonds
2019 Series A (AMT)

\$20,600,000*
General Revenue Bonds
2019 Series B (Taxable)

Dated: Date of Delivery

Due: As shown on the inside cover page

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to making an informed investment decision. Capitalized terms not defined on this cover page are defined inside.

The A.B. Won Pat International Airport Authority, Guam (the “**Authority**”) is issuing the A.B. Won Pat International Airport Authority, Guam General Revenue Bonds, 2019 Series A (the “**2019 Series A Bonds**”) and 2019 Series B (Taxable) (the “**2019 Series B Bonds**” and, together with the 2019 Series A Bonds, the “**2019 Bonds**”) for the purposes of (i) refunding a portion of the Authority’s outstanding 2013 Series C Bonds and (ii) paying expenses incurred in connection with the issuance of the 2019 Bonds.

[The issuance, sale and delivery of the 2019 Bonds have been approved by the Board of Directors of the Authority.] The issuance, terms and conditions of the 2019 Bonds have been approved by the Legislature of Guam. [The sale of the 2019 Bonds has been approved by the Board of Directors of the Guam Economic Development Authority.] The 2019 Bonds are authorized to be issued pursuant to Chapter 1 of Title 12 of the Guam Code Annotated, as amended (the “**Act**”), and pursuant to an indenture, dated as of September 1, 2003 (the “**General Indenture**”), by and between the Authority and Bank of Guam (the “**Trustee**”) and U.S. Bank National Association (the “**Co-Trustee**”), as amended and supplemented, including by a supplemental indenture, to be dated as of November 1, 2019 (the “**Fourth Supplemental Indenture**”), by and among the Authority, the Trustee and the Co-Trustee. The General Indenture, as so amended and supplemented, including by the Fourth Supplemental Indenture, is referred to herein as the “**Indenture**.”

The 2019 Bonds mature on the dates and in the amounts and will bear interest at the rates per annum listed on the inside front cover page. Interest on the 2019 Bonds will be payable on April 1 and October 1 of each year, commencing April 1, 2020. The 2019 Bonds are not subject to redemption prior to maturity.

The 2019 Bonds are not general obligations of the Authority, but are limited obligations payable solely from and secured by a pledge of Revenues (as defined in the Indenture and more particularly described herein) consisting primarily of all gross income and revenue received by the Authority from the ownership or operation of the Airport, including all rents, fees and charges received by the Authority for the use of the Airport, all Payment Agreement Receipts, all proceeds of insurance or grants covering business interruption loss (and related losses and expenses) relating to the Airport, all investment income available for such purpose (except from the Construction Accounts, the Capital Improvement Fund or the Rebate Fund), and certain proceeds of passenger facility charges, but not including amounts received from certain other insurance proceeds, and certain other amounts, all as more fully described herein, subject to the provisions of the Indenture permitting the application of Revenues for or to the purposes (including payment of Operation and Maintenance Expenses) and on the terms and conditions set forth therein. Neither the Government of Guam (the “**Government**”) nor any political subdivision thereof is obligated to pay the principal of, Redemption Price, if applicable, or interest on the 2019 Bonds, except from such Revenues, and none of the Authority, the Government or any political subdivision thereof has pledged its faith or credit to the payment of the principal of, Redemption Price, if applicable, or interest on the 2019 Bonds.

The 2019 Bonds are being issued as fully registered bonds in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company (“**DTC**”), New York, New York. Individual purchases and sales of the 2019 Bonds may be made in book-entry form only, in denominations of \$5,000 and integral multiples thereof. Purchasers will not receive physical delivery of 2019 Bonds purchased by them. So long as the 2019 Bonds are held by DTC, payments of the principal of, premium, if any, and interest on the 2019 Bonds will be payable to DTC, which in turn will remit such principal, premium, if any, and interest to the DTC participants for subsequent disbursement to the beneficial owners of the 2019 Bonds.

The 2019 Bonds are offered when, as and if issued and received by the Underwriters, subject to the approval of validity by Orrick, Herrington & Sutcliffe LLP, Bond Counsel. Certain legal matters will be passed upon for the Authority by its counsel, Calvo Fisher & Jacob LLP, Hagåtña, Guam, and for the Underwriters by their counsel, Kutak Rock LLP. It is expected that the 2019 Bonds in book-entry form will be available for delivery through the facilities of DTC in New York, New York, on or about November 14, 2019.

Barclays

Morgan Stanley

Dated: October __, 2019

*Preliminary, subject to change.

MATURITY SCHEDULES

A.B. WON PAT INTERNATIONAL AIRPORT AUTHORITY, GUAM

\$20,010,000* **General Revenue Bonds** **2019 Series A (AMT)**

Maturity Date (October 1)	Principal Amount	Interest Rate	Yield	CUSIP No. [†]
2022	\$ 9,765,000			40064R__
2023	10,245,000			40064R__

\$20,600,000* **General Revenue Bonds** **2019 Series B (Taxable)**

Maturity Date (October 1)	Principal Amount	Interest Rate	Yield	CUSIP No. [†]
2024	\$12,090,000			40064R__
2025	8,510,000			40064R__

* Preliminary, subject to change.

[†] CUSIP is a registered trademark of the American Bankers Association. CUSIP Global Services is managed on behalf of the American Bankers Association by S&P Global Market Intelligence. Copyright © 2019 CUSIP Global Services. The CUSIP numbers are not intended to create a database and do not serve in any way as a substitute for CUSIP service. CUSIP numbers have been assigned by an independent company not affiliated with either the Authority or the Guam Economic Development Authority (“GEDA”) and are provided solely for convenience and reference. The CUSIP numbers for a specific maturity or maturities are subject to change after the issuance of the Bonds. None of the Authority, GEDA or the Underwriters takes responsibility for the accuracy of the CUSIP numbers, and no representation is made as to their correctness on the applicable 2019 Bond certificates or in this Official Statement.

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

Brian J. Bamba
Board Chairman

Gurvinder Sobti
Board Vice Chairperson

Lucy M. Alcorn
Board Director

Rosie R. Tainatongo
Board Director

Thomas C. Ada
Executive Manager

Donald I. Weakley
Board Secretary

Zenon E. Belanger
Board Director

Doyon Ahn Morato
Board Director

John M. Quinata
Deputy Executive Manager

GOVERNMENT OF GUAM

Lourdes A. Leon Guerrero
Governor

Joshua F. Tenorio
Lieutenant Governor

GUAM ECONOMIC DEVELOPMENT AUTHORITY

Melanie Mendiola
Chief Executive Officer / Administrator

Artemio Hernandez
Deputy Administrator

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*Counsel to Guam Economic
Development Authority*
Brooks Concepcion Law, P.C.

Trustee
Bank of Guam

*Co-Trustee, Paying Agent and
Registrar*
U.S. Bank National Association

Auditors
Ernst & Young LLP

Airport Consultant
Ricondo & Associates, Inc.

Dissemination Agent
Digital Assurance Certification,
LLC

No dealer, broker, salesperson or other person has been authorized by the Authority or the Underwriters to give any information or to make any representations other than those contained herein and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the 2019 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

The information set forth in this Official Statement has been furnished by the Authority and other sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Underwriters. The information and expressions of opinion stated herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the information or opinions stated herein or in the affairs of the Authority since the date hereof.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

This Official Statement is not to be construed as a contract with the purchasers of the 2019 Bonds. Statements contained in this Official Statement that involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact.

CERTAIN STATEMENTS CONTAINED IN THIS OFFICIAL STATEMENT ARE NOT INTENDED TO REFLECT HISTORICAL FACTS BUT ARE ESTIMATES AND “FORWARD-LOOKING STATEMENTS.” NO ASSURANCE CAN BE GIVEN THAT THE FUTURE RESULTS DISCUSSED HEREIN WILL BE ACHIEVED, AND ACTUAL RESULTS MAY DIFFER MATERIALLY FROM THE EXPECTATIONS OR FORECASTS DESCRIBED HEREIN. IN THIS RESPECT, THE WORDS “ESTIMATE,” “PROJECT,” “FORECAST,” “ANTICIPATE,” “EXPECT,” “ASSUME,” “INTEND,” “BELIEVE” AND SIMILAR EXPRESSIONS ARE INTENDED TO IDENTIFY FORWARD-LOOKING STATEMENTS. ALL PROJECTIONS, FORECASTS, ASSUMPTIONS, EXPRESSIONS OF OPINION, ESTIMATES AND OTHER FORWARD-LOOKING STATEMENTS ARE EXPRESSLY QUALIFIED IN THEIR ENTIRETY BY THE CAUTIONARY STATEMENTS SET FORTH IN THIS OFFICIAL STATEMENT. THE AUTHORITY DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO SUCH FORWARD-LOOKING STATEMENTS OR WHEN ITS EXPECTATIONS OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED DO OR DO NOT OCCUR.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE 2019 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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

\$20,010,000*
General Revenue Bonds
2019 Series A
(AMT)

\$20,600,000*
General Revenue Bonds
2019 Series B
(Taxable)

INTRODUCTION

The purpose of this Official Statement, which includes the cover page, the inside cover page, the table of contents and the appendices hereto (collectively, the “**Official Statement**”), is to provide information concerning the issuance by the A.B. Won Pat International Airport Authority, Guam (the “**Authority**”) of the \$20,010,000* A.B. Won Pat International Airport Authority, Guam General Revenue Bonds, 2019 Series A (the “**2019 Series A Bonds**”) and the \$20,600,000* A.B. Won Pat International Airport Authority, Guam General Revenue Bonds, 2019 Series B (Taxable) (the “**2019 Series B Bonds**” and together with the 2019 Series A Bonds, the “**2019 Bonds**”).

This Introduction is not a summary of this Official Statement, but is only a brief description of, and is qualified by, more complete and detailed information contained in this Official Statement. The Introduction should not be relied upon to provide all of the information necessary to make an informed decision about purchasing the 2019 Bonds. A full review should be made of the entire Official Statement. The offering of 2019 Bonds to potential investors is made only by means of the entire Official Statement.

Capitalized terms used herein that are not otherwise defined shall have the meanings set forth in APPENDIX E – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE” or in APPENDIX B – “SUMMARY OF THE FORM OF AIRLINE OPERATING AGREEMENT.”

The Authority

The Authority is organized and exists under Chapter 1 of Title 12 of the Guam Code Annotated, as amended (the “**Act**”), and is a public corporation and an autonomous instrumentality of the Government of Guam (the “**Government**”) with authority to construct, operate and maintain airports for civil aviation purposes on Guam, including the Antonio B. Won Pat Guam International Air Terminal and related facilities (collectively, the “**Airport**”). See “THE AUTHORITY.”

The Airport

The Airport is centrally located in Guam’s business district on an 1,800-acre parcel of land and has approximately 767,000 square feet of terminal space along with approximately 250,000 square feet of adjacent facilities, including hangars, maintenance facilities, warehouse space, storage facilities, office space and expansive ground space. The Airport is the only commercial air carrier airport serving Guam and is the principal air carrier airport serving the surrounding Micronesian islands. The Airport is classified as a small, air traffic hub by the Federal Aviation Administration (the “**FAA**”).

In Fiscal Year 2018, the Authority had approximately 1.8 million enplanements and approximately 3.4 million passengers moved through the Airport via approximately 55,000 aircraft operations. In addition, the Airport processed approximately 189.8 million pounds of cargo in calendar year 2018, or 75.1% more than the approximately 108.4 million pounds of cargo processed in calendar year 2017. See “THE AIRPORT.”

* Preliminary, subject to change.

The 2019 Bonds

The 2019 Bonds are being issued pursuant to the Act and pursuant to an indenture, dated as of September 1, 2003 (the “**General Indenture**”), by and between the Authority and the Bank of Guam (the “**Trustee**”) and U.S. Bank National Association (the “**Co-Trustee**”), as amended and supplemented, including by a supplemental indenture, to be dated as of November 1, 2019 (the “**Fourth Supplemental Indenture**”), by and among the Authority, the Trustee and the Co-Trustee. The General Indenture, as so amended and supplemented, including by the Fourth Supplemental Indenture, is referred to herein as the “**Indenture**.” [The issuance, sale and delivery of the 2019 Bonds have been approved by the Board of Directors of the Authority. The sale of the 2019 Bonds has been approved by the Board of Directors of the Guam Economic Development Authority (“**GEDA**”).] The issuance, terms and conditions of the 2019 Bonds have been approved by the Legislature of Guam. See “**PLAN OF FINANCE**” and “**THE 2019 BONDS**.”

The Authority is issuing the 2019 Bonds (i) to refund a portion of the Authority’s outstanding A.B. Won Pat International Airport Authority, Guam General Revenue Bonds, 2013 Series C (the “**2013 Series C Bonds**”), and (ii) to pay costs incurred in connection with the issuance of the 2019 Bonds. The issuance of the 2019 Bonds is subject to market conditions. If in the opinion of Authority management, sufficient debt service savings may not be achieved, some or all of the 2019 Bonds may not be offered or sold. See “**PLAN OF FINANCE**.”

Security and Sources of Payment for the Bonds

The 2019 Bonds are secured by a pledge of and a lien on Revenues (as defined herein), subject only to the prior payment of Operating and Maintenance Expenses, on a parity with any Bonds previously issued and outstanding under the Indenture and any additional Bonds or obligations that may be issued on a parity therewith under the Indenture (as further defined herein, “**Additional Bonds**”). As of September 30, 2019, \$192.7 million aggregate principal amount of the Authority’s A.B. Won Pat International Airport Authority, Guam General Revenue Bonds, 2013 Series A, 2013 Series B and 2013 Series C (collectively, the “**2013 Bonds**” or the “**Prior Bonds**”) were outstanding. The outstanding Prior Bonds, together with the 2019 Bonds and any Additional Bonds that may be issued in the future, are referred to in this Official Statement as the “**Bonds**.”

The Bonds, including the 2019 Bonds, are not general obligations of the Authority, but are limited obligations payable solely from and secured by a pledge of Revenues under the Indenture. The Bonds are secured by a lien upon and pledge of Revenues to be received by the Authority, the Trustee or the Depositary, and the Indenture prohibits the issuance of any other prior lien bonds and any parity debt except parity debt issued or incurred in accordance with the Indenture. Neither the payment of the principal of the 2019 Bonds, nor any interest thereon, is a debt, liability or obligation of the Government.

See “**SECURITY AND SOURCES OF PAYMENT FOR THE BONDS**.”

Investment Considerations

There are important investment considerations and risks associated with the purchase of the 2019 Bonds. See “**CERTAIN INVESTMENT CONSIDERATIONS**” for a discussion of some of these considerations and risks. Any one or more of the considerations and risks discussed, and others, could lead to a decrease in the market value and/or the liquidity of the 2019 Bonds. Potential purchasers of the 2019 Bonds are advised to review this Official Statement carefully.

Report of the Airport Consultant

The Authority has retained Ricondo & Associates, Inc. (the “**Airport Consultant**”) to prepare a Report of the Airport Consultant, dated October 17, 2019 (the “**Report of the Airport Consultant**”), included as APPENDIX D to this Official Statement. **The Report of the Airport Consultant is not being prepared pursuant to the requirements for the issuance of a Series of Bonds under the Indenture (as described in “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Additional Bonds”) and, therefore, presents limited information with respect to the Authority and the Airport.** Such information includes a discussion of the

economic basis for passenger demand at the Airport; a discussion of key factors that may affect future air traffic activity at the Airport; a review of historical air traffic activity at the Airport; a projection of air traffic activity at the Airport through Fiscal Year 2025 and a description of the assumptions used; and projections of revenues and debt service coverage through Fiscal Year 2025 and a description of the assumptions used. No assurance can be given that the projections and expectations discussed in the Report of the Airport Consultant will be achieved or that the assumptions will be realized. There may be differences between the projections and actual results, and such differences may be material. The financial projections in the Report of the Airport Consultant are based upon certain information and assumptions that were provided or reviewed with and agreed to by the Authority. In the opinion of the Airport Consultant, these assumptions provide a reasonable basis for the projections set forth in the Report of the Airport Consultant. Although the Report of the Airport Consultant does not present the same level of analysis or detailed information that would be presented for a report prepared pursuant to the requirements of the Indenture, the Report of the Airport Consultant should be read in its entirety. The Report of the Airport Consultant has not been revised subsequent to its date of publication (October 17, 2019) to reflect the final terms of the 2019 Bonds. See “REPORT OF THE AIRPORT CONSULTANT” below and APPENDIX D.

Continuing Disclosure

The Authority will covenant for the benefit of the holders and beneficial owners of the 2019 Bonds to provide annually certain financial information and operating data and to provide notice of certain enumerated events to assist the Underwriters in complying with the Securities and Exchange Commission’s Rule 15c2-12 under the Securities Exchange Act of 1934, as amended. See “CONTINUING DISCLOSURE” below and the form of Continuing Disclosure Agreement attached hereto as APPENDIX H.

Miscellaneous

Brief descriptions of the 2019 Bonds, the Authority and Guam and summaries of the Indenture, the form of Airline Operating Agreement and certain other documents are included in this Official Statement. Such descriptions and summaries do not purport to be comprehensive or definitive. All references herein to such documents and to any other documents, statutes, reports or other instruments described herein are qualified in their entirety by reference to each such document, statute, report or other instrument. Copies of such documents are available for inspection at the Administration Office of the A.B. Won Pat International Airport Authority, Guam, A.B. Won Pat Terminal, 355 Chalan Pasaheru, Route 10A, 3rd Floor, Tamuning, Guam 96931, during normal business hours, Monday through Friday, excluding Guam observed holidays.

The information herein is subject to change without notice, and neither the delivery of this Official Statement nor any sale made with respect hereto shall, under any circumstances, create any implication that there has been no change in the affairs of the Authority or the Airport since the date hereof.

This Official Statement is not to be construed as a contract or agreement between the Authority and the purchasers or owners of any of the 2019 Bonds.

PLAN OF FINANCE

Authorization

The 2019 Bonds are authorized to be issued pursuant to the Act, and are being issued pursuant to the Indenture and certain approvals granted by the Board of Directors of the Authority, the Legislature of Guam and the Board of Directors of GEDA.

Refunding Plan*

The 2019 Bonds are being issued by the Authority (i) to refund a portion of the Authority's outstanding 2013 Series C Bonds and (ii) to pay costs incurred in connection with the issuance of the 2019 Bonds. The following table details the maturity dates, principal amount or sinking fund amount, redemption date, redemption price and CUSIP number of the 2013 Series C Bonds which may be refunded with proceeds of the 2019 Bonds. The specific 2013 Series C Bonds to be refunded will only be determined by the Authority at the time that the Authority and the Underwriters for the 2019 Bonds execute the bond purchase contract for the 2019 Bonds. Until such time, all maturity dates and principal amount or sinking fund amount remain subject to change by the Authority in its sole discretion.

Bond Refunding Candidates

Refunded Maturity Date (October 1)	Principal Amount or Sinking Fund Amount Refunded*	Redemption Date	Redemption Price (% of Principal)	CUSIP Number
2020	\$9,430,000	At maturity	100%	40064RDL0
2021	9,800,000	At maturity	100%	40064RDL0
2022	10,395,000	At maturity	100%	40064RDM8
2023	11,010,000	At maturity	100%	40064RDM8

ESTIMATED SOURCES AND USES OF FUNDS

The proceeds of the 2019 Bonds, together with other available funds, are expected to be applied as follows:

	2019 Series A Bonds	2019 Series B Bonds	Total
Sources:			
Principal Amount of 2019 Bonds			
[Net] Original Issue [Premium/(Discount)]			
Total Sources			
Uses:			
Escrow Fund			
Costs of Issuance ⁽¹⁾			
Total Uses			

⁽¹⁾ Includes Underwriters' discount, Trustee, Co-Trustee and Escrow Agent fees, legal fees and expenses, rating agency fees, printing costs, bond insurance premiums and other miscellaneous costs of issuance.

*Preliminary, subject to change.

THE 2019 BONDS

General

When issued, the 2019 Bonds will be dated their date of delivery and will bear interest at the rates per annum and will mature, subject to prior redemption, on the dates and in the principal amounts set forth on the inside front cover page of this Official Statement. Interest on the 2019 Bonds will be payable on April 1 and October 1 of each year, commencing April 1, 2020 (each, an “**Interest Payment Date**”). Interest will accrue on the 2019 Bonds on the basis of a 360-day year comprised of twelve 30-day months. Each 2019 Bond will bear interest from the Interest Payment Date next preceding the date of authentication thereof, except that (1) 2019 Bonds authenticated during the period from the Record Date immediately preceding an Interest Payment Date to such Interest Payment Date, inclusive, will bear interest from such Interest Payment Date, and (2) 2019 Bonds registered on or prior to the Record Date for the first Interest Payment Date for the 2019 Bonds will bear interest from their date; provided, however, that if interest on the 2019 Bonds then Outstanding shall be in default at the time of authentication of any 2019 Bond, such 2019 Bond will bear interest from the date to which interest has previously been paid or made available for payment on the 2019 Bonds then Outstanding.

The 2019 Bonds will be issued in denominations of \$5,000 and integral multiples thereof and will be registered in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company (“**DTC**”), New York, New York. DTC will act as securities depository for the 2019 Bonds. Individual purchases may be made only in book-entry form, and purchasers will not receive certificates representing their interest in the 2019 Bonds purchases. Except as described below under “TAX MATTERS,” so long as Cede & Co. is the registered owner of the 2019 Bonds, as nominee of DTC, references herein to “Bondholders” or to “registered owners” of the 2019 Bonds mean Cede & Co. and not the Beneficial Owners of the 2019 Bonds. In this Official Statement, the term “**Beneficial Owner**” means the person for whom a DTC participant acquires an interest in the 2019 Bonds.

So long as DTC, or its nominee Cede & Co. (or such other nominee as an authorized officer of DTC may request) is the registered owner of the 2019 Bonds, payments of the principal of, premium, if any, and interest on the 2019 Bonds are to be made directly to DTC, which, in turn, is to remit such amounts to the Direct and Indirect Participants (as defined herein) for subsequent distribution to the Beneficial Owners. See APPENDIX G – “DTC AND ITS BOOK-ENTRY SYSTEM.”

No Redemption of the 2019 Bonds

The 2019 Bonds are not subject to redemption prior to their respective stated maturities.

Defeasance

Pursuant to the General Indenture, upon the deposit with the Trustee, in trust, at or before maturity of the Bonds, of money or Federal Securities in the necessary amount to pay or redeem Outstanding Bonds (whether upon or prior to their maturity or the redemption date of such Bonds), provided that if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption has been given as provided in the Indenture or provision satisfactory to the Trustee has been made for the giving of such notice, then all liability of the Authority in respect of such Bonds will cease, determine and be completely discharged and the Owners thereof will thereafter be entitled only to payment out of the money or Federal Securities deposited with the Trustee as aforesaid for their payment, subject, however, to the provisions of the Indenture relating to payment of Bonds after the discharge of Indenture. See APPENDIX E – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE AND THE 2019 SUPPLEMENTAL INDENTURE – Summary of Certain Provisions of the General Indenture – Defeasance.”

If the Authority defeases any 2019 Series B Bond, the 2019 Series B Bond may be deemed to be retired and reissued for U.S. federal income tax purposes as a result of the defeasance. In that event, in general, a holder will recognize taxable gain or loss equal to the difference between (i) the amount realized from the deemed sale, exchange or retirement (less any accrued qualified stated interest which will be taxable as such) and (ii) the holder’s adjusted tax basis in the 2019 Series B Bond.

Trustee, Co-Trustee, Registrar and Paying Agent

The Bank of Guam has been appointed to act as the Trustee for the Bonds, including the 2019 Bonds, and U.S. Bank National Association has been appointed to act as Co-Trustee, registrar (the “**Registrar**”) and paying agent (the “**Paying Agent**”) for the Bonds, including the 2019 Bonds.

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

Pledge of Revenues

The Bonds are limited obligations of the Authority and are payable solely from, and secured solely by, a lien on and pledge of, the Revenues. Pursuant to the Indenture, the Authority has pledged all of the Revenues, 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 in 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 Indenture provides that such pledge constitutes a first lien on and security interest in the Revenues and will attach, be perfected and be valid and binding from and after delivery of the first Series of Bonds issued under the General Indenture, without any physical delivery of such Revenues or further act.

As defined in the Indenture, the “Revenues” include all gross income and revenue received by the Authority from the ownership or operation of the Airport, including all rents, fees and charges received by the Authority for the use of the Airport, all Payment Agreement Receipts, all proceeds of insurance or grants covering business interruption loss (and related losses and expenses) relating to the Airport, and all investment income which is available for the purposes for which Revenues are used under the Indenture (other than investment income from the Construction Accounts, the Capital Improvement Fund or the Rebate Fund), but do not include: (1) amounts received as insurance proceeds (except as described above) or from the sale, transfer or other disposition of, or upon the taking by or under the threat of eminent domain of, all or any part of the Airport (which moneys shall be received and disposed of pursuant to the Indenture); (2) proceeds from any securities issued by the Authority or proceeds from loans obtained by the Authority; (3) amounts derived from any Special Facility and which are pledged or assigned as security for the payment of indebtedness incurred to finance such Special Facility; (4) the proceeds of any court or arbitration award or settlement in lieu thereof received by the Authority; (5) amounts received by the Authority as gifts or as grants (except as described above), whether restricted or unrestricted; and (6) other amounts (except as described above), the use of which is restricted by the donor or grantor.

In addition, the Indenture provides that the proceeds of any Passenger Facility Charge (“**PFC**”) are to be treated as Revenues for the purposes of the Indenture, including the pledge of Revenues in the Indenture, but are required to be used under the Indenture only to the extent and for the purposes that such proceeds are permitted to be used by federal law or regulation. See “CERTAIN FUNDING SOURCES – Passenger Facility Charges.”

The Authority has covenanted in the Indenture that, so long as any Bonds are outstanding, the Authority will not issue any bonds or obligations payable from Revenues or secured by a pledge, lien or charge upon Revenues prior to or on a parity with the Bonds, other than the Bonds, any Parity Agreement Payments and any Credit Agreement Payments.

The ability of the Authority to pay principal of and interest on the Bonds will depend upon the receipt by the Authority of sufficient Revenues. If Revenues and amounts available in the funds and accounts under the Indenture are insufficient to pay the principal of and interest on the 2019 Bonds, no other source of repayment exists. The Authority has no taxing power.

Flow of Funds

The Indenture requires the Authority to deposit all Revenues upon receipt in the General Revenue Bond Revenue Fund (the “**Revenue Fund**”), and provides that upon such receipt, such Revenues immediately become subject to the lien and pledge of the Indenture. Pursuant to the Indenture, on or before the fifth day of each calendar

month, the Depositary is required to transfer from the Revenue Fund (to the Trustee as necessary) for deposit into the following funds and accounts in the following order of priority, the following amounts (including the making up of any deficiencies in any such fund or account resulting from lack of Revenues sufficient to make any earlier required deposit):

(A) into the Operation and Maintenance Fund, an amount equal to the amount of Operation and Maintenance Expenses budgeted by the Authority to be paid from Revenues during the next succeeding calendar month;

(B) into the Debt Service Fund, the amount necessary to increase the amount in the Debt Service Fund to the aggregate amount for all Outstanding Bonds of all unpaid interest, principal and Mandatory Sinking Account Payments and for all Outstanding Parity Payment Agreements, if any, of all Parity Payment Agreement Payments with respect thereto and for all Outstanding Credit Agreements, if any, of all Credit Agreement Reimbursement Payments due and payable to the extent not otherwise included in such amount, as described in (1) through (5) below (after taking into account amounts transferred and to be transferred from any Construction Account to pay Capitalized Interest and any amounts to be transferred to the Debt Service Fund from the Revenue Fund representing payments required to be paid by a Qualified Counterparty on or prior to an Interest Payment Date pursuant to an Outstanding Payment Agreement related to any Bonds):

(1) for current interest Bonds, an amount equal to the amount of interest payable on any Interest Payment Date in substantially equal monthly amounts over the applicable Interest Accrual Periods for the Bonds ending on the Interest Payment Date or, in the case of Variable Rate Bonds, an amount equal to 110% of the amount of interest accrued during the next preceding calendar month less any excess deposited for the next preceding calendar month);

(2) for Bonds bearing interest on a deferred compounded basis, the amount of interest payable on any Interest Payment Date in substantially equal monthly amounts over the period during which such interest accrues;

(3) the amount of the principal of each Bond in equal monthly amounts over the Principal Payment Period for such Bond ending on the maturity date for such Bond;

(4) the amount of each Mandatory Sinking Account Payment for Bonds in equal monthly amounts over the Principal Payment Period for such Bonds ending on the date such Mandatory Sinking Account Payment is due;

(5) the amount of any Parity Payment Agreement Payment payable on any Payment Agreement Payment Date (a) in the case of such payments calculated based on a fixed rate, in equal monthly installments over the Payment Agreement Payment Accrual Period for such Payment Agreement Payment ending on such Payment Agreement Payment Date and (b) in the case of such payments calculated based on a variable rate, in monthly installments equal to 110% of the amount of such obligation accrued during the next preceding calendar month less any excess deposited for the next preceding calendar month; and

(6) to the extent not otherwise included, the amount of any Credit Agreement Reimbursement Payment due and payable;

(C) into the Bond Reserve Fund (and into each Bond Reserve Account), the amount, if any, needed to increase the amount in each Bond Reserve Account to its Bond Reserve Account Requirement as of the date of such transfer (see “– Bond Reserve Fund” below for a discussion of the circumstances under which the Authority is permitted under the Indenture to make a monthly deposit to a Bond Reserve Account that is less than the amount necessary to increase the amount therein to the Bond Reserve Account Requirement);

(D) into the Subordinate Securities Fund (and any accounts therein), the amount, if any, needed to increase the amount in such Fund and each such account to its requirement (including any requirements

for reasonable debt service reserves and requirements related to Payment Agreements that constitute Subordinate Securities);

(E) into the Operation and Maintenance Reserve Fund, the amount, if any, needed to increase the amount in the Operation and Maintenance Reserve Fund to an amount equal to one-fourth (1/4) of the total Operation and Maintenance Expenses budgeted by the Authority for the then-current Fiscal Year;

(F) into the Renewal and Replacement Fund, the amount, if any, needed to increase the amount in the Renewal and Replacement Fund to an amount equal to the greater of \$1,000,000 or such amount as may be established by Request of the Authority; and

(G) into the Capital Improvement Fund, the balance remaining in the Revenue Fund after the deposits described above have been made.

The Interest Accrual Periods and Principal Payment Periods for a Series of Bonds are established in the Supplemental Indenture providing for the issuance of such Series of Bonds. As set forth in the Fourth Supplemental Indenture, the Principal Payment Period for the 2019 Bonds is the 12 calendar months next preceding a principal payment date, and the Interest Accrual Period for the 2019 Bonds is six calendar months, in each case beginning on the next preceding Interest Payment Date. The Authority may in the future establish different Principal Payment Periods and Interest Accrual Periods for Additional Bonds.

The Indenture provides that, in the event that the amount in any Fund or Account is insufficient for the purposes for which such Fund or Account was established, the Trustee, the Co-Trustee or the Depositary, or the Depositary upon the direction of the Trustee, is required to transfer to such Fund or Account the amount of such deficiency by withdrawing said amount from subordinate Funds and Accounts in reverse order of the priority described above and prior to any other claims upon such Funds and Accounts, subject only to the limitation that amounts in each Bond Reserve Account are only be used as provided in the Indenture.

Pursuant to the Airline Operating Agreements, Revenues deposited to the Capital Improvement Fund are to be deposited into the following accounts in the following amounts and order of priority:

(A) into the PFC Capital Account, an amount equal to the net PFC proceeds in excess of that amount used to fund debt service on Bonds, the proceeds of which were used to finance PFC projects, plus interest on PFC funds; and

(B) into the Capital Improvement Account, all remaining amounts, such amounts to be deposited (1) to the Other Available Moneys Coverage Subaccount in an amount equal to the lesser of (a) 50% of the deposit to the Capital Improvement Account or (b) debt service coverage for such Fiscal Year, such amount to be carried forward and applied in the succeeding Fiscal Year in accordance with provisions of the Indenture described in (A) through (G) above and as a basis for determining credits to the rates and fees established pursuant to the Airline Operating Agreement; and (2) to the Capital Improvements Subaccount, all remaining amounts in the Capital Improvement Account.

See “AGREEMENTS FOR USE OF AIRPORT FACILITIES – Airline Operating Agreements,” APPENDIX E – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE” and APPENDIX B – “SUMMARY OF THE FORM OF AIRLINE OPERATING AGREEMENT” for definitions of the capitalized terms used above and descriptions of certain of the Funds and Accounts referenced above.

Rate Covenant

The Authority has covenanted in the Indenture to at all times fix, prescribe and collect rents, fees and charges in connection with the services and facilities furnished by the Airport which will be sufficient to yield (i) Revenues during each Fiscal Year equal to at least the aggregate amount of all transfers required to be made pursuant to the provisions of the Indenture described above under “—Flow of Funds” in categories (A) through (F)

for such Fiscal Year and (ii) the sum of Net Revenues plus Other Available Moneys during each Fiscal Year equal to at least 1.25 times the Aggregate Annual Debt Service for such Fiscal Year (collectively, the **“Rate Covenant”**).

The Indenture provides that if at the end of a Fiscal Year, (i) the sum of Net Revenues plus Other Available Moneys for such Fiscal Year were less than 1.25 times Aggregate Annual Debt Service for such Fiscal Year, or (ii) Revenues were less than the aggregate amount of all required transfers described above under “– Flow of Funds” in categories (A) through (F) for such Fiscal Year, the Authority is required to promptly employ an Airport Consultant to make recommendations as to a revision of rates, fees and charges or the methods of operation of the Airport, and promptly upon its receipt of such recommendations, to revise such rates, fees and charges or methods of operation and to take such other actions as will be in conformity with such recommendations, subject to applicable requirements or restrictions imposed by law and subject to a good faith determination of the Board that such recommendations, in whole or in part, are in the best interests of the Authority, the Owners and each Credit Provider, if any. The Indenture provides that if the Authority complies in all material respects with the reasonable recommendations of the Airport Consultant, or makes a good faith determination that such recommendations are not in the best interests of the Authority, the Authority will be deemed to have complied with the Rate Covenant for such Fiscal Year; provided, that Net Revenues are in no event less than Aggregate Annual Debt Service for such Fiscal Year.

“Net Revenues” is defined in the Indenture to mean, for any particular period, all of the Revenues (other than Payment Agreement Receipts) received during such period less all Operation and Maintenance Expenses of the Airport incurred during such period.

“Other Available Moneys” is defined in the Indenture to mean for any Fiscal Year the amount designated by the Authority of unencumbered moneys on deposit in the Capital Improvement Fund at the end of the prior Fiscal Year, but in no event will such amount exceed 25% of the Aggregate Annual Debt Service for such Fiscal Year.

See APPENDIX E – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE AND THE 2019 SUPPLEMENTAL INDENTURE – Certain Definitions” and “– Summary of Certain Provisions of the General Indenture – Certain Covenants – Rate Covenant.”

For a discussion of an additional rate covenant relating to the Energy Efficiency Loan mentioned below, see “– Subordinate Obligations.”

Bond Reserve Fund

The Indenture establishes the Bond Reserve Fund to secure the payment of principal and interest on the Bonds and provides that separate Bond Reserve Accounts may be created within the Bond Reserve Fund for any Series of Bonds. All amounts in each Bond Reserve Account are to be used and withdrawn by the Trustee solely for the purpose of paying debt service on the related Series of Bonds (including Payment Agreement Payments to the extent provided in any Supplemental Indenture) for which such Bond Reserve Account was established in the event of a deficiency in the Debt Service Fund, in the manner and to the extent set forth in the Indenture. So long as the Authority is not in default under the Indenture, any amount in any Bond Reserve Account in excess of its Bond Reserve Account Requirement is to be transferred to the Revenue Fund.

“Bond Reserve Account Requirement” is defined in the Indenture to mean, as of any particular date of calculation with respect to any Series of Bonds for which a Bond Reserve 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.

In connection with the issuance of Additional Bonds such as the 2019 Bonds, the Indenture permits the Authority to establish no Bond Reserve Account or Bond Reserve Account Requirement for such Series of Bonds, to establish a common reserve for multiple Series of Additional Bonds or to designate one or more Series of Additional Bonds as “2013 Bond Reserve Account Bonds” to be secured by the 2013 Bond Reserve Account.

Pursuant to the Indenture, in connection with the issuance on September 12, 2013 of the Authority's 2013 Series A Bonds, 2013 Series B Bonds and 2013 Series C Bonds (collectively, the "**2013 Bonds**") the Authority has established within the Bond Reserve Fund the 2013 Bond Reserve Account to secure the payment of the Authority's 2013 Bonds and any Additional Bonds designated as "**2013 Bond Reserve Account Bonds**" in the related Supplemental Indenture. The Bond Reserve Account Requirement for the 2013 Bonds and any additional Bonds designated as 2013 Bond Reserve Account Bonds (the "**2013 Bond Reserve Account Requirement**") is defined in the Indenture to mean an amount equal to the lesser of (i) Maximum Annual Debt Service on all Outstanding 2013 Bond Reserve Account Bonds, (ii) one hundred and twenty-five percent (125%) of average Annual Debt Service on all Outstanding 2013 Bond Reserve Account Bonds or (iii) the Bond Reserve Account Requirement for the 2013 Bond Reserve Account Bonds in effect immediately prior to the issuance of the most recently issued Series of 2013 Bond Reserve Account Bonds, plus the Tax Maximum calculated with respect to such Series of 2013 Bond Reserve Account Bonds. For the avoidance of doubt, when calculating the Bond Reserve Account Requirement to apply immediately following the issuance of an additional Series of 2013 Bond Reserve Account Bonds, the amount described in clause (iii) above is to be calculated using the Bond Reserve Account Requirement for the 2013 Bond Reserve Account Bonds in effect immediately prior to such issuance, plus the Tax Maximum calculated with respect to such additional Series of 2013 Bond Reserve Account Bonds.

As defined in the Indenture, "Tax Maximum" means, for any Series of Bonds, the lesser of: (i) maximum annual principal and interest required to be paid in any Fiscal Year on such Series; (ii) one hundred and twenty-five percent (125%) of average principal and interest required to be paid on such Series during all Fiscal Years in which such Series will be Outstanding; and (iii) ten percent of the principal amount of such Series (or ten percent of the issue price of the Series if the issue of Bonds of which the Series are a part is sold with more than a *de minimis* amount (2%) of original issue premium or discount).

As of September 30, 2019, the amount on deposit in the 2013 Bond Reserve Account is approximately \$9.5 million, which amount is at least equal to the 2013 Bond Reserve Account Requirement. No new reserve account being established for 2019 Bonds, and the 2019 Bonds are designated as 2013 Bond Reserve Account Bonds.

The Bond Reserve Account for a Series of Additional Bonds is to be funded on the date of issuance of such Additional Bonds at the applicable Bond Reserve Account Requirement. The Indenture provides, however, that if the amount of the Bond Reserve Account Requirement for such Series of Additional Bonds is in excess of the amount that may be deposited in the Bond Reserve Fund from the proceeds of such Additional Bonds consistent with Section 148 of the Code (or any applicable successor or similar provision), the Supplemental Indenture providing for the issuance of such Additional Bonds may provide that the amount needed in excess of the amount of proceeds available for such purpose be made up from Revenues deposited in scheduled monthly amounts over the period from the date of issuance of such Additional Bonds through the Interest Payment Date for such Additional Bonds next succeeding the projected Date of Beneficial Occupancy of any Project financed by such Additional Bonds.

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, if any, may be wholly or partially satisfied by a Credit Facility. Notwithstanding anything to the contrary contained in the Indenture, such Supplemental Indenture may also provide that if a drawing or other claim on such Credit Facility is honored, amounts available for deposit pursuant to the provisions of the Indenture relating to allocation of Revenues to the Bond Reserve Fund, in the applicable Bond Reserve Account will be applied by the Trustee to reimburse, as soon as practicable, the amount of each payment honoring such drawing or other claim.

See APPENDIX E – "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE AND THE 2019 SUPPLEMENTAL INDENTURE – Summary of Certain Provisions of the General Indenture – Funds and Accounts – Bond Reserve Accounts."

[Update.] The amounts on deposit in the Bond Reserve Account originally securing the 2003 Bonds (the "**2003 Bond Reserve Account**") were invested pursuant to an Investment Agreement, dated as October 30, 2003 (the "**Investment Agreement**"), by and among Natixis Funding Corp., formerly known as CDC Funding Corp. (the "**Provider**"), the Co-Trustee, as the successor in interest to the Bank of Hawaii, and the Authority. Pursuant to the

Investment Agreement, the Co-Trustee is required to invest the amounts on deposit in the 2003 Bond Reserve Account with the Provider, and the Provider is required to pay to the Co-Trustee earnings on such amounts at a rate of 4.96% per annum, calculated on the basis of a 360-day year comprised of twelve 30-day months. The Investment Agreement is scheduled to terminate on the business day immediately prior to October 1, 2023, unless earlier terminated in accordance with its provisions. The remaining outstanding 2003 Bonds were defeased and/or refunded in full with proceeds of the 2013 Bonds.

The payment obligations of the Provider under the Investment Agreement are guaranteed by the Guarantee, dated as of July 1, 2001 (the “**Guarantee**”), issued by CDC Finance-CDC IXIS (the “**Guarantor**”). The Investment Agreement provides that if the ratings of the long-term, senior unsecured debt obligations of the Guarantor are suspended, withdrawn or rated below “AA-” by S&P or below “Aa3” by Moody’s (in either case, a “**Ratings Event**”), the Provider is required to provide notice of such Ratings Event to the Co-Trustee and, at the direction of the Co-Trustee on behalf of the Authority, to take one of the following actions: (i) post collateral in accordance with the requirements of the Investment Agreement; (ii) deliver a replacement guaranty satisfying the requirements of the Investment Agreement (a “**Replacement Guaranty**”) of a replacement guarantor satisfying the requirements of the Investment Agreement (a “**Replacement Guarantor**”) satisfactory to the Co-Trustee and the Authority whose long-term, senior unsecured debt obligations or claims paying ability are rated no less than “AA-” by S&P and “Aa3” by Moody’s (the “**Minimum Ratings Requirement**”); or (iii) transfer the Investment Agreement and the Provider’s rights and obligations thereunder to an entity reasonably satisfactory to the Co-Trustee and the Authority who (or whose guarantor) satisfies the Minimum Ratings Requirements. If the Provider fails to take such action within the required time, and if the Ratings Event is continuing, the Co-Trustee, if so directed by the Authority, is to direct the Provider to repay the entire principal balance of the investment then on deposit, together with all unpaid earnings thereon. The Investment Agreement provides further that if the ratings of the long-term, senior unsecured debt obligations of the Guarantor are suspended, withdrawn or rated below “A-” by S&P or below “A3” by Moody’s (in either case, a “**Special Ratings Event**”), the Provider is required to provide notice of such Special Ratings Event to the Co-Trustee and, at the direction the Co-Trustee on behalf of the Authority, to repay the entire principal balance of the investment then on deposit, together with all unpaid earnings thereon, terminating the Investment Agreement.

[Update.] At the time the Investment Agreement was executed, the Guarantee was expected to terminate on or about January 23, 2017 (the “**Guarantee Termination Date**”), and the parties acknowledged and agreed in the Investment Agreement that the Provider would provide a Replacement Guarantee meeting the requirements of the Investment Agreement no later than 60 days prior to the Guarantee Termination Date. If the Provider fails to take such action by the Guarantee Termination Date, the Authority may direct to the Co-Trustee to terminate the Investment Agreement in accordance with its terms prior to the stated expiration date.

Additional Bonds

The General Indenture permits the Authority to issue Additional Bonds secured on a parity with the Bonds, including the 2019 Bonds, upon the satisfaction of the requirements set forth in the Indenture, including, among other things, the delivery to the Trustee of the following certificates:

(A) a certificate of the Authority (i) setting forth for the last complete Fiscal Year or any period of 12 consecutive calendar months out of the 18 calendar months next preceding the original issuance of such Series of Additional Bonds, the Revenues, Other Available Moneys, Net Revenues, uses of Revenues and Aggregate Annual Debt Service for such Fiscal Year or 12-month period, and (ii) demonstrating that for such Fiscal Year or 12-month period (I) Revenues at least equaled all transfers required to be made pursuant to the provisions of the Indenture described above under “—Flow of Funds” in categories (A) through (F), and (II) the sum of Net Revenues plus Other Available Moneys equaled at least 1.25 times Aggregate Annual Debt Service;

(B) a certificate of the Authority setting forth (i) the projected Date of Beneficial Occupancy for the Project or Projects for which such Series of Additional Bonds is being issued and for any other uncompleted Projects, and (ii) an estimate of the cost of construction of such Projects;

(C) a written report of an Airport Consultant setting forth for each Fiscal Year from the then current Fiscal Year through the later of (I) the first Fiscal Year commencing at least five years after the date of original issuance of such Series of Additional Bonds, or (II) the first Fiscal Year commencing at least three years

after the Date of Beneficial Occupancy projected by the Consulting Engineer, estimates of Revenues, Operation and Maintenance Expenses, Other Available Moneys and Net Revenues; and

(D) a certificate of the Authority (i) setting forth (a) the estimates of Revenues, Operation and Maintenance Expenses, Other Available Moneys and Net Revenues, as set forth in the written report of an Airport Consultant described in subparagraph (C) above, for each of the Fiscal Years covered by such report, and (b) the Aggregate Annual Debt Service and Capitalized Interest for each of such Fiscal Years, including Annual Debt Service and Capitalized Interest on all future Series of Bonds, if any, which such certificate of the Authority estimates (based on the estimate of the Consulting Engineer of the cost of construction of such Projects) are required to complete payment of the cost of construction of such Projects, and (ii) demonstrating that for each of such Fiscal Years (a) Revenues are projected to be at least equal to all transfers required to be made pursuant to the provisions of the Indenture described above under “—Allocation of Revenues” in categories (A) through (F), and (b) Net Revenues plus Other Available Moneys are projected to be at least equal to 1.25 times Aggregate Annual Debt Service.

The General Indenture also provides that a Series of Additional Bonds may be issued for the sole purpose of depositing in a Construction Account the amounts necessary to complete any one or more Projects without filing with the Trustee the certificate and report described in subparagraphs (C) and (D) if such certificate and report were filed in connection with the issuance of the prior Series of Additional Bonds for each of such Projects and if the principal amount of such Bonds to be issued for completion purposes does not exceed ten percent (10%) of the principal amount of Bonds previously issued for and allocable to such Projects.

In lieu of the certificates and reports described in subparagraphs (B), (C) and (D) above, the Authority may deliver to the Trustee a Certificate of the Authority to the effect that for the last complete Fiscal Year or any period of 12 consecutive calendar months out of the 18 calendar months next preceding the original issuance of such Series of Additional Bonds, Net Revenues plus Other Available Moneys for such Fiscal Year or 12-month period equaled at least 1.25 times the Maximum Annual Debt Service on all Bonds then Outstanding plus the Series of Bonds being issued.

The General Indenture also provides that the foregoing requirements shall not apply to the issuance of one or more series of Additional Bonds if, not later than the issuance and delivery of such Additional 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. The 2013 Bonds were designated as “initial Bonds” under the Third Supplemental Indenture.

In addition, the General Indenture provides that if and to the extent a Series of Additional Bonds is being issued for the purpose of refunding outstanding Bonds, the Authority is required to file with the Trustee either (i) a certificate of an Independent Certified Public Accountant that Aggregate Annual Debt Service for each Fiscal Year thereafter will be less than or equal to Aggregate Annual Debt Service for each such Fiscal Year in the absence of such refunding, or (ii) the certificates and reports described in subparagraphs (A), (B) (if any one or more of the Projects for which the Bonds being refunded is not then completed), (C) and (D) above; provided that in lieu of the certificates and reports described in subparagraphs (B), (C) and (D), the Authority may deliver to the Trustee the certificate described in the immediately preceding paragraph.

See APPENDIX E – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE AND THE 2019 SUPPLEMENTAL INDENTURE – Summary of Certain Provisions of the General Indenture – Issuance of Additional Series of Bonds; Additional Parity Payment Agreements; Other Payment Agreements.”

Parity Payment Agreements

The Authority is permitted under the General Indenture to enter into one or more Parity Payment Agreements, the Authority payment of which are secured by a lien upon and pledge of Revenues equal to and on a parity with the lien and pledge securing the Bonds, provided the Authority complies with certain provisions of the Indenture. The Authority is not a party to any Parity Payment Agreements, nor does the Authority have any plan to enter into any Parity Payment Agreements.

APPENDIX E – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE AND THE 2019 SUPPLEMENTAL INDENTURE – Summary of Certain Provisions of the General Indenture – Issuance of Additional Series of Bonds; Additional Parity Payment Agreements; Other Payment Agreements.”

Subordinate Obligations

The Indenture does not prevent the Authority from issuing or incurring any additional indebtedness with a lien or charge on Revenues that is junior and subordinate to the lien and charge of the Bonds.

Pursuant to a Loan Agreement, dated June 27, 2012, as amended (the “**Original FHB Loan Agreement**”), First Hawaiian Bank (the “**Bank**”) loaned the Authority \$11,900,000 (the “**Energy Efficiency Loan**”) to finance certain energy efficiency upgrades to the terminal building undertaken by the Authority pursuant to an Amended Performance Contract, dated May 9, 2012 (the “**Energy Performance Contract**”), between the Authority, Johnson Controls, Inc. and the Guam Power Authority. Under the Energy Performance Contract, the Airport is guaranteed minimum annual energy savings for 10 years. The repayment of 90% of the principal amount of the Energy Efficiency Loan is guaranteed by the United States Department of Agriculture pursuant to the USDA Community Facilities Direct and Guaranteed Loan Program. The Original FHB Loan Agreement was further amended pursuant to a Commercial Loan Modification Agreement, dated January 24, 2014 (together, the “**FHB Loan Agreement**”). The Authority’s obligation to repay the Energy Efficiency Loan is evidenced by an Amended and Restated Promissory Note, dated as of January 24, 2014 (the “**FHB Note**”), bearing interest at the rate of 5.75% per annum and matures on January 24, 2024. In the event the Authority defaults in the payment of the FHB Note or in the performance of any of its obligations under the FHB Loan Agreement or the FHB Note, or the Authority or any other party defaults in their respective obligations under any of the related security documents, the Bank would have the option to declare the unpaid principal amount of the Energy Efficiency Loan, together with any accrued and unpaid interest and charges, immediately due and payable.

The Authority has covenanted in the Loan Agreement with the Bank to maintain a minimum annual debt service ratio such that the sum of Net Revenues plus Other Available Moneys during each Fiscal Year equals at least 1.25 times the total amount of required money in such Fiscal Year to make payments on the principal of and interest on the Energy Efficiency Loan and on the principal of and interest on all of the Authority’s bonds, including the Bonds. The Loan Agreement, however, does not provide for engagement of an Airport Consultant in the event the Airport does not generate Net Revenues sufficient to satisfy the minimum annual debt service ratio.

Special Facility Bonds

The Authority is permitted under the Indenture to enter into contracts, leases, subleases or other agreements pursuant to which the Authority agrees to construct a “Special Facility” on land constituting part of the Airport or agrees to acquire or construct a Special Facility on land not then constituting part of the Airport, or to acquire and remodel, renovate or rehabilitate a building, structure or other facility (including the site thereof) for a Special Facility, to issue Special Facility Bonds to finance such Special Facilities and to lease such Special Facility, subject to certain conditions set forth in the Indenture. Under certain circumstances, the rentals and other income generated from such Special Facilities may not constitute Revenues under the Indenture and may not be available to pay debt service on the Bonds, including the 2019 Bonds. The Authority does not have any Special Facility Bonds outstanding, nor does it have any current plans to issue Special Facility Bonds. See APPENDIX E – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE AND THE 2019 SUPPLEMENTAL INDENTURE – Summary of Certain Provisions of the General Indenture – Certain Covenants – Special Facility Bonds and Special Facility Leases.”

Other Covenants

The Authority has made certain other covenants in the Indenture with respect to the Airport. See APPENDIX E – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE AND THE 2019 SUPPLEMENTAL INDENTURE – Summary of Certain Provisions of the General Indenture – Certain Covenants.”

Events of Default and Remedies; No Acceleration

The Indenture specifies a number of Events of Default and related remedies. The remedies granted to the Trustee and the Bondowners under the Indenture do not include any right to accelerate the payment of the Bonds, including the 2019 Bonds. The Trustee is authorized to take certain actions upon the occurrence of an Event of Default, including proceedings to enforce the rights of the Bondowners. See APPENDIX E – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE AND THE 2019 SUPPLEMENTAL INDENTURE – Summary of Certain Provisions of the General Indenture – Events of Default and Remedies of Bondowners” for descriptions of the Events of Default and remedies under the Indenture.

Depositories for Funds and Accounts

The Co-Trustee has been appointed to act as Depositary for the Debt Service Fund and the Bond Reserve Fund and for any accounts and subaccounts therein. The Trustee has been appointed as Depositary for the Revenue Fund, the Operation and Maintenance Fund, the Subordinate Securities Fund, the Operation and Maintenance Reserve Fund, the Renewal and Replacement Fund, the Capital Improvement Fund and the Rebate Fund and for any accounts and subaccounts therein. The Authority may enter into a Supplemental Indenture from time to time to provide for a different or additional Depositary for any fund or account established under the Indenture. See APPENDIX E – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE AND THE 2019 SUPPLEMENTAL INDENTURE – Summary of Certain Provisions of the General Indenture – The Fiduciaries.”

Investments of Moneys in Funds and Accounts

Subject to the requirements and restrictions set forth in the Indenture, moneys in the Revenue Fund, the Operation and Maintenance Fund, the Subordinate Securities Fund, the Operation and Maintenance Reserve Fund, the Renewal and Replacement Fund and the Capital Improvement Fund may be invested in any investment designated by the Authority, and moneys in the Construction Accounts, the Rebate Fund, the Debt Service Fund and the Bond Reserve Accounts are required to be invested solely in Investment Securities to maximize investment income (with proper regard for the preservation of principal) as requested by the Authority; provided, however, moneys in the Revenue Fund and in the Bond Reserve Fund are required to be invested in Investment Securities having at least an investment grade rating from the Rating Agency or Rating Agencies designated under the Indenture and rating the Bonds. All investments are to pay interest and mature not later than the dates on which it is estimated that such moneys will be required by the Trustee, the Co-Trustee, the applicable Depositary or the Authority.

All interest and other profit derived from investments of amounts in the Construction Accounts, the Capital Improvement Fund and the Rebate Fund are to be retained in such Funds and Accounts, all interest and other profit derived from investments of amounts in the Bond Reserve Accounts are to be applied as described above under “— Bond Reserve Fund,” and all interest and other profit derived from investments of amounts held in any other Funds and Accounts are to be deposited to the Revenue Fund when received.

See APPENDIX E – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE AND THE 2019 SUPPLEMENTAL INDENTURE – Summary of Certain Provisions of the General Indenture – Investment of Moneys in Funds.”

DEBT SERVICE SCHEDULE

Table 1 sets forth the debt service schedule for the 2019 Bonds and the Prior Bonds. Scheduled debt service for the outstanding 2013 proceeds of the 2019 Bonds is included.

Table 1
A.B. Won Pat International Airport, Guam
Annual Debt Service

Calendar Year	Prior Bonds⁽¹⁾		2019 Series A Bonds		2019 Series B Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 13,230,000	\$ 10,637,750				
2021	13,885,000	9,976,250				
2022	14,580,000	9,282,000				
2023	15,415,000	8,449,050				
2024	3,310,000	7,568,200				
2025	3,510,000	7,367,775				
2026	3,720,000	7,155,238				
2027	3,950,000	6,929,938				
2028	4,185,000	6,690,713				
2029	4,440,000	6,437,225				
2030	4,710,000	6,168,288				
2031	4,995,000	5,882,963				
2032	5,295,000	5,580,338				
2033	5,620,000	5,259,525				
2034	5,960,000	4,918,975				
2035	6,320,000	4,556,013				
2036	6,715,000	4,163,213				
2037	7,130,000	3,745,838				
2038	7,575,000	3,302,650				
2039	8,045,000	2,831,769				
2040	8,545,000	2,331,638				
2041	9,075,000	1,800,400				
2042	9,640,000	1,236,156				
2043	10,240,000	636,744				
Totals ⁽²⁾	\$180,090,000	\$132,908,644				

⁽¹⁾ Includes debt service for outstanding 2013 Series C Bonds to be refunded with proceeds of the 2019 Bonds.

⁽²⁾ Totals may not add due to rounding.

Termination of Joint Use Agreement and Transfer of the Naval Air Station, Agana

On July 19, 1974, the Authority was granted use of the airfield under a Joint Use Agreement (the “**JUA**”) with the U.S. Navy. The JUA granted the Authority use of the runways and other airfield areas for commercial aircraft activities. In addition, the JUA conveyed 68 acres of federal property that allowed for large scale improvement of Guam’s only commercial airport and entitled the Authority to receive grants and funds for airport improvements from the FAA and other federal agencies. After the Naval Air Station (the “**Naval Air Station**”) was disestablished on March 31, 1995, the Authority assumed full responsibility for the airfield, which was certified by the FAA on April 1, 1995.

In September 2000, the Authority received the deed to 1,417 acres on the former Naval Air Station, currently referred to as Tiyan, through a Public Benefit Transfer (the “**Public Benefit Transfer**”) conveyance from the federal government, which effectively terminated the JUA and transferred all ownership, responsibilities and liabilities of the identified parcels of land to the Authority. The Public Benefit Transfer included areas that contained the former enlisted housing units located on the northern side of the Tiyan, and properties located on the southern side which are primarily aviation related structures such as hangars, machine shops, maintenance facilities, warehouses and storage areas. These areas were deemed necessary for “further airport development” and identified for Airport use due to its land use compatibility.

See “THE AIRPORT – Airport Facilities,” “AIRPORT ENVIRONMENTAL MATTERS – Groundwater Remediation at the Former Naval Air Station” and APPENDIX C – “AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018 AND INDEPENDENT AUDITOR’S REPORT,” Note 4 and Note 11.

Governance

Except as otherwise provided in the Act, all powers vested in the Authority are exercised by its Board of Directors (the “**Board**”). The Board consists of seven members nominated and appointed by the Governor of Guam, subject to confirmation by the Guam Legislature. Each Director serves for a term of three years from the expiration of the term for which such Director’s predecessor was appointed and until a successor is appointed and qualified, or, in the case of a newly created position on the Board, for a term of three years from the date of the initial appointment and until a successor is appointed and qualified. Four members constitute a quorum, and the Board meets publicly at least once a month. The Board elects a chairman and vice chairman from among its members. The Board establishes the policies of the Authority and appoints the Executive Manager and Controller.

Airport Management

The Executive Manager, assisted by the Deputy Executive Manager, is responsible for the day-to-day management and operation of the Airport. The managers of the various Airport divisions, including Administration, Accounting, Operations, Property Management Office, Aircraft Rescue and Firefighting, Airport Police, Properties and Facilities, and Engineering, are directed by the Executive Manager in the management and operation of the Authority.

The current Executive Manager and Deputy Executive Manager are Thomas C. Ada and John M. Quinata, respectively. The Comptroller, who is also appointed by the Board, is John A. Rios.

Army Reserves where he retired as a Colonel. Mr. Ada has a master's degree in Public Sector Management and Regional Planning and Analysis from Indiana University and a Professional Master of Business Administration (PMBA) degree from the University of Guam.

John M. Quinata, Deputy Executive Manager. Mr. Quinata was confirmed as Deputy Executive Manager on April 30, 2019. Mr. Quinata served as a senator with the 27th Guam Legislature, with oversight of the committee on tourism, public safety and the judiciary. Prior to his time as senator, Mr. Quinata served as the director of Guam Customs and Quarantine Agency for 10 years. Mr. Quinata also served in the military for 38 years and retired from the U.S. Air Force and the Guam Air National Guard as the Sixth State Command Chief Master Sergeant.

Labor and Employee Relations

As of September 30, 2019, the Authority has approximately 237 full-time employees. The Authority's employees are not represented by labor unions. The Authority's management believes that relations with its employees are positive.

THE AIRPORT

General

The Airport is centrally located in Guam's business district on an 1,800-acre parcel of land and has approximately 767,000 square feet of terminal space along with approximately 250,000 square feet of adjacent facilities, including hangars, maintenance facilities, warehouse space, storage facilities, office space and expansive ground space. The Airport is the only commercial air carrier airport serving Guam and is the principal air carrier airport serving the surrounding Micronesian islands. The Airport is classified as a small, air traffic hub by the FAA.

In Fiscal Year 2018, the Authority had approximately 1.8 million enplanements and approximately 3.4 million passengers moved through the Airport via approximately 55,000 aircraft operations. In addition, the Airport processed approximately 189.8 million pounds of cargo in calendar year 2018, or 75.1% more than the approximately 108.4 million pounds of cargo processed in calendar year 2017.

The Airport serves primarily origin/destination passengers. In Fiscal Year 2018, an estimated 94.6% of the passengers enplaned at the Airport were visitors returning to their local country of origin or local residents traveling abroad; and the remaining 5.4% used the Airport to connect between flights or as a stopover on a continuing flight. According to the Guam Visitors Bureau (the "**GVB**"), approximately 84.0% of the originating passengers are visitors to Guam, primarily tourists from Japan and South Korea.

See "– Aviation Activity" and APPENDIX A – "GENERAL INFORMATION REGARDING THE TERRITORY OF GUAM – DEMOGRAPHIC AND ECONOMIC INFORMATION – Guam Tourist Industry."

Airport Facilities

Passenger Terminal Building. The original passenger terminal building opened on January 19, 1982, with a design capacity of 750,000 enplaned passengers. In 1998, the Authority completed a \$241 million expansion in which the passenger terminal building was renovated and expanded from its original 226,000 square feet of airline, concession, public and other space to the existing facility of 767,553 square feet. The passenger terminal building currently consists of 88 ticket counter positions (62 of which are common-use counters; 22 of which are

used exclusively by United Airlines, Inc., the Airport's dominant air carrier; and four of which are currently off-line), 48 immigration inspection stations and 42 customs inspection stations that provide enough capacity to process 5,000 international passengers per hour.

The existing terminal is currently divided into three levels: (i) the basement level, which includes arrival facilities, ground transportation services, baggage claim and customs inspection areas; (ii) the ground level, which includes a departure lobby, ticket counters and a baggage screening system; and (iii) the concourse level, which includes a security screening checkpoint area used by the Transportation Security Administration (the "TSA"), specialty retail concessions, food court areas, passenger lounges, passenger gates, terminal seating areas and loading bridges. Each level also includes office areas and storage spaces for the Authority, tenants and passengers. A fourth level, the Third Floor International Arrivals Corridor, is currently under construction and expected to be completed in August 2020. The Third Floor International Arrivals Corridor is expected to include federal inspection services areas, which will allow international passengers to clear immigration and customs processes.

Airfield. The airfield consists of two sets of parallel runways, associated taxiways and navigational aids. The Airport's primary runway, Runway 6L/24R, is 12,000 feet long, and allows the Airport to accommodate departures and arrivals of long-haul flights between the U.S. mainland and Guam. The Airport's secondary runway, Runway 6R/24L, is 10,014 feet long.

Gates. The Airport has 21 aircraft parking positions, each of which has an in-ground hydrant fueling pit linking it to the Airport's fueling system and the aircraft fuel storage facility located on the Authority's property. Of these 21 apron positions, 18 are adjacent to the passenger terminal building and three are located west of the passenger terminal building, adjacent to the light commuter aircraft inter-island passenger terminal. The apron positions adjacent to the passenger terminal building are accessed by 18 common use terminal gates, 17 of which are served by passenger loading bridges and one of which is used as a "Bus Gate" for aircraft requiring the use of hard stands for passenger loading. Of these 18 gates, 12 can accommodate most wide-body aircrafts. The three aircraft parking positions near the light aircraft commuter terminal are used mainly for air cargo operations and can accommodate most wide-body aircrafts.

Airport Access. Ground access to the Airport is currently provided by Route 10-A (the "Airport Access Road") from both Route 1, also known as Marine Corps Drive, and Route 16, also known as Army Drive. Airport Access Road connects directly to a terminal loop roadway system consisting of an upper level roadway providing access to the upper level departures curbside located adjacent to the ticketing lobby and a lower level roadway providing access to the lower level arrivals curbside located on the baggage claim level, as well as to the entrances of the public and employee parking lots and the tour bus, limousine, taxi and rental car parking and ready/return areas.

Airport Parking. The lower level terminal parking area, located across from the passenger terminal building on the lower arrivals level and directly accessible from the passenger terminal through an arcade below the frontal road, has 310 public parking spaces and 508 employee parking spaces. The parking area to the east of the passenger terminal building is comprised primarily of parking for tour buses and rental car parking and ready/return areas. The parking area to the west of the passenger terminal facility is comprised primarily of employee parking (278 spaces) and parking for special reserve and tenants (73 spaces). The public parking and commercial parking lots adjacent to the passenger terminal facility are operated and managed on behalf of the Authority by Pac Air, Ltd. pursuant to a concession agreement. See "AGREEMENTS FOR USE OF AIRPORT FACILITIES – Non-Passenger Terminal Building Concessions and Revenue Arrangements – Parking." In addition to the parking facilities located adjacent to the passenger terminal building, there is additional employee, airport tenant, passenger and commercial vehicle parking adjacent to the commuter terminal building and in the cargo area.

Adjacent Facilities. Facilities adjacent to the passenger terminal include the Light Aircraft Commuter Facility Building which includes the light aircraft commuter terminal facility and warehouse and office space for air cargo operators. The original terminal that was built in 1967 and consisted of 8,000 square feet, is home to United Airlines Guam Corporate Headquarters and Ground Operations.

Tiyan Business Park. The Authority has also developed the Tiyan Business Park to provide additional service from the Airport and to generate additional revenue. The Tiyan Business Park is located to the west of the passenger terminal on a section of property bounded by the security fencing along the Airport Operations Area and East Sunset Boulevard on property on the former Naval Air Station deeded to the Authority pursuant to the Public

Benefit Transfer. See “THE AUTHORITY – Termination of Joint Use Agreement and Transfer of the Naval Air Station, Agana.”

The Tiyan Business Park was developed by the Airport primarily through public-private partnerships with PacAir Properties, LLC (“**PacAir Properties**”), DHL Corporation (“**DHL**”), Triple B Forwarders (“**Triple B**”) and CTSI Logistics Guam (“**CTSI**”). The Tiyan Business Park includes the PAC Air Integrated Air Cargo Terminal, the DHL Cargo Terminal, the Triple B Forwarders Building and the CTSI Freight Forwarding Terminal. The PacAir Integrated Air Cargo Terminal has direct access to the Airport Operations Area for air cargo operators and for Guam customs inspections, although there are currently no adjoining aircraft aprons or aircraft cargo stands. The Authority is currently seeking qualified firms for the design of these aprons to be constructed in Fiscal Year 2021. A request for proposal has been issued and the Authority is currently in the procurement phase for these services. The PacAir Integrated Air Cargo Terminal (consisting of approximately 130,000 square feet of warehouse space and approximately 30,000 square feet of office space and covering approximately 500,000 square feet of land area) is centrally located and used by public, private and government entities for their various missions and business needs such as air cargo and import/export processing. The DHL Cargo Terminal (consisting of approximately 7,551 square feet) is used solely by DHL for express package services. The Triple B Forwarders Building (consisting of approximately 17,500 square feet for cargo handling and approximately 4,500 square feet of office space and covering approximately 33,000 square feet of land area) is currently used for intermodal operations. The CTSI Freight Forwarding Terminal (consisting of approximately 27,000 square feet) is used primarily by CTSI for distribution of its own products. See “AGREEMENTS FOR USE OF AIRPORT FACILITIES – Other Leases and Agreements – Tiyan Business Park.”

Airport Industrial Park. The Airport Industrial Park is located to the east of the passenger terminal on approximately 24 acres of Authority property. The Authority originally developed the Airport Industrial Park in the mid-1980s with sub-divided lots with service roads and utility access in preparation for future development. Although the Airport Industrial Park is located on property owned by the Authority, not all of the businesses operating in the Airport Industrial Park are directly related to Airport operations. The Airport Industrial Park currently has four tenants operating pursuant to various ground leases, including a gas station and convenience store, a heavy equipment retailer, a restaurant and a cargo warehouse facility. See “AGREEMENTS FOR USE OF AIRPORT FACILITIES – Other Leases and Agreements – Airport Industrial Park.” The fuel farm for the Airport fuel system and the new water reservoir for the Airport water system are also located in the Airport Industrial Park.

Other Facilities. Other facilities at the Airport include aircraft hangars, warehouse and storage areas, aviation-services related offices and administrative buildings. The Authority also owns significant land outside the terminal and cargo buildings available for further development or disposition.

For a discussion regarding notable projects that are underway or in the planning stages, see “AIRPORT PLANNING – Capital Improvement Plan.”

[MAP OF AIRPORT]

Air Carriers Serving the Airport

As of October 1, 2019, 16 passenger airlines provide service at the Airport, including one major U.S. airline, 10 foreign flag air carriers and five regional/community airlines that provide interisland service. In addition, the Airport is served by other charter flights, including military charter flights, operated by various airline carriers. Table 2 below sets forth the air carriers serving the Airport as of October 1, 2019. See “AIRLINE INDUSTRY INFORMATION.”

Table 2
Air Carriers Serving A.B. Won Pat International Airport, Guam
As of October 1, 2019

<u>U.S.-Flag Airlines</u>	<u>Foreign-Flag Airlines</u>	<u>Regional/Cargo/ Commuter Airlines</u>
United Airlines ⁽¹⁾	Air Busan ⁽¹⁾	Arctic Circle Air
	Air Seoul ⁽¹⁾	Asia Pacific Airlines
	Cebu Pacific ⁽¹⁾⁽²⁾	FedEx Corporation
	China Airlines ⁽¹⁾	Star Marianas Airlines
	Japan Airlines ⁽¹⁾	United Parcel Service (UPS)
	Jeju Air ⁽¹⁾	
	Jin Air ⁽¹⁾	
	Korean Air ⁽¹⁾	
	Philippine Airlines ⁽¹⁾	
	T'Way Air ⁽¹⁾	

⁽¹⁾ Signatory Airline. See “AGREEMENTS FOR USE OF AIRPORT FACILITIES – Airline Operating Agreements.”

⁽²⁾ Cebu Pacific is expected to suspend operations on Guam in December 2019.

Source: *The Authority*.

Aviation Activity

Historical Passenger Activity

Table 3 on the following page presents originating and transit passengers at the Airport from Fiscal Year 2009 through Fiscal Year 2018. Originating passengers are either Guam residents traveling abroad or visitors to Guam returning to their country of origin. Transit passengers are passengers transferring from one flight to another in Guam or arriving in and departing from Guam on the same journey. Since Fiscal Year 2009, total enplaned passengers at the Airport have increased at an average annual rate of 3.5%.

Originating Passengers. Total originating passengers increased from 1,158,752 in Fiscal Year 2009 to 1,596,054 in Fiscal Year 2018, at an average annual rate of 3.6%. Most of the increase in originating passengers is attributable to the increasing number of tourists, primarily from Japan, China, Korea and Taiwan.

Transit Passengers. The total number of transit passengers processed annually through the Airport increased from 146,457 in Fiscal Year 2009 to 184,518 in Fiscal Year 2018 at an average annual rate of 2.6%.

Table 3
Historical Enplaned Passengers
A.B. Won Pat International Airport, Guam
Fiscal Years 2009-2018

Fiscal Year	Originating Passengers	Transit Passengers	Total Enplaned Passengers	Originating Passengers as % of Total Enplaned Passengers	Transit Passenger as a %of Total Enplaned Passengers	Annual % Increase/ (Decrease) in Originating Passengers	Ann Incr (Decr Tr Pass
2009	1,158,752	146,457	1,305,209	88.8%	11.2%	(7.6)%	(2
2010	1,286,486	183,430	1,456,875	87.5	12.5	11.0	2
2011	1,264,243	175,181	1,439,424	87.8	12.2	(1.7)	
2012	1,407,163	167,328	1,574,491	89.4	10.6	11.3	
2013	1,498,419	199,567	1,697,986	88.2	11.8	6.5	1
2014	1,480,349	210,551	1,690,900	87.5	12.5	(1.2)	
2015	1,476,574	216,369	1,692,943	87.2	12.8	(0.2)	
2016	1,559,141	215,449	1,774,590	87.9	12.1	5.6	
2017	1,660,548	215,898	1,858,379	89.4	10.6	6.5	
2018	1,596,054	184,518	1,780,572	89.6	10.4	(3.9)	

Source: A.B. Won Pat International Airport Authority, Guam, Airport records.

to 1,528,388 in Fiscal Year 2018, an average annual increase of 4.2%. Arrivals increased approximately 11.2% from Fiscal Year 2009 to Fiscal Year 2010. Arrivals for Fiscal Year 2011 declined following the natural disasters in Japan in March 2011; however, the overall effect was mitigated by increased arrivals from South Korea and Taiwan. Arrivals for Fiscal Year 2012 increased approximately 10.7% because of a recovery of passenger decreases in 2012 and the continued growth in other passenger markets, notably South Korea, Taiwan and China. Arrivals for Fiscal Year 2016 increased approximately 10.1% because of increased seat capacity and arrivals from South Korea, as well as Guam hosting the Festival of Pacific Arts and Culture, a celebration of indigenous Pacific Islanders. See also Table A-6 in APPENDIX A.

Table 4
Annual Visitors to Guam
Fiscal Years 2009-2018

Fiscal Year	Visitor Arrivals	Percent Increase (Decrease)
2009	1,053,248	--
2010	1,170,857	11.2%
2011	1,147,134	(2.0)
2012	1,270,161	10.7
2013	1,337,669	5.3
2014	1,341,171	0.3
2015	1,372,531	2.3
2016	1,511,065	10.1
2017	1,559,487	3.2
2018	1,528,388	(2.0)

Source: Guam Visitors Bureau.

Table 5 presents visitor arrivals to Guam by country and percent of total visitors for Fiscal Years 2014 through 2018, and the first 11 months of Fiscal Year 2019. Although Guam receives visitors from several countries, Guam's top four visitor markets have consistently included Japan, South Korea, U.S./Hawaii and Taiwan. In Fiscal Year 2018, South Korea accounted for 49.25% of visitors to Guam, and Japan, U.S./Hawaii and Taiwan accounted for 34.7%, 5.9% and 1.8%, respectively, of visitors to Guam. For the first 10 months of Fiscal Year 2019, South Korea accounted for 45.1% of visitors to Guam, and Japan, U.S./Hawaii and Taiwan accounted for 40.2%, 6.0% and 1.8%, respectively, of visitors to Guam. Table 6 presents the percentage change in annual visitors to Guam by country for Fiscal Years 2014 through 2018. The Guam Visitors Bureau is continuing its efforts to further diversify Guam's visitor base. See also Tables A-8 and A-9 in APPENDIX A.

Table 5
Visitor Arrivals by Country
Fiscal Years 2014-2018 and First 11 Months of Fiscal Year 2019

	2014⁽³⁾		2015		2016		2017		2018	
	Percent of Total		Percent of Total		Percent of Total		Percent of Total		Percent of Total	
	Arrivals		Arrivals		Arrivals		Arrivals		Arrivals	
Japan	825,830	61.58%	779,405	56.79%	752,757	49.82%	674,345	43.24%	530,057	34.68%
South Korea	293,437	21.88	384,112	27.99	519,430	37.84	649,434	41.64	752,715	49.23
U.S.Mainland/Hawaii	66,151	4.93	69,745	5.08	76,727	5.59	76,291	4.89	89,338	5.83
Taiwan	50,924	3.80	42,315	3.08	41,534	3.03	36,268	2.33	27,550	1.80
China P.R.C.	14,547	1.08	23,589	1.72	26,271	1.91	23,239	1.49	17,027	1.11
CNMI	15,466	1.15	13,757	1.00	17,390	1.27	18,492	1.19	20,664	1.35
Micronesia ⁽¹⁾	13,019	0.97	13,753	1.00	17,201	1.25	16,237	1.04	20,595	1.35
Philippines	11,742	0.88	12,278	0.89	18,704	1.36	19,817	1.27	19,025	1.24
Australia	3,830	0.29	2,987	0.22	2,258	0.16	2,227	0.14	2,278	0.15
Canada	1,031	0.08	960	0.07	952	0.07	991	0.06	124	0.01
Europe	1,876	0.14	1,686	0.12	2,010	0.15	2,029	0.13	2,178	0.14
Hong Kong	8,605	0.64	8,163	0.59	8,397	0.61	16,140	1.03	6,650	0.43
Thailand	400	0.03	459	0.03	463	0.03	445	0.03	69	0.00
Vietnam	100	0.01	166	0.01	183	0.01	128	0.01	9	0.00
Russia	18,291	1.36	3,539	0.26	2,488	0.18	3,151	0.20	4,013	0.26
Others/Unknown	6,708	0.50	4,174	0.30	5,484	0.40	5,739	0.37	9,341	0.61
Total Air⁽²⁾	1,331,957	99.3	1,361,088	99.2	1,492,249	98.75	1,544,973	99.07	1,501,633	98.25
Total Sea	9,214	0.69	11,443	0.83	18,816	1.25	14,514	0.93	26,755	1.75
Total Air & Sea	1,341,171	100.0%	1,372,531	100.0%	1,511,065	100.0%	1,559,487	100.0%	1,528,388	100.0%

⁽¹⁾ Includes the Republic of Palau (“Palau”), Federated States of Micronesia (“FSM”) and the Republic of the Marshall Islands (“RMI”).

⁽²⁾ Includes military air arrivals.

⁽³⁾ For Fiscal Year 2014, military vessel arrivals were not available.

⁽⁴⁾ Data for Fiscal Year 2019 is as of August 2019. Fiscal Year 2019 ends September 30, 2019.

Source: Guam Visitors Bureau.

Table 6
Percentage Change in Annual Visitors to Guam by Country
Fiscal Years 2014-2018

	2014⁽³⁾	2015	% Change From 2014	2016	% Change From 2015	2017	% Change From 2016
Japan	825,830	779,405	-5.62%	752,757	-3.42%	674,345	-10.42%
South Korea	293,437	384,112	30.90	519,430	35.23	649,434	25.03
U.S. Mainland / Hawaii	66,151	69,745	5.43	76,727	10.01	76,291	-0.57
Taiwan	50,924	42,315	-16.91	41,534	-1.85	36,268	-12.68
China P.R.C.	14,547	23,589	62.16	26,271	11.37	23,239	-11.54
CNMI	15,466	13,757	-11.05	17,390	26.41	18,492	6.34
Micronesia ⁽¹⁾	13,019	13,753	5.64	17,201	25.07	16,237	-5.60
Philippines	11,742	12,278	4.56	18,704	52.34	19,817	5.95
Australia	3,830	2,987	-22.01	2,258	-24.41	2,227	-1.37
Canada	1,031	960	-6.89	952	-0.83	991	4.10
Europe	1,876	1,686	-10.13	2,010	19.22	2,029	0.95
Hong Kong	8,605	8,163	-5.14	8,397	2.87	16,140	92.21
Thailand	400	459	14.75	463	0.87	445	-3.89
Vietnam	100	166	66.00	183	10.24	128	-30.05
Russia	18,291	3,539	-80.65	2,488	-29.70	3,151	26.65
Others / Unknown	6,708	4,174	-37.78	5,484	31.38	5,739	4.65
Total Air⁽²⁾	1,331,957	1,361,088	2.19	1,492,249	9.64	1,544,973	3.53
Total Sea⁽³⁾	9,214	11,443	24.19	18,816	64.43	14,514	-22.86
Total Air & Sea	1,341,171	1,372,531	2.34	1,511,065	10.09	1,559,487	3.20

⁽¹⁾ Includes Palau, FSM and RMI.

⁽²⁾ Includes military air arrivals.

⁽³⁾ For Fiscal Year 2014, military vessel arrivals were not available.

Source: Guam Visitors Bureau.

popularity among Japanese tourists or other tourist locations; the impact of the financial difficulties experienced by the Japanese airline industry; the impact of natural disasters; and concerns regarding aviation security, terrorism and world health concerns. However, in the first 11 months of Fiscal Year 2019, the number of visitors from Japan have increased to over 605,000 visitors, due in part to successful marketing efforts with tour operators and 119 new flights from Japan to Guam.

Between Fiscal Year 2014 and Fiscal Year 2018, total visitor arrivals from South Korea increased by approximately 156.5%, from a low of 293,437 visitors in Fiscal Year 2014 to a high of 752,715 visitors in Fiscal Year 2018. Key drivers that have affected South Korean tourism include the increased international travel among South Korean tourists and the increase in airline seat capacity. However, in the first 11 months of Fiscal Year 2019, the number of visitors from South Korea have slightly decreased to approximately 673,000 visitors, due in part to the recent suspension of Korean Air's direct flight to Busan and a decrease of seasonal oversupply from Incheon.

Visa Waiver Program. In November 2009, the United States updated its policies relating to the visa waiver program available for travel to Guam for tourism or business. The current program allows visitors holding passports from Australia, Brunei, Hong Kong, Japan, Malaysia, Nauru, New Zealand, Papua New Guinea, Republic of Korea, Singapore, Taiwan and the United Kingdom to visit Guam and/or Commonwealth of the Northern Mariana Islands ("CNMI") without a visa for a period of up to 45 days. In January 2012, the U.S. Department of Homeland Security granted parole authority for Russia, allowing visa waivers for Russian visitors to Guam. Total visitor arrivals from Russia decreased by approximately 80.7% in Fiscal Year 2015 over Fiscal Year 2014 and by approximately 29.7% in Fiscal Year 2016 over Fiscal Year 2015, but increased by approximately 26.7% in Fiscal Year 2017 over Fiscal Year 2016 and by approximately 27.4% in Fiscal Year 2018 over Fiscal Year 2017. As of October 3, 2019, the U.S. Department of Homeland Security ended parole authority for Russia.

The Government of Guam and the Guam Visitors Bureau continue to work to expand the visa waiver program to visitors to Guam from mainland China. Although a visa waiver has not been granted for Chinese tourists to travel to Guam, the U.S. and China have agreed to extend visa validity from a one-year, single-use visa to a ten-year, multi-use visa.

Air Carrier Market Share

Table 7 below presents airline market shares of total enplaned passengers at the Airport in Fiscal Years 2008 and 2018. Although there has been an increase in the number of airlines providing regular passenger service at the Airport since 2002, United Airlines, Inc. ("**United Airlines**"), a wholly owned subsidiary of United Continental Holdings Inc. and the successor to Continental Micronesia, remains the dominant carrier, accounting for an estimated 38.0% of the total enplaned passengers at the Airport in Fiscal Year 2018. The Airport serves as a hub in United Airlines' global route network. United Airlines' Guam hub is designed to serve (1) regional origin-destination passengers on short-haul flights to and from Guam, (2) origin-destination passengers on long-haul flights, primarily tourists visiting Guam, and (3) transit passengers on connecting or through flights.

Although airline service at the Airport is still provided principally by major flag carriers such as United Airlines, low-cost carriers, including Air Seoul, have recently introduced service at the Airport.

All Nippon Airways ⁽³⁾	4.0	0.0
Delta/Northwest Airlines ⁽⁴⁾	16.8	0.9
Korean Air	8.3	11.2
Jin Air	0.0	10.8
Jeju Air	0.0	12.7
T'Way Air	0.0	8.2
Philippine Airlines	1.8	3.0
China Airlines	1.3	1.7
Eva Air	0.0	0.0
Cebu Air	0.0	1.1
Air Busan	0.0	2.2
Air Seoul	0.0	3.5
All Others ⁽⁵⁾	0.7	0.8
Total	100.0%	100.0%

⁽¹⁾ United Airlines and Continental Airlines merged in October 2011 and began operating as a single airline under the United Airlines brand in March 2012.

⁽²⁾ In Fiscal Year 2008, includes flights operated by regional affiliates, including all flights operated by Cape Air. Cape Air suspended all service in June 2018.

⁽³⁾ All Nippon Airways suspended all service in January 2009.

⁽⁴⁾ In 2008, Delta acquired Northwest Airlines. In January 2010, the operations of Delta and Northwest were merged into a single entity operating under the Delta brand. Delta suspended all service in January 2018.

⁽⁵⁾ In Fiscal Year 2008, other airlines included Aviation Services (Freedom Air) and drop-in airlines. In Fiscal Year 2018, other airlines included Star Marianas, Arctic Circle, Uzbekistan Air and drop-in airlines.

Source: A.B. Won Pat International Airport Authority, Guam, Authority records.

Scheduled Airline Service

Air service at the Airport can be broken down into three types of service: (1) interisland service among the western Pacific islands (including the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, Palau and the Federated States of Micronesia); (2) domestic service to the United States; and (3) medium- and long-haul international service, primarily in the Pacific Rim.

Table 8 below sets forth certain information relating to the top 20 origin-destination passenger markets and airline service for the Airport for Fiscal Year 2018.

Table 8
Top 20 Origin-Destination Passenger Markets and Airline Service
A.B. Won Pat International Airport, Guam
Fiscal Year 2018

Rank	Origin-Destination Market	Air Miles From Guam	Percent of Originating Airline Passengers	Average Scheduled Daily Nonstop Departing Seats	Average Daily Nonstop Flights
1	Seoul	2,000	30.7%	1,836	8
2	Tokyo	1,550	26.0	1,130	5
3	Osaka	1,580	8.5	443	3
4	Busan	1,800	7.8	571	3
5	Nagoya	1,550	5.6	243	2
6	Manila	1,600	4.1	407	2
7	Fukuoka	1,650	2.3	118	1
8	Saipan	130	2.2	201	3
9	Honolulu	3,800	1.4	365	1
10	Taipei	1,730	1.4	103	1
11	Hong Kong	2,120	0.9	70	1
12	Hiroshima	1,620	0.8	0	0
13	Truk, Caroline Islands	630	0.5	110	1
14	Kitakyushu	1,650	0.5	0	0
15	Yap	530	0.5	47	0
16	Pohnpei, Caroline Islands	1,020	0.4	0	0
17	Koror	810	0.4	110	1
18	Shanghai	1,900	0.3	16	0
19	Los Angeles	6,090	0.2	0	0
20	Washington, D.C.	7,900	0.2	0	0
Subtotal			94.7%	5,771	32
Other cities			5.3	34	0
Total			100.0%	5,805	32

Source: A.B. Won Pat International Airport Authority, Guam, Authority records.

Several recent service changes have occurred at or have been announced for the Airport. Cebu Pacific, a low-cost Philippine air carrier, will suspend thrice weekly service from Manila on December 7, 2019. United Airlines will cancel four times a week service from Hong Kong effective October 15, 2019. China Airlines will reduce their Taipei service from five to four weekly on October 28, 2019. United Airlines will increase service to Nagoya, Japan from 11 to 14 weekly on October 28, 2019, increase service to Saipan from nine to 10 per week effective December 7, 2019, and increase service to Osaka Kansai from 7 to 10 weekly effective December 10, 2019. Effective October 1, 2019, Air Seoul increased weekly service to Seoul to double daily. In addition, Japan Airlines upgraded their aircraft from a B-767 to a B-777, thereby increasing passenger capacity by 420 additional seats per week.

In November 2018, the FAA approved the Authority's Modification of Standard for the B-747-800 aircraft to operate at the Airport, which allows for increased passenger and cargo capacity. In December 2018, UPS increased their capacity by 23.7% from 248,600 pounds to 307,600 pounds for their weekly air cargo service.

Airline Departures and Gross Takeoff Weight

Table 9 presents passenger airline aircraft departures and gross takeoff weight ("GTOW") at the Airport from Fiscal Year 2009 through Fiscal Year 2018. The data include commercial airline operations but does not include military and general aviation operations. Total passenger airline aircraft departures increased at an average annual rate of 3.5% from Fiscal Year 2009 to Fiscal Year 2018. Total GTOW increased from 3,017,815 thousand-

pound units in Fiscal Year 2009 to 3,061,959 thousand-pound units in Fiscal Year 2018, but declined on a per-departure basis over the same period.

Table 9
Historical Passenger Airline Aircraft Departures and Gross Takeoff Weight
Guam International Air Terminal
Fiscal Years 2009-2018

Fiscal Year⁽¹⁾	Annual Departures⁽²⁾	Daily Average Departures	Gross Takeoff Weight (1,000-pound units)	Gross Takeoff Weight per Aircraft Departure (1,000-pound units)
2009	20,138	55	3,017,815	149.9
2010	22,213	61	3,169,573	142.7
2011	23,015	63	2,787,086	121.1
2012	24,375	67	3,296,664	135.2
2013	26,363	72	3,258,721	123.6
2014	26,614	73	3,605,575	135.5
2015	27,987	77	3,351,229	119.7
2016	29,712	81	3,302,529	111.2
2017	30,217	83	3,332,805	110.3
2018	27,296	75	3,061,959	112.2

⁽¹⁾ For Fiscal Years ended September 30.

⁽²⁾ Aircraft departures are assumed to equal one half the reported passenger airline aircraft operations.

Source: A.B. Won Pat International Airport Authority, Guam, Airport records.

Air Cargo

Although the Airport does have air cargo facilities, the number of air cargo only operations does not directly impact the Airport's revenues. The Airport receives revenues from air cargo solely from ground leases, space leases and Airport Business Permits with various operators. See "AGREEMENTS FOR USE OF AIRPORT FACILITIES."

CERTAIN FUNDING SOURCES

Passenger Facility Charges

Under the Federal Aviation Safety and Capacity Expansion Act of 1990, as amended and recodified, and together with the regulations promulgated thereunder (collectively, the "**PFC Act**"), the FAA may authorize a public agency that controls an airport to impose a PFC of \$1.00, \$2.00, \$3.00, \$4.00 or \$4.50 (the current maximum level) for each air carrier passenger (subject to certain exceptions) enplaned at an airport controlled by such public agency. PFC revenues are used to finance airport projects approved by the FAA, including debt service and other financing costs on bonds or other obligations issued to finance such specific projects. The eligibility of such projects is subject to certain restrictions, including limitation on the authorized uses. Eligible airport-related projects approved by the FAA are referred to herein as "Approved PFC Projects." The authority to collect a PFC expires once collections reach a maximum amount prescribed by the FAA. The maximum collection amount may be unilaterally increased by up to 25% by the public agency charging the PFC (such as the Authority) or otherwise increased upon approval of the FAA.

Under the PFC Act, all passenger air carriers serving an airport for which the FAA has authorized the collection of a PFC must collect such PFC at the time they sell an airline ticket to a passenger to be enplaned at the airport. The air carriers collecting a PFC on behalf of a public agency must remit the proceeds of the PFC to the public agency on a monthly basis, less any interest accrued on the investment of the proceeds of the PFC revenues they collect and \$0.11 of each PFC collected as administrative compensation. The PFC revenues received by the Authority are net of this administrative charge. In the event of an airline bankruptcy, it is unclear whether the

Authority would be afforded the status of a secured creditor with regard to PFC revenues collected or accrued with respect to that airline. See “CERTAIN INVESTMENT CONSIDERATIONS – Effect of Airline Bankruptcies.”

In November 1992, the Authority received approval from the FAA to impose a PFC in the amount of \$3.00 per enplaned passenger and to begin collection in February 1993. The approved use of PFC revenues was for (i) funding of various Approved PFC Projects on a “pay-as-you-go” basis and (2) payment of the eligible portion of principal and interest on bonds issued to finance the 1993 terminal renovation and expansion project (the “**1993 Bonds**”). As of Fiscal Year 1997, the Authority had completed the “pay-as-you-go” Approved PFC Projects. In July 2002, the Authority submitted an amendment to the original PFC application to the FAA requesting to extend the PFC collection period to 2025 and to increase the PFC charge to \$4.50 per enplaned passenger. The FAA subsequently approved the Authority’s request, and the increase was implemented on November 1, 2002 and to remain in effect through March 1, 2025. The Authority has authorization to collect up to \$257,802,097 in PFC revenues to pay the principal and interest on bonds issued to finance or refinance the terminal renovation and expansion project. As of September 30, 2018, the Authority had collected approximately \$134.2 million in PFCs.

As discussed above under “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Pledge of Revenues,” the Indenture provides that PFC revenues are treated as Revenues for the purposes of the Indenture, but are to be used only to the extent and for the purposes that such PFC revenues are permitted to be used by federal law or regulation. The Authority currently uses PFC revenues to help pay debt service on the 2013 Bonds. In Fiscal Year 2018, the Authority recorded approximately \$6.7 million in PFC revenues to the payment of debt service on a portion of outstanding 2013 Bonds. The 2019 Bonds are being issued to refund a portion of the outstanding 2013 Series C Bonds, and the Authority expects to apply PFC revenues to help pay annual debt service on the 2019 Bonds. The Authority does not intend to seek FAA approval to apply PFC revenues to the payment of debt service on the 2019 Bonds.

The actual amount of PFC revenues received in each Fiscal Year may vary depending on the number of qualifying passenger enplanements at the Airport. See “CERTAIN INVESTMENT CONSIDERATIONS” for a discussion of several factors that may impact the number of passenger enplanements at the Airport and the Authority’s receipt of PFC revenues.

Federal Funding

The Authority funds a significant portion of the costs of capital projects at the Airport and certain other programs at the Airport with grant and other funds received from various federal agencies pursuant to various programs, some of which are described below. Over the last 10 Fiscal Years, the Authority has received grant or other funding from the FAA, the Transportation Security Administration (“**TSA**”), and the U.S. Economic Development Authority (“**EDA**”). Table 10 below sets forth the amounts of federal grants and other funds received by the Authority from such federal agencies during Fiscal Years 2010 through 2019.

Airport Improvement Program Grants. The Authority receives federal grants from the FAA each year. The Airport and Airway Improvement Act of 1982, as amended, created the Airport Improvement Program (the “**AIP**”). The AIP is administered by the FAA and funded by the Airport and Airway Trust Fund, which is financed by federal aviation user taxes. Under the AIP, the FAA awards grant moneys to airports around the country for capital improvement projects. Grants are available to airport operators in the form of “entitlement” funds and “discretionary” funds. Entitlement funds are apportioned annually based upon the number of enplaned passengers and the aggregate landed weight of all-cargo aircraft; discretionary funds are available at the discretion of the FAA based upon a national priority system. Before federal approval of any AIP grants can be given, eligible airports must provide written assurances that they will comply with a variety of statutorily specified conditions. The Authority is subject to periodic compliance reviews by the FAA to verify the Authority’s compliance with applicable federal laws, FAA grant assurances and FAA policies. Generally, federal grants are paid to the Authority on a reimbursement basis when the grant agreement is approved and after eligible expenditures are made.

TSA Funds. The Authority has previously received funds from TSA through the National Explosive Detection Canine Team Program, which provides for funding for training canine units; the Law Enforcement Officers Reimbursement Agreement Program, which provides funding for training law enforcement officers to support passenger screening activities at airport checkpoints; and Other Transaction Agreements (“**OTA**”) providing

for the funding of design and development associated with certain capital projects. OTAs are not considered procurement contracts, grants or cooperative agreements.

The Authority and TSA entered into an OTA pursuant to which the TSA agreed to provide approximately \$24.9 million to the Authority to fund a majority of the costs associated with the relocating and consolidating the existing baggage screening systems and constructing an in-line baggage screening system and baggage handling system. The total project cost approximately \$30.5 million and was completed in June 2017.

The Authority intends to continue seeking federal funding for its capital improvements, when appropriate. In the event the Authority does not receive such federal grants or other federal funds in the expected amounts, the Authority would need to identify alternative sources of funding for such projects, including the issuance of Additional Bonds or may choose not to proceed with certain projects. See “AIRPORT PLANNING – Capital Improvement Plan.”

Table 10
A.B. Won Pat International Airport, Guam
Federal Grant and Other Funding
Fiscal Years 2010 through 2019

Fiscal Year	Federal Agency	Type of Funding	Award Amount
2010	FAA	AIP Grant	\$18,025,000
	TSA	NEDCT Program	553,500
2011	FAA	AIP Grant	\$5,680,479
2012	FAA	AIP Grant	\$7,441,024
2013	FAA	AIP Grant	\$ 1,517,000
	TSA	OTA	25,343,330
2014	FAA	AIP Grant	\$ 4,950,567
2015	FAA	AIP Grant	\$ 3,251,000
2016	FAA	AIP Grant	\$ 6,526,726
	TSA	National Explosive Detection Canine Team Program and Law Enforcement Officers Reimbursement Agreement Program	1,642,000
2017	FAA	AIP Grant	\$ 9,700,500
2018	FAA	AIP Grant	\$20,517,558
2019	FAA	AIP Grant	\$ 4,596,429
Total Federal Funding:			\$109,745,113

Source: A.B. Won Pat International Airport Authority, Guam, Airport records.

AGREEMENTS FOR USE OF AIRPORT FACILITIES

The Authority has entered into, and receives payments under, different agreements with various airlines and other parties, including operating and lease agreements relating to landing fees, other fees and the leasing of space in the terminal building; other leases regarding cargo and other facilities; and concession agreements and other arrangements relating to the sale of goods and services at the Airport.

Airline Operating Agreements

Below is a brief summary of certain provisions of the Airline Operating Agreements. For a more detailed summary of the Airline Operating Agreements, see APPENDIX B – “SUMMARY OF THE FORM OF AIRLINE OPERATING AGREEMENT.”

General

In 2019, the Authority entered into separate, substantially similar Signatory Airline Operating Agreements and Terminal Building Leases (the “**Airline Operating Agreements**”) with nine of its 11 passenger air carriers serving the Airport (the “**Signatory Airlines**”). The Authority expects Philippine Airlines to execute a new airline operating agreement by December 2019. In the meantime, Philippine Airlines will continue operating on a month-to-month basis under the terms of its existing airline operating agreement that expired on September 30, 2016. Cebu Air will continue operating on a month-to-month basis under the terms of its existing airline operating agreement that expired on September 30, 2016, until it suspends operations on Guam, which is expected to occur in December 2019.

These Airline Operating Agreements are generally consistent with the Authority’s previous airline operating agreements. Each Airline Operating Agreement sets forth the terms of use of and the Authority’s rate-setting mechanisms for the Signatory Airline’s airfield and terminal facilities. The initial five-year terms of the Airline Operating Agreements commenced on October 1, 2019. Each Airline Operating Agreement may be extended for an additional five-year term upon mutual agreement in writing by the Authority and the Signatory Airline.

Under the Airline Operating Agreements, each Signatory Airline has the exclusive right to use its “Exclusive Use Space” for ticket counters, ticket, baggage and cargo services and operational support areas and offices. Each Signatory Airline also has the nonexclusive right to use the “Joint Airline Use Space,” which includes, among other things, the baggage claim areas and passenger hold rooms, the “Conditional Airline Use Space,” and the “Common Use Ticket Counter Space,” consisting of certain ticket counter positions, which the Authority may reassign to one or more other Signatory Airlines under certain conditions. The Airline Operating Agreements also provide that gates are assigned to the Signatory Airlines on a quarterly basis, with priority assignment based on recent activity at the Airport, and the Authority has the right to re-assign gates and other facilities to other Signatory Airlines. Under certain circumstances, including failure to pay any amounts due under an Airline Operating Agreement or failure to provide regularly scheduled service to and from the Airport for a period of 60 consecutive days, the Authority may terminate an Airline Operating Agreement if it provides 30 days’ advance written notice to the Signatory Airline and during such period the Signatory Airline has not cured (or has not commenced and is not diligently pursuing curing) the cause for such termination. In certain limited circumstances, a Signatory Airline may terminate an Airline Operating Agreement by providing the Authority with 60 days’ advance written notice.

Rates and Charges

Pursuant to the Airline Operating Agreements, the Signatory Airlines are required to pay on a monthly basis landing fees, terminal building rentals, loading bridge use fees, apron use fees, enplanement fees, arrival fees, common use departure fees and immigration inspection fees. For purposes of accounting for Airport revenues and expenses and calculating and adjusting rates and charges, the Airport is divided into five cost centers (the “**Airport Cost Centers**”): (i) the Airfield Area, (ii) the Apron Area, (iii) the Terminal Area, (iv) the Terminal Building and (v) the Other Buildings and Areas. As provided in the Airline Operating Agreements, the terminal rental rates, the loading bridge use fees, apron use fees, enplanement fees, arrival fees, common use departure fees and immigration

inspection fees are calculated based on a compensatory rate-setting methodology, and the landing fees at the Airport are calculated based on a residual rate-setting methodology.

A Signatory Airline's terminal building rent is determined by multiplying (x) the total square footage of its Exclusive Use Space and its allocable portion of the Joint Airline Use Space by (y) the Terminal Building rental rate, which is calculated by dividing the Net Terminal Building Requirement by the total Usable Space. The loading bridge fee is determined by dividing (x) the Loading Bridge Use Fee requirement by (y) the estimated number of loading bridge uses by the Signatory Airline for the succeeding Fiscal Year, and the apron use fee is determined by dividing (a) the Apron Area requirement by (b) the estimated total takeoff weight for all Signatory Airline aircraft arrivals for the succeeding Fiscal Year.

Generally, in determining the Net Terminal Building Requirement, the Loading Bridge Use Fee requirement and the Apron Requirement, the Authority calculates the total direct and indirect estimated Operating and Maintenance Expenses allocated to the applicable Airport Cost Centers, an amount equal to 1.25 times the pro rata portion of annual debt service on the Authority's outstanding Bonds allocated to the applicable Airport Cost Centers or such other amount required by the Indenture, the pro rata portion of the annual requirement of any subordinate security or other loans allocated to the applicable Airport Cost Centers, the pro rata portion of the estimated amount, if any, for other deposits required by the Indenture or the Airline Operating Agreement allocated to the applicable Airport Cost Centers, the total amount or pro rata portion of the annual amortization allocated to the applicable Airport Cost Centers of any capital improvements placed in service prior to the Fiscal Year for which rates and charges are being determined, the estimated amount of any assessment, judgment or charge (net of insurance proceeds) to become payable by the Authority relating directly to the Airport or its operation and allocated to the applicable Airport Cost Centers, any estimated deficit or credit for the operation of the applicable area during the then-current Fiscal Year or any adjustment carried forward from a previous Fiscal Year, and, with respect to the Net Terminal Building Requirement, a credit equal to the allocated portion of the balance in the Other Available Moneys Coverage Subaccount.

The enplanement fee, arrival fee and immigration fee are based on the annual average Terminal Building rental rate, the square footage of the departure facilities, the arrival facilities and the immigration inspection facilities, respectively, and the estimated numbers of Signatory Airline enplaned passengers, arriving passengers and international deplaned passengers, respectively.

Pursuant to the Airline Operating Agreements, the Landing Fee rate is determined by dividing (x) the Landing Fee requirement by (y) the composite estimate of the total maximum gross certificated takeoff weight of all Signatory Airline aircraft arrivals for the succeeding Fiscal Year. In determining the Landing Fee requirement for the next succeeding Fiscal Year, the Authority takes into account the Authority's total direct and indirect estimated Operation and Maintenance Expenses, an amount equal to 1.25 times the annual debt service on the Authority's outstanding Bonds or such other amount required by the Indenture, the estimated amounts of the annual requirement of any subordinate security or other loans pertaining to the Airport and for other deposits, if any, required by the Indenture or the Airline Operating Agreements, the annual amortization allocated to the Terminal Building, Apron Area, Airfield Area and loading bridges of the total amount of any capital improvements placed in service prior to such Fiscal Year, the estimated amount of any assessment, judgment or charge (net of insurance proceeds) to become payable by the Authority relating directly to the Airport or its operation and any overpayment or underpayment estimated for operation of the Airport during the then-current Fiscal Year or any adjustment carried forward from a previous Fiscal Year, less estimated revenue to be derived by the Authority from Airport concessions, rents, fees, and charges from other than Signatory Airlines, service fees (excluding PFCs and FAA grants-in-aid) and use fees, estimated unrestricted investment income in the succeeding Fiscal Year from all funds and accounts except the Construction Fund and the Capital Improvement Fund, the estimated total Terminal Building rents, arrival fees, immigration inspection fees, loading bridge use fees and apron fees to be paid by the Signatory Airlines, and a credit equal to the balance in the Other Available Moneys Coverage Subaccount.

For a description of the methods for determining the Net Terminal Building Requirement, the Loading Bridge Use Fee requirement and the Apron Requirement and the Landing Fee Requirement, see APPENDIX B – "SUMMARY OF THE FORM OF AIRLINE OPERATING AGREEMENT[– Rates and Charges]."

The Airline Operating Agreements provide that if the total Landing Fee requirement during any Fiscal Year is reasonably expected to vary by more than 10% from the projected Landing Fee requirement for such Fiscal Year, the Authority may, if deemed necessary by the Executive Manager after consultation with the Signatory Airlines, revise the Landing Fee rate, resulting in an adjusted Landing Fee effective as of April 1 of such Fiscal Year, by an amount equal to the difference between the projected and revised total Landing Fee requirement divided by the estimated total takeoff weight of all Signatory Airlines during the balance of the Fiscal Year. The Airline Operating Agreements provide further that if at any time during any Fiscal Year, Airport revenues are insufficient to pay when due all items set forth in the report provided to the Signatory Airlines by the Authority as part of the budgeting and rate-setting process, or to pay any reasonable obligation or expense or cost incidental or necessary to, or arising out of, the operation of the Airport, the Authority may, upon notice and consultation with the Signatory Airlines, adjust the landing fee rate, terminal building rents, loading bridge use fee, apron use fee, enplanement fee, arrival fee and immigration inspection fee to such amounts as are sufficient to assure the Authority that all such items, expenses and costs will be paid in full, solely from revenues of the Airport, provide, the Authority has used commercially reasonable best efforts to reduce operating costs and budget for the then-current Fiscal Year before adjusting rents and fees.

Federal statutes and FAA regulations require that an airport maintain a rate structure that is as “self-sustaining” as possible. Various federal statutes also require that the rates and charges assessed by an airport operator for the use of its facilities by airlines and other aeronautical users be “reasonable” and not “unjustly discriminatory” and authorize the Secretary of Transportation to review rates and charges complaints brought by air carriers. No assurance can be given that the applicable statutory standards will remain the same or that FAA regulations or policies will not be modified or replaced in the future. The impact on the Authority of such a modification or replacement cannot be predicted. There is currently no dispute between the Authority and any of the airlines serving the Airport over existing rates and charges, but no assurance can be given that the air carriers serving the Airport will not challenge the Authority’s rate-setting methods in the future.

Capital Improvements

The Executive Manager is required under the Airline Operating Agreements to report to the Signatory Airlines on or before July 1 of each Fiscal Year the costs of any capital improvements to be programmed and included in the Annual Budget for the ensuing Fiscal Year and the debt service and/or amortization or lease payment schedule to be added to the rents and fees under the Airline Operating Agreement for those capital improvements and to meet with the Signatory Airlines to discuss the proposed capital improvements and the preferred means of financing such capital improvements. Any capital improvement not disapproved in writing within 30 days following such meeting (or the date the Authority provides any supporting documentation) by 60 percent of the Signatory Airlines in number who pay more than 60 percent of the rents and fees during the prior 12-month period (collectively, a “**Majority-in-Interest**” or “**MII**”) are deemed to be concurred with and may be implemented by the Authority at any time. If a Majority-in-Interest disapproves a capital improvement, the Executive Manager is required to meet again with the Signatory Airlines to respond to any questions from the initial meeting and to provide any additional requested information regarding the capital improvement. If such capital improvement is again disapproved by a Majority-in-Interest, the capital improvement is to be deferred to the following Fiscal Year. If the Authority decides to proceed with the capital improvement in the following Fiscal Year, no additional meetings or approvals are necessary, subject to the provisions of the Airline Operating Agreements relating to any capital improvement having a cost in excess of \$10,000,000. The Authority is permitted under the Airline Operating Agreements to implement any capital improvement and include the amortization, debt service (including coverage) or loan payments for such capital improvement in the Signatory Airline rents and fees if the Authority determines that such capital improvement is necessary or prudent to ensure compliance with a rule, regulation or order of any governmental agency having jurisdiction over operation of the Airport. The Authority may not proceed with any capital improvement having a cost in excess of \$10,000,000, however, if concurrence is specifically withheld by a Majority-in-Interest.

Retirement of Outstanding Bonds

The Airline Operating Agreement provides that if, at the end of any Fiscal Year in which Bonds or other debt obligations payable from Revenue remain outstanding, the balance in the Capital Improvement Subaccount not programmed or encumbered pursuant to the provisions of the Airline Operating Agreement relating to capital

improvements exceeds the greater of (a) \$30,000,000 or (b) the sum of annual deposits to the Capital Improvement Subaccount for the three most recent Fiscal Years for which data is available, then such excess is to be transferred as soon as possible to the Debt Service Fund and used to provide for (i) the early retirement of any such Bonds or (ii) the refinancing of any outstanding Bonds or other outstanding obligations at such time as the Authority determines market conditions are favorable for such purpose. If the Authority has not applied such funds for such purposes within two years of the date of transfer, the funds are to be transferred to the Other Available Moneys Coverage Subaccount.

Passenger Terminal Building Concessions and Revenue Arrangements

DutyFree Concession. In 2013, the Authority entered into a concession agreement (the “**Lotte Concession Agreement**”) with LotteDuty Free Guam, L.L.C. (“**Lotte**”). Lotte has been operating the dutyfree concession at the Airport since July 21, 2013. The term of the Lotte Concession Agreement expires on July 20, 2023. Under the Lotte Concession Agreement, Lotte is required to pay to the Authority monthly rent equal to: (A) one-twelfth of an annual amount equal to the greater of: (1) a minimum annual guarantee amount of \$15.16 million for the main retail and future retail space and \$240,000 for the arrivals retail concession space; or (2) the sum of: (a) 30.1% of Lotte’s on-site gross revenues for the main retail space and future retail space at the Airport, and (b) 25.0% of the Lotte’s on-site gross revenues for the additional retail space; and (B) an amount equal to one percent (1%) of Lotte’s gross revenues from operations of either Lotte’s flagship Guam store or Lotte’s first non-Airport retail outlet on Guam (“other gross revenues”), whichever opens first, provided that when Lotte opens its Guam flagship store, other gross revenues shall apply to Lotte’s flagship store only and shall no longer apply to Lotte’s first non-Airport retail outlet. Lotte currently pays rent for the main and future retail spaces under the 2013 Concession Agreement, subject to adjustment pursuant to the Lotte Mediation Term Sheet and Addendum to Mediation Term Sheet, discussed below. Lotte does not currently operate a flagship store or any non-Airport retail outlets in Guam. In Fiscal Year 2018, revenues from the Lotte Concession Agreement were approximately \$14.8 million.

Under certain circumstances, such as default, dissolution, insolvency, abandonment of the concession, discontinued passenger terminal operations, major destruction of the concession premises and similar circumstances, the Authority or Lotte may terminate the Lotte Concession Agreement upon 30 days’ prior notice to the other party. The Lotte Concession Agreement also provides that the Authority may terminate in part the Lotte Concession Agreement if the Authority determines that the efficient or convenient operations of the Airport require the use of any portion of the premises subject to the Lotte Concession Agreement. In the event of such a termination for convenience, the Authority would be required to pay Lotte a termination payment and the minimum annual guarantee amount would be subject to adjustment.

The award of the Lotte Concession Agreement is the subject of pending litigation before the Guam Supreme Court. See “CERTAIN INVESTMENT CONSIDERATIONS – Litigation Regarding the Duty Free Concession” and “– Lotte Mediation” and APPENDIX C – “AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018 AND INDEPENDENT AUDITOR’S REPORT,” Note 9 and Note 11.

Food and Beverage Concessions. The Authority has entered into food and beverage concession agreements with several concessionaires (the “**Food and Beverage Concession Agreements**”) having various terms. Each Food and Beverage Concession Agreement provides that the Authority will receive an amount equal to the sum of: (i) 15% of the concessionaire’s annual gross revenues from the sale of food and non-alcoholic beverages; (ii) 20% of the concessionaire’s annual gross revenues from the sale of alcoholic beverages; and (iii) 22.5% of the concessionaire’s annual gross revenues from the sale of merchandise and in-restaurant advertising (collectively, the “percentage rent”). In the event a concessionaire fails to pay when due the percentage rent, or if percentage rent is less than the minimum rent charged by the Authority to other tenants, the Authority may instead impose a minimum rent as charged by the Authority to other tenants as expressed in terms of square footage. Under the Food and Beverage Concession Agreements, each concessionaire is required to make periodic capital investments for improvements to the applicable premises. Each concessionaire is required to provide a performance guaranty. The terms of the Food and Beverage Concession Agreements expired in December 2012. All of the food and beverage concessionaires operating at the Airport are currently on a month-to-month basis under the same terms as the Food and Beverage Concession Agreements. The Authority expects to enter into new food and beverage

concession agreements in 2020. In Fiscal Year 2018, food and beverage concession revenues were approximately \$1.0 million.

In-Flight Catering. Although the Authority has not entered into a long-term concession agreement for in-flight catering services, the Authority receives revenues for in-flight catering through an annual Airport Business Permit issued to LSG Lufthansa Services Guam, Inc (“**LSG Lufthansa**”), which expires on March 19, 2020. Pursuant to the permit, LSG Lufthansa is required to pay to the Authority an amount equal to 5% of its monthly gross revenues. The permit may be revoked by the Authority with 30 days’ notice for failure to comply with the Authority’s rules and regulations. In Fiscal Year 2018, the Authority received approximately \$0.8 million in revenues from its in-flight catering arrangement.

Other Passenger Terminal Building Concessions. The Authority has also entered into concession agreements to provide currency exchange services, newsstand services, and advertising services within the passenger terminal building.

In 2014, the Authority and Travelex Currency Services, Inc. (“**Travelex**”) entered into a money exchange concession agreement (the “**Travelex Concession Agreement**”), which expired on January 31, 2019. In February 2019, the Authority and Travelex entered into a three-month contract extension from March 1, 2019 through May 31, 2019, for a concession fee of \$20,000 per month. In Fiscal Year 2018, the Authority received \$0.4 million in revenues from the Travelex Concession Agreement.

In September 2019, the Authority and Sakura Exchange Guam Inc. (“**Sakura**”) entered into a currency exchange concession agreement (the “**Sakura Concession Agreement**”). The Sakura Concession Agreement expires on September 2, 2024. Sakura may terminate the Sakura Concession Agreement upon the occurrence of certain events and 60 days’ written notice to the Authority. The Authority may cancel or terminate the Sakura Concession Agreement for any reason upon 30 days’ written notice to Sakura or upon the occurrence of certain events. Under the Sakura Concession Agreement, Sakura is required to pay to the Authority (i) an amount equal to 9.0% of the gross turnover (“percentage rent”) per year, and (ii) rent for the premises in the amount of \$500 per location per month.

In 2016, the Authority and In-Ter-Space Services, Inc. dba Clear Channel Airports (“**Clear Channel**”), entered into a commercial advertising concession agreement (the “**Advertising Concession Agreement**”). The Advertising Concession Agreement expires on June 14, 2021, and the Authority has the option to extend the term of the agreement for up to five additional years. Either party may terminate Clear Channel’s continued operation at the Airport upon 30 days’ prior notice. Under the Advertising Concession Agreement, Clear Channel is required to pay to the Authority monthly rent based on a percentage of Clear Channel’s gross revenues, in an amount equal to 50% of the gross revenue in the first contract year, 51% of the gross revenue in the second contract year, 52% of the gross revenue in the third contract year, 53% of the gross revenue in the fourth contract year and 54% of the gross revenue in the fifth contract year and, if the term of the agreement is extended, 55% of the gross revenue in the sixth through tenth contract years. In Fiscal Year 2018, the Authority received approximately \$0.4 million in revenues from the Advertising Concession Agreement.

In 2010, the Authority and Bestseller Inc. (“**Bestseller**”) entered into a retail merchandise concession agreement to provide newsstand services at the Airport (the “**Newsstand Concession Agreement**”). The Newsstand Concession Agreement expired on May 30, 2015; however, Bestseller is currently operating at the Airport on a month-to-month basis under the same terms as the Newsstand Concession Agreement. The Authority expects to enter into a new retail merchandise concession agreement in 2020. Under the Newsstand Concession Agreement, Bestseller is required to pay to the Authority annually the greater of (i) an amount equal to the sum of 10% of gross revenues up to \$600,000 and 15% of gross revenues of \$599,999.99 or more (“percentage rent”) or (ii) the minimum annual guaranty amount equal to 85% of the percentage rent to the Authority the previous year, provided that such amount shall never be less than \$30,000. In Fiscal Year 2018, the Authority received \$33,238 in revenues from the Newsstand Concession Agreement.

Non-Passenger Terminal Building Concessions and Revenue Arrangements

Rental Cars and Customer Facility Charges. In May 2006, the Authority entered into separate non-exclusive car rental concession and lease agreements (collectively, the “**Rental Car Concession Agreements**”) with six rental car companies operating at the Airport (collectively, the “**Rental Car Companies**”). The Rental Car Companies operating at the Airport currently are Avis Rent-A-Car, Budget Rent-A-Car, Hertz Rent-A-Car, National Car Rental, Dollar Rent-A-Car and Nissan Rent-A-Car. The initial five-year terms of the Rental Car Concession Agreements commenced on July 1, 2006, and the Authority exercised its options to extend the terms of all the Rental Car Concession Agreements for an additional five years to June 30, 2016. All of the Rental Car Companies operating at the Airport are currently on a month-to-month basis under the same terms as the Rental Car Concession Agreement, terminable by either party upon 30 days’ prior notice. The Authority expects to enter into new non-exclusive car rental concession and lease agreements in 2020.

Under the Rental Car Concession Agreements, the Rental Car Companies are each required to pay to the Authority annually the greater of (i) a sum equal to 10% of the Rental Car Company’s gross receipts made from or upon the Airport (the “percentage fee”) for such agreement year or (ii) a minimum annual guaranty fee in an amount equal to 85% of such Rental Car Company’s percentage fee payable for the preceding agreement year. The Rental Car Concession Agreements also provide for the payment of annual rent for counter and office space in the Terminal Building, the ready/return parking area and the staging/storage lot. For Fiscal Year 2018, the Authority received approximately \$1.5 million in revenues under the Rental Car Concession Agreements, although their aggregate minimum annual guaranty rent was only approximately \$1.2 million.

The Rental Car Companies are also required to collect on behalf of, and to remit to, the Authority a \$0.50 per contract day customer facility charge (“CFC”). CFC revenues are not included in Revenues. The Authority applies a portion of the CFCs remitted to the Authority to pay the costs of developing and building the ready/return and staging/storage lot used by the Rental Car Companies and the operating and maintenance expenses of the Authority allocable to the ready/return and staging/storage lot. The remaining CFCs are held in trust by the Authority to be applied to pay the costs of planning, designing and constructing new rental car facilities. In Fiscal Year 2018, \$85,968 of CFC revenues were remitted to the Authority.

Parking. The parking facility located at the passenger terminal building includes both public parking and commercial vehicle parking. The public parking lot includes both short-term and long-term parking, and the commercial vehicle parking facility includes parking for tour operators, taxis and the Rental Car Companies. The public facilities at the Airport are managed and operated by Pac Air, Ltd. (“**Pac Air**”) under a concession agreement between Pac Air and the Authority (as amended, the “**Parking Agreement**”). Pursuant to the Parking Agreement, Pac Air also manages the commercial vehicle parking facilities adjacent to the passenger terminal building on an interim basis, pending implementation of an Automated Vehicle Identification System (“**AVIS**”) developed and financed by Pac Air. The Parking Agreement is scheduled to terminate on October 31, 2021. Pursuant to the Parking Agreement, Pac Air is required to pay to the Authority annually the greater of (i) \$120,000 or (ii) 17% of Pac Air’s monthly gross receipts for its operation of the parking facilities. In the Parking Agreement, the Authority retains, among other things, the right to establish parking rates. Parking rates are established annually and are set forth in the Airport Tariff Schedule. The Authority had not increased rates since October 1, 2016. In addition, Pac Air pays a monthly rental fee for office space at the Airport. The Authority pays a monthly flat service fee to Pac Air to cover operational expenses for the management of the commercial parking facilities. Subject to the approval of the Authority, Pac Air may sell advertising space on the parking facilities. Pac Air is required to pay to the Authority an amount equal to 15% of the gross revenue from the sale of such advertising. In Fiscal Year 2018, the Authority received concession revenues in the amount of approximately \$0.25 million pursuant to the Parking Agreement.

Ground Transportation. The Airport receives ground transportation revenues generated from tour bus operators, taxicab operations and airport shuttle services and other courtesy vehicle operations. The Authority has not entered into any long-term concession agreements with any ground transportation providers, although some ground transportation providers rent counter and/or office or other facilities space pursuant to space leases with the Authority. Instead, the various ground transportation providers operate under annual Airport Business Permits, pursuant to which the various ground transportation providers pay to the Authority specified fees and charges. The Authority derives a significant portion of its ground transportation revenues from tour bus operators and taxicab

operations. Tour bus operators are required to pay an annual permit fee per vehicle, the amount of which varies depending on vehicle passenger capacity. As of September 30, 2018, approximately 74 tour bus operators held permits to operate at the Airport. In addition, the Authority receives from tour operators a Tour Bus Facility Charge Fee for arriving passengers, which the Authority has set at \$5.00 per arriving passenger for permitted operators and \$10.00 per arriving passenger for non-permitted operators. Taxi operators pay an annual per cab permit fee to operate at the Airport. For Fiscal Year 2019, the Authority has set a taxicab permit charge of \$300 per vehicle per year. As of September 30, 2018, 17 taxicab companies, operating approximately 153 permitted cabs, provided service at the Airport. In Fiscal Year 2018, the Authority received approximately \$3.7 million in revenues from its ground transportation-related arrangements (excluding rental income) and operations, including approximately \$3.4 million in Tour Bus Facility Charges.

Other Agreements for Airport Facilities

Passenger Terminal Leases. In addition to the concession agreements described above, the Authority leases space in the passenger terminal pursuant to space leases (or holdover tenancies under the same terms as the expired space lease) to a number of entities, ranging from leases to banks providing ATM machines, to leases for tour company counters, to leases to the Transportation Security Administration and the Customs & Quarantine Agency for office and operations space and leases to other entities providing services at the Airport. In Fiscal Year 2018, the Authority received approximately \$7.6 million in revenues from these space leases, including approximately \$2.1 million from the Customs & Quarantine Agency for space in the passenger terminal building.

Tiyan Business Park. The Authority receives revenue from the Tiyan Business Park through ground leases with PAC Air Properties, DHL, Triple B and CTSI and from space or ground leases with, or Airport Operating Permits issued to, other entities using the facilities located within the Tiyan Business Park. In Fiscal Year 2018, the Authority received approximately \$0.4 million in revenues from its ground leases with PAC Air Properties, DHL, Triple B and CTSI and approximately \$0.9 million in revenues pursuant to other arrangements for the use of facilities located in the Tiyan Business Park.

On October 31, 2006, the Authority entered into a ground lease agreement with Pac Air Properties (the “**Original Pac Air Ground Lease**”) to lease 540,000 square feet of space for constructing, maintaining and operating facilities suitable for air transportation services (referred to in this Official Statement as the “**PAC Air Integrated Cargo Terminal**”). Subsequent to the execution of the Original Pac Air Ground Lease, the Authority and Pac Air twice amended and restated the ground lease, including by executing the Second Amended and Restated Ground Lease Agreement, dated May 26, 2010 (as subsequently amended, the “**Restated Pac Air Ground Lease**”). As so amended, the initial term of the lease is 50 years, commencing on February 22, 2008. For every additional improvement Pac Air Properties makes to the leased premises that exceeds \$2.5 million, Pac Air Properties may exercise the option to renew for an additional 10 years, with the total term of the lease, including extensions, not to exceed 60 years. Pursuant to the Restated Pac Air Ground Lease, rent is deferred until July 29, 2014, the fifth anniversary of the date of beneficial occupancy of the PAC Air Integrated Cargo Terminal. Thereafter, Pac Air Properties will be required to pay the Authority the deferred rent in equal monthly installments, without interest, over the next 10 years at the same time as the regular monthly rent payments. Pac Air Properties may sublet portions of the PAC Air Integrated Cargo Terminal, subject to the consent of the Authority. Only a portion of the PAC Air Integrated Cargo Terminal is currently occupied. Pac Air Properties currently is subletting 32,500 square feet of the PAC Air Integrated Cargo Terminal to the Authority, and in turn, the Authority sub-subleases a portion of the PAC Air Integrated Cargo Terminal to Guam Customs to accommodate the Guam Customs cargo inspection facility and office.

Pursuant to an agreement for ground lease, dated July 1, 2007 (the “**Triple B Ground Lease**”), between the Authority and Magellan Holdings, L.L.C. (“**Magellan**”), Magellan leases 70,000 square feet of space for the purposes of constructing, maintaining and operating a multi-modal facility for air and/or ocean freight and related activities (referred to in this Official Statement as the “**Triple B Forwarders Building**”). Magellan subleases the Triple B Forwarders Building Cargo Terminal to Triple B Forwarders (Guam), Inc. The Triple B Forwarders Building is currently used only for handling sea freight, although it may in the future be used for air cargo. The initial term is 20 years, commencing on July 1, 2007. Magellan may at its option to extend the term of the Triple B Ground Lease for an additional 10 years.

Pursuant to a ground lease agreement, dated December 12, 2008 (the “**CTSI Ground Lease**”), between the Authority and CTSI, CTSI leases 8,168 square meters of space for constructing, maintaining and operating facilities suitable for air and surface cargo import/export processing (referred to in this Official Statement as the “**CTSI Freight Forwarding Terminal**”). The CTSI Freight Forwarding Terminal is used primarily by CTSI for distribution of its own products. The initial term of the lease is for 25 years, commencing on September 11, 2010. CTSI has the option to extend the initial term for an additional 15 years, subject to certain conditions, with the total term of the lease not to exceed 40 years.

The terms of the Restated Pac Air Ground Lease, the Triple B Ground Lease and the CTSI Ground Lease are substantially similar. Under each ground lease, the lessees are required to pay specified monthly rent, which amount is to escalate by 10% (under the Restated Pac Air Ground Lease and the CTSI Ground Lease) or by 20% (under the Triple B Ground Lease) every fifth year (and subject to additional adjustment for any term extensions), and to pay certain costs and expenses incurred by the Authority in connection with security, landscaping and off-premises lighting within and attributable to their respective leased premises. The ground leases also provided that if all or any part of the improvements are damaged or destroyed by fire or other casualty of any kind, the applicable lessee will be required at its own cost to repair or restore the improvements to the premises and that all insurance proceeds received as a result of damage to or destruction of the improvements are to be applied for such repairs or restoration.

The Authority may terminate any of the Restated Pac Air Ground Lease, the Triple B Ground Lease or the CTSI Ground Lease if the Authority determines that the premises are needed for Airport construction or development. In the event of such a termination, the Authority would be required to compensate the applicable lessee in accordance with the then-applicable eminent domain laws. The Authority may terminate the Restated Pac Air Ground Lease, the Triple B Ground Lease and the CTSI Ground Lease, as applicable, under certain circumstances, including (i) if the applicable lessee makes any assignment for the benefit of its creditors, is decreed insolvent or bankrupt or if a receiver is appointed for the lessee; and (ii) any default by the lessee in any of the terms and conditions of the applicable ground lease (after the expiration of applicable notice and grace periods). In the event of any breach of such ground leases, the Authority may re-enter the property and, following such re-entry, may terminate the applicable ground lease or leave the ground lease in place and re-let any part or all of the premises subject to the applicable ground lease. If any such ground lease is terminated prior to its expiration date other than for a lessee default, the Authority may be required to reimburse the lessee for a portion of the unamortized net book value of the existing structural improvements (unless otherwise provided for in the applicable ground lease).

Pursuant to a lease agreement, dated as of February 1, 2004 (the “**DHL Ground Lease**”), between the Authority and DHL, DHL leases 7,551 square meters of space for the purposes of developing and operating a parcel express delivery service (referred to in this Official Statement as the “**DHL Cargo Terminal**”). The DHL Cargo Terminal is used solely by DHL for express service. The initial term of the lease was 10 years, commencing on July 1, 2004, and was extended at DHL’s option to September 30, 2020. The DHL Ground Lease may be extended at DHL’s option for two additional consecutive periods, each a five-year period. The Authority receives both base rent and ground rent from DHL. Of the rent that is payable each month, the Authority agreed that approximately 80% of such monthly rent would represent DHL’s own cash contributions toward the cost of constructing improvements on the premises and would constitute capital investment on the part of DHL. In addition, DHL is required to pay certain costs and expenses incurred by the Authority in connection with security, landscaping and off-premises lighting within and attributable to the DHL Cargo Terminal.

If all or any part of the DHL Cargo Terminal is destroyed or damaged by fire or other casualty and such damage can be repaired and the premises restored and rendered tenantable within 90 days, the DHL Ground Lease will not be terminated, the Authority will be required to cause the repair and restoration of the improvements to the premises and to provide alternative premises to DHL, and DHL’s rent will be abated during the restoration period. If the Authority is unable to provide alternative premises, DHL may terminate the agreement. If such damage cannot be repaired and the DHL Cargo Terminal restored and rendered tenantable within 90 days, or if the costs exceed the insurance proceeds available to the Authority to pay for such repairs, then either the Authority or DHL may terminate the DHL Ground Lease.

At any time after the July 1, 2009, DHL may terminate the DHL Ground Lease by (i) giving notice to the Authority at least 180 days prior to the effective date of termination, and (ii) payment to the Authority of a

cancellation fee equal to the base rent that would have been payable by DHL to the Authority for the portion of the term commencing on the date of termination and ending on the last day of the initial term, discounted to present value using a discount rate of 10%. Under certain circumstances, including failure to pay rent, abandonment, assignment or other defaults (after giving effect to notice and cure periods), the Authority may terminate the DHL Ground Lease. Under certain circumstances, including damage to or destruction of all or a substantial portion of the DHL Cargo Terminal such that it is rendered incapable for use and the Authority has failed to repair the damage or provide for alternative premises, if DHL is required to vacate the DHL Cargo Terminal for a specified period of time or if the Authority breaches certain terms of the DHL Ground Lease, DHL may terminate the DHL Ground Lease.

Airport Industrial Park. Although the Airport Industrial Park is located on property owned by the Authority, not all of the businesses operating in the Airport Industrial Park are directly related to Airport operations. The Airport Industrial Park currently has four tenants operating pursuant to various ground leases, including a gas station and convenience store, a heavy equipment retailer, a restaurant (still under development) and cargo warehouses. In Fiscal Year 2018, the Authority received approximately \$1.1 million in revenues from its ground leases in the Airport Industrial Park.

Pursuant to a Ground Lease, dated August 15, 1991 (the “**Esso Ground Lease**”), between the Authority and South Pacific Petroleum Corporation (successor-in-interest to Esso Eastern Inc.) (“**SPPC**”), SPPC leases 5,709 square meters of space for the purposes of constructing and operating a motor vehicle service station and convenience store. The initial 30-year term of the Esso Ground Lease expires on August 13, 2021, and SPPC has the option to extend the Esso Lease for two successive 10-year periods. Pursuant to the Esso Lease, the rental rate at the end of each fifth year increases by 10% of the prior effective rate, subject to further adjustment for any extension. In addition, SPPC is required to pay to the Authority its allocable share of the monthly common area expenses of the Airport Industrial Park, including expenses for security, maintenance, landscaping, streetlights, road repair and utilities within or related to the Airport Industrial Park.

In the event of any damage to or destruction of the leased premises, including any building or other improvements, SPPC is required within 60 days to commence and diligently pursue the repair or reconstruction of such premises; provided, however, if such damage or destruction occurs during the last three years of the term and such damage or destruction renders the premises commercially unusable by SPPC, then SPPC may instead elect to terminate the Esso Ground Lease by delivering or assigning to the Authority all insurance proceeds received or receivable by SPPC as a result of such damage or destruction and returning the leased premises (at Esso’s cost) to the same condition or better as it was at the commencement of the term of the Esso Ground Lease.

Under certain circumstances, the Authority may terminate the Esso Ground Lease and re-enter the property, including (i) any default under the Esso Ground Lease (after giving effect to notice and cure periods); (ii) if Esso is adjudicated a bankrupt or adjudged insolvent; (iii) SPPC makes an assignment for the benefit of its creditors or files a petition in bankruptcy for insolvency or reorganization or applies for an appointment of a receiver; or (iv) any execution or attachment issued against SPPC or its property and the leased premises are taken or occupied (or an attempt is made to take or occupy such premises) by someone other than SPPC, except as permitted under the Esso Ground Lease. If SPPC is in breach of the Esso Ground Lease and has abandoned the premises, the Authority may elect to not to terminate the Esso Ground Lease, and Esso would continue to be obligated to pay rent. The Authority may also re-enter and re-let the premises.

Pursuant to a Ground Lease Agreement, dated April 15, 2008 (as subsequently amended, the “**Marianas Ground Lease**”), between the Authority and Marianas Steamship Agencies, Inc. (“**Marianas Steamship**”), Marianas Steamship leases 8,109 square meters of space for the purposes of constructing, maintaining and operating a multi-modal facility for air and/or ocean freight and related activities. The initial term of the Marianas Ground Lease is 21 years and six months, beginning on March 1, 2009 and expiring on August 31, 2030, and Marianas Shipping has the option to extend the term for an additional term expiring on February 28, 2039. Construction of the facility was completed in August 2010.

In 2011, the Authority and IT&E Overseas, Inc. (“**IT&E**”) entered into a Ground Lease Agreement, dated January 17, 2011, as amended by Amendment No. 1 Ground Lease Agreement (together, the “**IT&E Ground Lease**”), pursuant to which IT&E leases 4,091 square meters of space for constructing, maintaining and operating a restaurant facility and related activities. The initial term of the IT&E Ground Lease is 15 years, commencing on

January 17, 2011 and expiring on January 16, 2026, and IT&E has the option to extend the term for two additional consecutive five-year periods. Pursuant to the IT&E Ground Lease, the minimum investment amount for the development, construction and equipping of the restaurant and related facilities is expected to be \$3.5 million. IT&E's obligation to pay rent under the IT&E Ground Lease began in September 2011, eight months after the commencement date. The IT&E Ground Lease generates \$51,252 in annual revenue.

The terms of the Marianas Steamship Ground Lease and the IT&E Ground Lease are substantially similar. Under each ground lease, the lessees are required to pay specified monthly rent, which amount is to escalate by 20% every fifth year (and subject to additional adjustment for any term extensions), and to pay certain costs and expenses incurred by the Authority in connection with security, landscaping and off-premises lighting within and attributable to their respective leased premises. The ground leases also provide that if all or any part of the improvements are damaged or destroyed by fire or other casualty of any kind, the applicable lessee will be required at its own cost to repair or restore the improvements to the premises and that all insurance proceeds received as a result of damage to or destruction of the improvements are to be applied for such repairs or restoration. The Authority may terminate the Marianas Ground Lease and the IT&E Ground Lease if the Authority determines that the premises are needed for Airport construction or development. In the event of such a termination, the Authority would be required to compensate the applicable lessee in accordance with the then-applicable eminent domain laws.

The Authority may terminate the Marianas Ground Lease and/or the IT&E Ground Lease under certain circumstances, including (i) if the applicable lessee makes any assignment for the benefit of its creditors, is decreed insolvent or bankrupt or if a receiver is appointed for the lessee; and (ii) any default by the lessee in any of the terms and conditions of the applicable ground lease (after the expiration of applicable notice and grace periods). In the event of any breach of such ground leases, the Authority may re-enter the property and, following such re-entry, may terminate the applicable ground lease or leave the ground lease in place and re-let any part or all of the premises subject to the applicable ground lease. If either such ground lease is terminated prior to its expiration date other than for a lessee default, the Authority may be required to reimburse the lessee for a portion of the unamortized net book value of the existing structural improvements (unless otherwise provided for in the applicable ground lease).

The fuel farm for the Airport fuel system and the reservoir for the Airport water system are also located in the Airport Industrial Park. See "THE AIRPORT – Airport Facilities."

Leases for Other Airport Facilities. Other facilities at the Airport include the Yellow Cargo Building, aircraft hangars, warehouse and storage areas, a commuter terminal used primarily by Marianas Air Cargo Services for cargo operations and that has been converted in part to airline and aviation-services related offices and other facilities used as administrative buildings. The Authority receives revenues from these facilities either through space leases (or hold over tenancies under the same terms as the expired leases) or Airport Business Permits. In Fiscal Year 2018, the Authority received approximately \$2.0 million in revenues for the use of these facilities.

Airport Tariff Schedule and Airport Business Permits

The annual rental rates and fees for users of the Airport facilities are set forth in the Airport Tariff Schedule for the Fiscal Year, including the rates and charges to be paid by air carriers or other entities using Airport facilities other than pursuant to a lease or other agreement.

As mentioned above, several businesses operate at the Airport pursuant to Airport Business Permits. These Airport Business Permits generally have terms of one year.

FINANCIAL INFORMATION

Historical Financial Results

Table 11 on the following page summarizes the financial results from operations for the Authority for the Fiscal Years ended September 30, 2014 through 2018. See APPENDIX C – "AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018 AND INDEPENDENT AUDITOR'S REPORT."

Table 11
A.B. Won Pat International Airport Authority, Guam
Statements of Revenues, Expenses and Changes in Net Assets
Fiscal Years 2014-2018

	2014	Restated 2015	Restated 2016	Restated 2017	2018
Operating revenues:					
Facilities and systems usage charges:					
Arrival facilities	\$6,148,322	\$ 6,169,615	\$ 6,702,991	\$ 7,217,137	\$ 6,559,487
Departure facilities	5,887,352	5,890,505	6,400,921	7,262,796	6,438,454
Immigration	2,292,927	2,359,688	2,609,946	2,561,033	2,143,829
Public apron	1,725,965	2,624,653	1,041,373	1,624,347	1,599,047
Passenger loading bridge	5,799,828	5,821,495	6,859,198	6,152,234	6,895,713
Landing fees	2,763,526	2,682,133	2,725,891	3,449,352	3,855,235
Utility recovery charge and other fees	550,085	490,436	480,822	517,710	587,975
Fuel flowage fee	203,172	193,834	193,372	220,539	226,352
Total facilities and systems usage charges	\$25,371,177	\$26,232,359	\$27,014,514	\$29,005,148	\$28,306,092
Concession fees:					
General merchandise	\$14,729,734	\$15,248,782	\$15,218,825	\$15,262,095	\$14,814,811
Ground transportation	4,695,730	4,658,780	4,658,395	4,308,545	3,509,509
Car rental	986,970	1,132,445	1,273,662	1,493,833	1,533,183
Food and beverage	936,410	977,418	1,074,657	1,076,606	1,021,361
In-flight catering	862,540	854,722	893,235	871,110	844,661
Other	1,117,043	1,128,276	1,108,037	1,246,880	1,319,858
Total concession fees	\$23,328,427	\$24,000,423	\$24,226,811	\$24,259,069	\$23,043,383
Rental income:					
Operating space – airline	\$ 3,189,198	\$ 3,039,164	\$ 3,097,436	\$ 3,829,763	\$ 4,500,606
Operating space – non-airline	3,902,492	4,303,443	4,335,216	4,132,588	3,839,952
Other	3,668,534	3,636,982	3,591,239	3,656,610	3,668,000
Total rental income	\$10,760,224	\$10,979,589	\$11,023,891	\$11,618,961	\$12,008,558
Miscellaneous	\$ 2,576,611	\$ 2,471,955	\$ 2,952,068	\$ 5,133,844	\$ 5,571,796
Total operating revenues	\$62,036,439	\$63,684,326	\$65,217,284	\$70,017,022	\$68,929,829
Operating expenses:					
Contractual services	\$20,280,467	\$21,977,633	\$19,800,537	\$23,996,751	\$27,672,687
Personnel services	17,023,705	20,529,265	18,597,812	18,267,920	13,884,736
Materials and supplies	1,132,555	992,642	1,405,940	1,365,208	1,187,924
Bad debt expense	161,974	116,918	552,772	--	--
Other expenses	--	--	658,882	4,419,075	4,126,771
Total operating expenses	\$38,598,701	\$43,616,458	\$41,015,943	\$48,048,954	\$46,872,118
Income from operations before depreciation and amortization	\$23,437,738	\$20,067,868	\$24,201,341	\$21,968,068	\$22,057,711
Depreciation and amortization	21,915,920	24,233,980	27,848,304	27,365,679	28,017,440
Loss from operations	\$ 1,521,818	\$ (4,166,112)	\$ (3,646,963)	\$ (5,397,611)	\$ (5,959,729)
Non-operating income (expense):					
Passenger facility charge income	\$ 6,439,843	\$ 6,606,155	\$ 7,058,805	\$ 7,286,165	\$ 7,081,113
Interest income	637,391	767,412	906,469	1,269,029	2,077,360
Interest expense	(13,248,425)	(12,806,782)	(12,394,123)	(11,281,416)	(9,719,495)
Other expenses, net	(197,463)	(332,285)	539,572	(1,719,699)	(586,899)
Non-recurring expenses	3,705,355	--	--	--	--
Total non-operating expenses, net	\$(2,663,299)	\$(5,765,500)	\$(3,889,277)	\$(4,445,921)	\$(1,147,921)
Loss before capital grants and transfer in	\$(1,141,481)	\$(9,931,612)	\$(7,536,240)	\$(9,843,532)	\$(7,107,650)
Capital Grants from the U.S. Government	\$11,755,448	\$18,789,856	\$14,217,549	\$13,586,533	\$7,928,287
Operating Grants from the U.S. Government	879,966	478,808	390,277	421,580	413,100
Transfer from Government of Guam – Office of Highway Safety	5,690	14,914	24,218	28,968	11,368
Total capital and operating grants	\$12,641,104	\$19,283,578	\$14,632,044	\$14,037,081	\$8,352,755
Increase (decrease) in net assets	16,342,187	9,905,023	(3,303,577)	5,686,299	(9,795,671)
Net assets at beginning of year	\$593,030,345	\$609,372,532	\$619,277,555	\$615,973,978	\$621,660,277
Net assets at end of year	\$609,372,532	\$619,277,555	\$615,973,978	\$621,660,277	\$611,864,606

Source: Derived from the audited financial statements of the Authority.

Management's Discussion of Fiscal Year 2018 Financial Results.

In Fiscal Year 2018, the Authority had approximately 1.8 million enplanements and approximately 3.4 million passengers moved through the Airport via approximately 55,000 aircraft operations. Signatory Airlines accounted for 99.2% of Fiscal Year 2018 enplanements and 96.3% of the Authority's traffic comprised of origin/destination passengers from South Korea, Japan, Taiwan and China.

The Authority's net position increased from approximately \$280.2 million in Fiscal Year 2017 to approximately \$281.5 million in Fiscal Year 2018, due in part to the Authority's diversification and enhancement of its revenue streams and completion of several CIP projects, including completion of the \$30.5 million TSA Hold Baggage Screening Facility. The cost per enplaned passenger increased by 1.9% from \$16.89 in Fiscal Year 2017 to \$17.21 in Fiscal Year 2018.

The Authority's operating revenues decreased by approximately \$1.1 million, from \$70.4 million in Fiscal Year 2017 to \$69.3 million in Fiscal Year 2018, due primarily to decreases in concession fees and facilities and systems usage charges. Concession fees decreased by approximately \$1.2 million, from \$24.2 million in Fiscal Year 2017 to \$23.0 million in Fiscal Year 2018. Facilities and systems usage charges decreased by approximately \$700 thousand, from \$29.0 million in Fiscal Year 2017 to \$28.3 million in Fiscal Year 2018. Miscellaneous revenues increased by approximately \$438 thousand, from \$5.1 million in Fiscal Year 2017 to \$5.6 million in Fiscal Year 2018. Rental income increased by approximately \$390 thousand, from \$11.6 million in Fiscal Year 2017 to \$12.0 million in Fiscal Year 2018.

The Authority's operating costs and expenses decreased by approximately \$885 thousand, from \$43.6 million in Fiscal Year 2017 to \$42.7 million in Fiscal Year 2018, due primarily to changes made to conform with GASB No. 68 and No. 73 requirements. As a result, personnel services decreased by approximately \$4.4 million, from \$18.3 million in Fiscal Year 2017 to \$13.9 million in Fiscal Year 2018. Contractual services increased by approximately \$3.7 million, from \$24.0 million in Fiscal Year 2017 to \$27.7 million in Fiscal Year 2018, due primarily to expenditures relating to major capital improvement projects.

Nonoperating expenses decreased by approximately \$2.3 million, from \$13.1 million in Fiscal Year 2017 to \$10.8 million in Fiscal Year 2018, due primarily to the payment of debt service on the Authority's long-term liabilities. Interest expense decreased by approximately \$1.5 million, from \$11.2 million in Fiscal Year 2017 to \$9.7 million in Fiscal Year 2018.

Budgeting Process

The Indenture requires that the Authority prepare and adopt an annual budget for each Fiscal Year. The Authority is required under the Airline Operating Agreements to adopt an Annual Budget for the Airport and to establish annually the terminal building rental rates, departure fee, arrival fee, immigration in section fee, loading bridge use fee, apron use fee and landing fee rates for the succeeding Fiscal Year. In April of each year, the Executive Manager requests all Signatory Airlines to submit their month to month projections of total landings for each type of aircraft and associated gross takeoff weight, as well as estimates of total revenue passengers, and each Signatory Airline is required to provide to the Authority on or before May 1 of each Fiscal Year a written estimate of the Maximum Certificated Total Gross Takeoff Weight for the Signatory Airline for the succeeding Fiscal Year.

In developing its annual budget, the Authority takes into account Operation and Maintenance Expenses, the annual debt service requirements for the Authority's outstanding Bonds (including amounts necessary to maintain the debt service coverage ratio required under the Indenture), required deposits to the funds and accounts established pursuant to the Indenture, amortization of assets funded by the Authority and a schedule of capital improvement projects. In addition, deposits to various funds and accounts established outside of the Indenture are included in the budget when approved by the Board of Directors. The Authority generates an estimate of revenues from sources other than Signatory Airline rental rates and fees and then prepares preliminary calculations of the rents and fees to be paid by the Signatory Airlines, determined in accordance with the Airline Operating Agreements. On or before July 1 of each year, the Authority is required to provide to the Signatory Airlines a proposed Annual Budget, including, among other things, a preliminary calculation of the rents and fees to be paid by the Signatory Airlines

during such succeeding Fiscal Year. The Executive Manager is required to convene a meeting with the Signatory Airlines within 30 days after the proposed Annual Budget is transmitted, and the Signatory Airlines are given an opportunity to discuss the proposed Annual Budget with the Authority prior to its adoption.

The Authority endeavors to adopt the Annual Budget for the coming Fiscal Year no later than 30 days prior to the commencement of such Fiscal Year. The adjusted rents and fees become effective on the first day of the Fiscal Year for which they apply. In the event the Annual Budget has not been adopted by the Authority by the first day of the Fiscal Year, the rents and fees in effect during the preceding Fiscal Year will remain in effect until the Annual Budget is adopted. Upon the adoption of the Annual Report, the new rents and fees will be made retroactive to the first day of the Fiscal Year. The Authority retains the responsibility and expressly reserves the right to make all final decisions with respect to the Annual Budget and any subsequent amendment thereof, consistent with and pursuant to the terms and conditions of the Airline Operating Agreements. The Authority adopted its budget for Fiscal Year 2020 on August 29, 2019.

See “SECURITY AND SOURCES OF PAYMENT OF THE BONDS – Rate Covenant,” “AGREEMENTS FOR THE USE OF AIRPORT PROPERTY – Airline Operating Agreements,” APPENDIX B – “SUMMARY OF THE FORM OF AIRLINE OPERATING AGREEMENT” and APPENDIX E – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE.”

Historical Debt Service Coverage

Table 12 below shows the Authority’s Annual Debt Service Coverage for the Fiscal Years ended September 30, 2014 through 2018. For purposes of determining compliance with debt service coverage requirement set forth in the Indenture, the Revenues are calculated by adding operating revenues, PFC revenue, certain interest income, amounts received pursuant to operating grants from the federal government and transfers from the Government of Guam – Office of Highway Safety and certain other non-operating revenue.

Table 12
A.B. Won Pat International Airport Authority, Guam
Debt Service Coverage
Fiscal Years 2014-2018

	2014	2015	2016	2017	2018
Revenues ⁽¹⁾	\$69,979,957	\$71,057,893	\$73,342,497	\$78,494,013	\$77,497,364
Less: Operation and Maintenance Expenses	39,116,220	38,175,542	41,459,085	45,384,833	47,497,544
Net Revenues	\$30,863,737	\$32,882,351	\$31,883,412	\$33,109,180	\$29,999,820
Plus: Other Available Moneys ⁽²⁾	6,066,606	5,967,025	5,968,625	5,967,500	5,969,625
Net Revenues and Other Available Moneys	\$36,930,343	\$38,849,376	\$37,852,037	\$39,076,680	\$35,969,445
Aggregate Annual Debt Service	\$24,266,424	\$23,868,100	\$23,874,500	\$23,870,000	\$23,878,500
Annual Debt Service Coverage (1.25x Required)	1.52x	1.63x	1.59x	1.64x	1.51x

⁽¹⁾ Revenues as calculated in accordance with the Indenture. Includes operating revenues, PFC revenue, certain interest income, amounts received pursuant to operating grants from the federal government and transfers from the Government of Guam – Office of Highway Safety and certain other non-operating revenue.

⁽²⁾ For any Fiscal Year, the amount designated by the Authority of unencumbered moneys on deposit in the Capital Improvement Fund at the end of the prior Fiscal Year, but in no event to exceed 25% of the Aggregate Annual Debt Service for such Fiscal Year.

Source: Derived from the audited financial statements of the Authority.

Retirement Fund and Other Post-Employment Benefits

General. The Government of Guam Retirement Fund (the “GGRF”) provides retirement annuities and other payments to retired Government employees, including employees of the Authority, and their dependents. Employees hired on or before September 30, 1995, are members of the Government of Guam Employees Retirement System (the “DB Plan”). Employees hired after September 30, 1995, became members of the Defined Contribution Retirement System (the “DC Plan”); however, members of the DC Plan could voluntarily elect to become members of the Defined Benefit 1.75 Retirement System (the “DB 1.75 Plan”) or the Guam Retirement Security Plan (the “GRSP”) from April 1, 2017 until December 31, 2017.

DB Plan. The DB Plan is a single-employer defined benefit pension plan administered by the GGRF to which the Government contributes based upon a fixed percentage of the payroll for those employees of the DB Plan. A single actuarial valuation is performed annually covering all DB Plan members, and the same contribution rate applies to each employer, including the Government. Members of the DB Plan are required to contribute a certain percentage of their annual covered salary, which is currently 9.5%. The DB Plan member and employer contribution requirements are established by statute. According to the GGRF actuarial valuation as of September 30, 2018 (the “2018 GGRF Valuation Report”) there were a total of 1,870 active members, 7,247 retired members and 3,170 inactive members with account balances under the DB Plan as of September 30, 2018. As of September 30, 2018, 155 Authority employees were members of the DB Plan.

DC Plan. The DC Plan is a single-employer defined contribution pension plan administered by the GGRF. Contributions to the DC Plan by members are based on an automatic deduction of 5.0% of the member’s regular base pay through December 31, 2017, and 6.2% of the member’s regular base pay starting on January 1, 2018. Contributions are deposited into each individual employees’ 401(a) account with the DC Plan. As described above, eligible members of the DC Plan could elect to become members of the DB 1.75 Plan or the GRSP by December 31, 2017, and as of that date, according to the GGRF audited financial statements as of September 30, 2018 (the “GGRF 2018 Audited Financial Statements”), approximately 3,379 of the 8,947 DC Plan members elected to transfer to the DB 1.75 Plan which resulted in approximately \$229 million in assets being transferred from the DC Plan into the DB 1.75 Plan. The GRSP was a governmental defined benefit plan that was intended to be the primary retirement plan for new employees beginning January 1, 2018. However, very few DC Plan members elected to transfer to the GRSP and as such the Board of Trustees of the GGRF adopted Resolution No. 2019-01 on April 26, 2019 to recommend to the Legislature that the GRSP be repealed retroactively to its inception date and submit draft legislation for introduction to the Legislature to that effect. Upon repeal of the GRSP, the default plan for all new Government employees will be the DC Plan. According to the 2018 GGRF Valuation, as of September 30, 2018, there were a total of 5,921 active members in the DC Plan. As of September 30, 2018, 91 Authority employees were members of the DC Plan.

DB 1.75 Plan. The DB 1.75 Plan is a governmental defined benefit pension plan administered by the GGRF with an effective date of January 1, 2018. The DB 1.75 Plan members are required to contribute 9.5% of their base salary to the DB 1.75 Plan and 1% of their base salary to a Government deferred compensation plan. As described above, certain existing employees and members of the DC Plan were provided limited opportunity to participate in the DB 1.75 Plan. As of January 1, 2018, the DB 1.75 Plan was closed to new participants. According to the 2018 GGRF Valuation Report, as of September 30, 2018, there were a total of 3,318 active members and 26 retirees in the DB 1.75 Plan.

DB Plan and DB 1.75 Plan Annual Valuation Results. The DB Plan’s unfunded actuarial accrued liability (“UAAL”) and funded ratio for the past five Fiscal Years is shown in the following Table 13. Beginning in Fiscal Year 2017, the UAAL and funded ratio includes the DB 1.75 Plan.

Table 13
Unfunded Actuarial Accrued Liability and Funded Ratio of Defined Benefit Plans⁽¹⁾
Fiscal Years 2014 through 2018
(in millions)

Fiscal Year	Accrued Liability	Actuarial Assets	Unfunded Actuarial Accrued Liability	Funded Ratio
2014	\$2,931.7	\$1,562.5	\$1,369.2	53.30%
2015	2,927.7	1,629.4	1,298.3	55.66
2016	2,904.9	1,655.6	1,249.3	56.99
2017 ⁽²⁾	3,183.2	1,916.4	1,266.8	60.20
2018 ⁽²⁾	3,197.1	2,021.9	1,175.2	63.24

⁽¹⁾ Does not include Cost-of-Living Allowance and Supplemental Annuity Liability.

⁽²⁾ Reflects inclusion of the DB 1.75 plan.

Source: Government of Guam Retirement Fund Actuarial Valuation as of September 30, 2018.

Significant actuarial assumptions and methods used in the 2018 GGRF Valuation included: (a) the interest rate used to discount future benefit payments to the present and long term expected rate of return on plan assets of 7.0% (b) the Entry Age Normal method; (c) total payroll growth of 1.75% for Fiscal Year 2019 and 2.75% per year thereafter; (d) 3-year phase-in of gains/losses relative to interest rate assumption; (e) amortization of UAAL to an end date of May 1, 2033 effective January 1, 2018 (previous end date of May 1, 2031). According to the 2018 GGRF Valuation Report, and based on the GGRF 2018 Audited Financial Statements, the GGRF actuary calculated an investment return on the total market value of assets of 5.7% for the fiscal year ending September 30, 2018. The average annual return on the market value of assets has been 7.5% for the last five fiscal years and 8.6% for the last 10 fiscal years. The investment return on the actuarial value of assets (recognizing investment gains and losses over a 3-year period) was 9.0% for the Fiscal Year ended September 30, 2018.

The GGRF is subject to GASB Statement No. 67; each participating employer, including the Authority, is subject to GASB Statement No. 68 (“**GASB 68**”). GASB 68 was incorporated into the Authority’s financial statements beginning in Fiscal Year [____]. For the Authority’s proportionate share of the GGRF’s net pension liability and pension expense for the Fiscal Year 2018, see APPENDIX C – “AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018 AND INDEPENDENT AUDITOR’S REPORT,” Note 8.

Contribution Rates. Under Title 4, Chapter 8, Section 8137 of the Guam Code Annotated, as amended, the Government is required to completely fund the unfunded actuarial accrued liability by May 1, 2033. The actuarial employer contributions rates set forth in the annual valuations apply to the Fiscal Year beginning one year after the valuation date. Components of the actuarial employer contribution rates include percentages towards (1) the UAAL of the DB Plan and DB 1.75 Plan, (2) normal cost of the DB Plan and DB 1.75 Plan, and (3) contributions and expenses for the DC Plan.

Although the actuarial contributions rates are provided to the Legislature of Guam by the GGRF in advance of each Fiscal Year and used for budget preparation, the Legislature is not required to adopt such rates but has done so in recent years. The Government applies the same employer statutory contribution rate to all employees (i.e., DB Plan members, DC Plan members, etc.). Of the amounts contributed by the employers under the DC Plan, an amount equal to 5.0% of the DC Plan member’s regular base pay through December 31, 2017 and 6.2% of the DC Plan member’s regular base pay starting on January 1, 2018, is deposited into the member’s individual annuity account; the remaining amount in excess of 5.0% through December 31, 2017 and 6.2% starting on January 1, 2018, of the DC Plan member’s regular base pay is contributed towards the UAAL of the DB Plan. The following table sets forth the actuarial employer contribution rates and the statutory employer contribution rates for Fiscal Years 2014 through 2019:

Table 14
Employer Contribution Rates – Actuarial and Statutory⁽¹⁾
Fiscal Years 2014 through 2019

Fiscal Year	Actuarial Rate	Statutory Rate
2014	28.16%	30.03%
2015	27.41	29.85
2016	27.83	28.16
2017	26.56	27.41
2018	26.28	27.83
2019	N/A	26.56

⁽¹⁾ The actuarial employer contributions rates set forth in the annual valuations apply to the Fiscal Year beginning one year after the valuation date. For example, the actuarial contribution rate determined in the valuation report as of September 30, 2014 (Fiscal Year 2014) is applied for the Fiscal Year beginning October 1, 2016 (Fiscal Year 2016).

Source: Government of Guam Retirement Fund Actuarial Valuation as of September 30, 2018.

The following table sets forth the actual contributions made by the Authority to the DB Plan during Fiscal Years 2014 through 2018. Such amounts were equal to the required contributions for those years.

Table 15
Authority's Contributions to DB Plan
Fiscal Years 2014 through 2018

Fiscal Year	Amount
2014	\$1,540,582
2015	1,381,600
2016	1,248,861
2017	1,178,407
2018	2,161,139

Source: The Authority.

The following table sets forth the actual contributions made by the Authority to the DC Plan, as well as the portion of such contributions that are applied to the unfunded liability of the DB Plan during Fiscal Years 2014 through 2018. Such amounts were equal to the required contributions for those years.

Table 16
Authority's Contributions to DC Plan and DB Plan toward Unfunded Liability
Fiscal Years 2014 through 2018

Fiscal Year	DC Plan Amount	Portion of DC Plan Amount to DB Plan
2014	\$3,297,500	\$1,730,590
2015	3,178,277	1,796,099
2016	3,060,666	1,810,894
2017	2,966,912	1,779,238
2018	2,242,956	1,049,207

Source: The Authority.

COLA and Supplemental Annuity Payments. Public Law 25-72, passed in 1999, requires the payment of supplemental annuity and cost-of-living-allowance (“COLA”) benefits to retirees and specifies that these payments are to be vested, limited-duration benefits to be provided by the GGRF. Ad hoc COLA payments of \$2,000 per year have been provided to retired DB Plan and DC Plan members and spouse survivors. In addition, supplemental annuity payments of \$4,238 (subject to an aggregate limitation of \$40,000 per year when combined with the

member's regular retirement annuity) have been provided to retired DB Plan members and survivors whose benefits commenced prior to October 1, 1995. These payments have been made outside of the GGRF trusts through annual allocations, and are anticipated to continue in future years. Effective Fiscal Year 2017 and pursuant to GASB Statement No. 73, the resultant actuarial liability relating to these payments have been included in the government-wide financial statements.

Other Post-Employment Benefits. The Government makes annual expenditures for certain postretirement healthcare benefits ("OPEB") to retirees who are members of the GGRF. The Government provides medical, dental, and life insurance coverage. Prior to Fiscal Year 2020, the retiree medical and dental plans were fully-insured products provided through insurance companies. For Fiscal Year 2020, the medical policy is fully insured, and the dental policy is self-insured by the Government. Benefits under the dental plan are capped at \$1,000 per subscriber. The Government shares in the cost of these plans, with its contribution amount set each year at renewal. Current statutes prohibit active and retired employees from contributing different amounts for the same coverage. As such, the Government contributes substantially more to the cost of retiree healthcare than to active healthcare. For the life insurance plan, the Government provides retirees with \$10,000 of life insurance coverage through an insurance company. Retirees do not contribute to the cost of this coverage. The OPEB unfunded actuarial accrued liability for the Government was approximately \$1.66 billion for Fiscal Year 2018, approximately \$1.73 billion for the Fiscal Year 2017, and approximately \$1.46 billion for Fiscal Year 2016. The next valuation report will be issued later in Fiscal Year 2019.

The OPEB plan is financed on a substantially "pay-as-you-go" basis whereby contributions to the plan are generally made at about the same time and in about the same amount as benefit payments and expenses becoming due. The Authority is then required to reimburse the General Fund for the OPEB costs of the Authority's retirees. The following table sets forth the Government's contributions from the General Fund for OPEB for Fiscal Years 2014 through 2018, as well as the Authority's contributions to reimburse the Government for the OPEB costs of the Authority's retirees.

Table 17
Government Contributions from General Fund for OPEB and
Authority's Contribution to Reimburse OPEB Costs
Fiscal Years 2014 through 2018

Fiscal Year	Government Contributions ⁽¹⁾	Authority's Contribution to Reimburse OPEB Costs
2014	\$21,528,159	\$256,563
2015	16,212,310	362,761
2016	25,105,981	408,841
2017 ⁽²⁾	40,848,017	445,487
2018 ⁽²⁾	40,931,316	440,077

⁽¹⁾ Comprised of retiree healthcare premiums and Medicare reimbursement.

⁽²⁾ Government's share of contributions for healthcare premiums and Medicare reimbursement shows an increasing trend due to the rising cost of policy premiums, reflecting medical costs generally and higher Government share of retiree costs. This trend has been incorporated into the OPEB valuation. In Fiscal Year 2019, policy adjustments have been made to reduce this trend.

Source: Extracted from the Audited Financial Statements, Government of Guam for Fiscal Years 2014 through 2018 and the Authority.

Risk Management and Insurance

The Indenture requires that the Authority (i) maintain or cause to be maintained insurance on the Airport with responsible insurers in such amounts and against such risks (including accident to or destruction of the Airport) as are usually maintained by prudent operators of airports similar and similarly situated to the Airport so long as such insurance is available to the Authority on the open market from responsible insurers at reasonable cost and (ii) maintain such other insurance affording protection in such amounts and against such risks as are usually maintained by prudent operators of airports similar to the Airport, in either case, which the Authority deems advisable or necessary to protect the interests of the Authority and the Bondowners. The Authority may satisfy these insurance

requirements through a self-insurance program so long as such self-insurance is maintained in the amounts and manner customarily maintained by prudent operators of airports similar to the Airport. The Authority is required to engage an insurance consultant every third year to review the Authority's self-insurance program and to make recommendations for any necessary modifications, including, but not limited to, any modifications necessary to comply with the Indenture.

The Authority maintains airport operator general liability insurance with coverage of \$500,000,000 for losses arising out of liability for airport operations, with a limit of \$25,000,000 for personal injury. The deductible is \$75,000 per occurrence for property damage. The Authority also maintains a property insurance policy for all risks with coverage up to \$200,000,000, including coverage up to \$5,000,000 for boiler and machinery losses and coverage up to \$5,000,000 for damage resulting from windstorms, typhoons or earthquakes. The deductible on the property insurance is \$450,000 per occurrence, no aggregate, increasing to \$5,000,000 for any one occurrence and in an annual aggregate for windstorm, typhoon or earthquake damage. The property insurance also includes coverage for business interruption at the Airport resulting from a covered event and with a 72-hour waiting period.

The Authority also maintains director and officer liability insurance with coverage up to \$4,000,000 per occurrence and in the aggregate for each person; automobile liability insurance with coverage up to \$2,000,000; worker's compensation insurance with coverage up to \$1,000,000; and employee crime insurance with coverage up to \$1,000,000.

The Authority has established a risk and loss management program to cover uninsured losses and/or deductibles. The Authority also maintains a deposit of \$1,000,000 in the Renewal and Replacement Fund, which is to be combined with funds on deposit in the Risk and Loss Management Fund for purposes of paying any uninsured losses. As of September 30, 2018, the balances in the Renewal and Replacement Fund and in the Risk and Loss Management Fund were approximately \$1.0 million and \$6.5 million, respectively.

AIRPORT PLANNING

Master Plan Update

In 2005, the Authority commissioned Leo A. Daly to prepare the Antonio B. Won Pat Guam International Airport Master Plan Update, 2005 (the **"2005 Master Plan"**), which included a multi-phase plan to implement improvements to, among other things, the airfield, passenger terminal, the Airport Industrial Park, roadways and access points. In April 2012, Parsons completed the A.B. Won Pat International Airport Master Plan Update (the **"2012 Master Plan Update"**) commissioned by the Authority to update the 2005 Master Plan. The primary goals of the 2012 Master Plan Update include the determination of physical Airport facilities necessary to meet the Airport's future passenger and cargo needs; enhancement of the passengers' overall experiences of passing through the Airport; development of a plan for the separation of arriving uninspected passengers destined for federal inspection services at the international arrivals facilities from departing passengers that conforms to the requirements of the TSA and the Customs and Border Patrol; development of a terminal and cargo facilities plan that confirms the Authority's strategic vision; development of a landside plan that accommodates the loss of public parking expected to result from the widening of Route 10A; and development of a concessions program to meet the needs of the international Asian tourist.

The 2012 Master Plan Update comprises four components: airfield, terminal, landside and other facilities. The airfield component includes aircraft movement areas such as the runways, taxiways and parking aprons. The terminal component includes the passenger processing areas, including ticketing and check-in counters, security facilities, hold rooms, baggage claim and concession and retail space. The landside component includes ground access, parking facilities, rental car facilities, tour bus and other ground transportation areas. The other facilities component includes the aircraft rescue and firefighting facility, cargo facilities, fuel farm facilities and general aviation facilities.

The seven primary steps of the 2012 Master Plan Update process are: (i) conducting an inventory of existing facilities, surveys and observations of key functional areas of the passenger terminal building and the cargo terminal; (ii) preparation of an aviation activity forecast (which went through 2030), including passengers, cargo and operations; (iii) determination of facility requirements based on demand/capacity analysis; (iv) development of

alternative concepts and plans; (v) preparation of an airport layout plan; (vi) preparation of environmental evaluation, including a noise exposure map; and (vii) determination of a 20-year development program, including estimated capital improvement costs.

The 2012 Master Plan Update includes a facilities implementation plan setting forth the recommended priority projects, estimated project costs and schedule necessary to meet the Authority's objectives and projected requirements. The priority projects recommended in the 2012 Master Plan Update include: (i) improvements to taxiways; (ii) construction of a sterile international arrivals corridor; (iii) relocation of the hold bag screening area; (iv) establishing a new concessions management program; (v) reconfiguration of the TSA security screening area and the addition of additional security lanes; (vi) consolidating commuter aircraft parking positions and creation of a separate domestic passenger area; (vii) construction of additional parking facilities; (viii) construction of a new aircraft rescue and firefighting facility; (ix) relocation of the cargo only aircraft aprons; (x) relocation of existing ground service equipment staging area; and (xi) upgrades to the fuel system and fire suppression system. The total program costs for all projects identified in the 2012 Master Plan Update is estimated to be \$108 million (in 2012 dollars), including planning, design, construction, program/construction management services, testing, insurance, reserves and contingency, with approximately 60% of such costs to be incurred in the first five years of a 20-year program.

None of the priority projects identified in the 2012 Master Plan Update will require an environmental impact statement; however, the relocation of the cargo only aircraft aprons and the construction of the new aircraft rescue and firefighting facility may require environmental assessments.

The Authority plans to complete an update the 2012 Master Plan Update in Fiscal Year 2020.

Capital Improvement Plan

Based on the 2012 Master Plan Update, the Authority developed a multi-year capital improvement plan (the "**Capital Improvement Plan**" or the "**CIP**") that focuses on projects intended to increase capacity, facilitate passengers through the federal inspection service process and enhance customer safety and security. Below are CIP projects that are currently underway, in the procurement process and in the planning process.

Projects Currently Underway

- Third Floor International Arrivals Corridor; Seismic Upgrades. The Authority is in the process of constructing a new sterile international arrivals corridor leading from the loading bridges to the federal inspection area in the passenger terminal building and making additional terminal improvements to replace the portable walls that currently separate departing screened passengers from non-screened arriving passengers (the "**Third Floor Project**"). The second phase of four phases is currently underway and the project is expected to be completed in August 2020. In addition, the Authority is in the process of making seismic upgrades in the passenger terminal building in the central terminal area and east concourse to support the Third Floor International Arrivals Corridor. The Third Floor Project and the seismic upgrades are expected to cost \$122 million. Sources of funding for the project include \$96.1 million of proceeds of the Series 2013 Bonds, capital improvement funds and FAA entitlement grants.
- SSCP Improvements. The Authority intends to improve the TSA security screening checkpoints in the passenger terminal building by adding additional security lanes and reconfiguring the TSA support space. TSA is expected to provide the equipment for the project. Sources of funding for the project include capital improvement funds in the amount of \$4 million.
- ARFF Facility. The Authority intends to construct a new aircraft rescue and firefighting facility to replace the current aging structure. Construction commenced in March 2018. Phase I of the project, which included demolition and site prep, was completed in November 2018. Phase II of the project, which includes construction of the facility, is currently underway. The project is expected to be completed in November 2020. The CIP includes \$23.4 million for this project, \$20.5 million of which will come from discretionary grant funds from the FAA.

Projects in Procurement Process

- Airport Aprons & Taxiway Rehabilitation. This project includes rehabilitating over 1.5 million square feet of parking/apron areas and the Kilo taxiway in front of the terminal and airfield. The project will enable the Airport to maintain its capacity and to increase the safety and efficiency of aircraft and ground support equipment operations, personnel activities, passenger movements and airport servicing. The CIP includes approximately \$46.0 million for this project. The Authority anticipates 90% of the project will be financed using discretionary grants from the FAA and the remaining 10% of the project will be financed using funds from the Authority.
- Runway 6L/24R Rehabilitation. This project includes rehabilitating over 9,500 linear feet of the Authority's primary runway 6L/24R. The CIP includes approximately \$17.2 million for this project. The Authority expects 90% of the project to be financed using discretionary grants from the FAA and the remaining 10% of the project will be financed using funds from the Authority.
- Cargo Apron/Fuel System Extension. This project includes constructing a cargo apron and connecting taxiway, and extending the Airport's fuel system to service the Integrated Air Cargo Facility located approximately one-half mile west of the air terminal. The Authority is currently negotiating fee proposals. The CIP includes approximately \$22.0 million for this project. The Authority expects 90% of the project to be financed using discretionary grants from the FAA and the remaining 10% of the project will be financed using funds from the Authority.

Projects in Planning Process

- Parking Facilities. The Authority intends to construct a single-level parking deck over the existing commercial vehicle area to replace lost parking capacity resulting from the expansion of Route 10A, the Airport Access Road.
- IT Upgrades. The Authority intends to make upgrades to the Authority's information technology and financial management systems and related infrastructure improvements.
- Passenger Terminal Improvements. The Authority intends to make certain improvements to the passenger terminal building, including (i) replacement of flooring in portions of the passenger terminal; (ii) enclosure of the arrival tunnel and installation of climate control to increase arrivals lobby area and add commercial space; (iii) expansion of canopies on the departures area curbside; and (iv) replacing aging terminal seating and install additional terminal seating in the passenger terminal building.
- Maga Haga Highway (Tiyon Parkway). The Authority intends to acquire from the Government of Guam remnant parcels that border Airport property.
- Replacement of Conveyance Systems. The Authority intends to replace aging elevators, escalators and moving walkways with more energy efficient equipment.
- Replacement of Terminal Roofing System. The Authority intends to replace and improve the terminal roof membrane that is not connected to the Third Floor International Arrivals Corridor.

The Authority may in the future include additional capital projects in the Capital Improvement Plan, which may be financed with a combination of available Authority funds, PFC revenues, Additional Bonds, and/or additional federal grants.

REPORT OF THE AIRPORT CONSULTANT

General

The Authority retained the Airport Consultant to prepare a Report of the Airport Consultant, included as APPENDIX D to this Official Statement. **The Report of the Airport Consultant is not being prepared pursuant to the requirements for the issuance of a Series of Bonds under the Indenture (as described in “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Additional Bonds”) and, therefore, presents limited information with respect to the Authority and the Airport.** Such information includes, among other things, descriptions of the economic basis for passenger demand at the Airport; key factors that may affect future airline traffic at the Airport; historical air traffic activity at the Airport; projected air traffic activity at the Airport through Fiscal Year 2019 and a description of the assumptions used; and a projection of revenues and debt service coverage through Fiscal Year 2025 and a description of the assumptions used. Although the Report of the Airport Consultant does not present the same level of analysis or detailed information that would be presented for a report prepared pursuant to the requirements of the Indenture, the Report of the Airport Consultant should be read in its entirety.

The financial projections in the Report of the Airport Consultant are based upon certain information and assumptions that were provided or reviewed with and agreed to by the Authority. In the opinion of the Airport Consultant, these assumptions provide a reasonable basis for the projections set forth in the Report of the Airport Consultant. Although the Airport Consultant and the Authority believe these assumptions to be reasonable for purposes of the projections, they are dependent on future events, and no assurance can be given that the projections and expectations discussed in the Report of the Airport Consultant will be achieved or that the assumptions will be realized. There may be differences between the projections and actual results, and such differences may be material. To the extent actual future factors differ from those assumed by the Airport Consultant or provided to the Airport Consultant by others, there may be differences between the projections and actual results, and such differences may be material. See “CERTAIN INVESTMENT CONSIDERATIONS” for some of the reasons why differences could occur.

Forecast Debt Service Coverage

Table 18 below sets forth the estimated and forecast revenues, expenses, debt service and debt service coverage on the 2019 Bonds, for Fiscal Years 2019 through 2024, as presented in the Report of the Airport Consultant under “Projected Financial Results – Low Projection,” as Appendix D herein, which reflects the low projection of annual enplaned passengers. The Report of the Airport Consultant also includes “Projected Financial Results – High Projection,” which reflects the high projection of annual enplaned passengers. The Report of the Airport Consultant is intended to provide its entirety to understand the basis of the forecasts.

Table 18
Estimated and Forecast Annual Debt Service Coverage
A.B. Won Pat International Airport Authority, Guam
Fiscal Years Ending September 30

	2019	2020	2021	2022
Calculation of Net Revenues Available for Debt Service				
Signatory Airline Revenues	\$33,334	\$34,175	\$34,318	\$35,298
Nonairline Revenues	37,389	36,044	39,300	39,693
PFC Revenues	7,198	7,749	7,762	7,762
Total Revenues⁽¹⁾	\$77,921	\$77,968	\$81,379	\$82,753
Less: Operation and Maintenance Expenses	49,371	53,293	54,359	55,446
Plus: Other Available Moneys ⁽²⁾	5,968	3,475	3,500	5,925
Total Net Revenues and Other Available Moneys	\$34,518	\$28,150	\$30,520	\$33,232
Calculation of Annual Debt Service Coverage				
Net Revenues and Other Available Moneys	\$34,518	\$28,150	\$30,520	\$33,232
Annual Debt Service⁽³⁾	\$23,873	\$13,900	\$14,000	\$23,700
Debt Service Coverage				
Debt Service Coverage Ratio	1.45	2.03	2.18	1.40

⁽¹⁾ Revenues as calculated in accordance with the Indenture. Includes operating revenues, PFC revenue, certain interest income, amounts received from the federal government and transfers from the Government of Guam – Office of Highway Safety and certain other non-operating revenue.

⁽²⁾ For any Fiscal Year, the amount designated by the Authority of unencumbered moneys on deposit in the Capital Improvement Fund at the end of the Fiscal Year shall not exceed 25% of the Aggregate Annual Debt Service for such Fiscal Year.

⁽³⁾ Total annual debt service has not been revised to reflect the final terms of the 2019 Bonds.

Source: Report of Airport Consultant, October 17, 2019, Tables 9 and 11.

required by GASB 49, as of September 30, 2018, the Authority estimated that its pollution remediation obligations to be approximately \$159,315. The Authority may discover additional environmental liabilities in the future, which would be reflected in adjustments to liabilities on the Authority's financial statements in accordance with GASB 49 and would affect Authority operating expenses. See APPENDIX C – "AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018 AND INDEPENDENT AUDITOR'S REPORT," Note 11.

Airport Water System

In Fiscal Year 2012, the Authority completed the construction of the initial phases and upgrades to the Airport's water system, including construction of a new reservoir in the Airport Industrial Park, and commissioned the operation of a new water system. The Authority undertook the improvements to the water system to provide for an independent source of water to support Airport activities, to accommodate future growth at the Airport, to accelerate the groundwater remediation at the former Naval Air Station(as described below) and to address fire suppression concerns at certain Airport facilities. The Airport's water system, including the remedial facilities described below, is currently being operated and maintained by the Guam Waterworks Authority ("**GWA**") pursuant to the terms of an operating agreement that expired in September 2012 (the "**GWA Operating Agreement**"). The Authority and GWA are currently operating on a month-to-month basis under the same terms of the GWA Operating Agreement. The Authority is currently negotiating a long-term operating agreement with GWA pursuant to which GWA will operate and maintain the water system, including undertaking certain of the Authority's groundwater remediation responsibilities described below under "– Groundwater Remediation at Former Naval Air Station."See APPENDIX C – "AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018 AND INDEPENDENT AUDITOR'S REPORT," Note 11.

Groundwater Remediation at Former Naval Air Station

As mentioned above, in September 2000, the United States Navy transferred to the Authority and the Government of Guam approximately 1,417 acres on the former Naval Air Station through the Public Benefit Transfer conveyance. Pursuant to an Environmental Services Cooperative Agreement, dated as of September 26, 2000 (the "**Environmental Services Agreement**"), among the Authority, the Government of Guam and the United States Government, the Authority and the Government of Guam assumed responsibility for the completion of certain environmental response actions with respect to the transferred property addressing groundwater contamination at Operable Unit beneath Naval Air Station ("**OU3**") in exchange for a one-time, lump sum payment of \$10,000,000 by the United States Navy. The Authority's obligations under the Environmental Services Agreement include, among other things, construction, operation and maintenance of certain remedial facilities, installation of granular activated carbon ("**GAC**") treatment systems, and long-term review and monitoring of the wells. The Decision Document, dated June 2018 (the "**OU3 Decision Document**"), sets forth the selected remedy for addressing groundwater contamination at OU3.The Authority, the United States Navy and the Environmental Protection Agency ("**EPA**") are currently in discussions regarding firefighting foam or per- and polyfluoroalkyl substances (PFAS). Under the OU3Decision Document, the Authority will also be required to conduct a five-year review to ensure that the remedial action taken is or will be protective of human health and the environment. In addition, the GAC treatment system requirement has been satisfied by the GAC system included as part of the Airport's new water system. The Authority expects to incorporate its obligation to operate and maintain the remedial facilities and to conduct certain monitoring activities into the long-term operating agreement to be negotiated with GWA for the operation and maintenance of the Airport's water system. See "THE AUTHORITY – Termination of Joint Use Agreement and Transfer of the Naval Air Station, Agana", Agana" and APPENDIX C – "AUDITED FINANCIAL

exposure map (the “**2003 Noise Exposure Map**”) that, among other noise mitigation measures, identified approximately 500 residences in the highest noise impacted areas surrounding the Airport. The 2003 Noise Exposure Map was subsequently updated in 2015 (as updated, the “**2015 Noise Exposure Map**”). To date, under the RSSP, the Authority has provided sound insulation to approximately 237 residences. In exchange for such sound insulation improvements, the Authority receives voluntary avigation easements from homeowners. The RSSP is funded primarily with grants from the federal Airport Improvement Program (“**AIP**”). The Authority has received approximately \$18.4 million in AIP grants for the RSSP to date. See APPENDIX C – “AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018 AND INDEPENDENT AUDITOR’S REPORT,” Note 4.

In 2018, the FAA directed the Authority to conduct new noise measurement studies to verify that the remaining 263 residences initially identified as part of the 2003 Noise Exposure Map and to identify any additional residences that constitute high noise impact areas. In February 2019, the FAA directed the Authority to suspend providing sound insulation to residences in high noise impacted areas while the Authority updated its NCP, including the 2015 Noise Exposure Map. The Authority began conducting acoustical testing in June 2018 and anticipates it will update the NCP, which will enable it to produce a new noise exposure map, in Fiscal Year 2021.

CERTAIN INVESTMENT CONSIDERATIONS

The following discussion of considerations is not meant to be an exhaustive list of the risks associated with the purchase of the 2019 Bonds and does not necessarily reflect the relative importance of the various risks. Potential purchasers of the 2019 Bonds are advised to consider the following factors, among others, and to review all of the other information in this Official Statement in evaluating whether to purchase the 2019 Bonds. Any one or more of the risks discussed, and others, could lead to a decrease in the market value and/or in the liquidity of the 2019 Bonds. No assurance can be given that other risk factors will not become material in the future. The 2019 Bonds may not be suitable investments for all persons. Prospective purchasers should be able to evaluate the risks and merits of an investment in the 2019 Bonds and should confer with their own legal and financial advisors before considering a purchase of the 2019 Bonds.

General

The principal of and interest on the Bonds, including the 2019 Bonds, are payable pursuant to the Indenture solely from the Revenues. The ability to pay debt service on the Bonds, including the 2019 Bonds, will depend on receipt by the Authority of sufficient Revenues, pledged as payment for the Bonds, subject to the provisions of the Indenture.

The Authority’s ability to generate sufficient Revenues depends upon sufficient levels of aviation activity and passenger traffic at the Airport. Aviation activity and passenger traffic depend on several factors, many of which are not within the Authority’s control. To the extent the Authority is unable to make up for Revenue shortfalls, the ability to pay debt service on the Bonds, including the 2019 Bonds, may be adversely affected.

Guam Economy; Impact of Tourism and U.S. Military Presence

The Authority’s ability to generate Revenues depends in large measure, on the local economy, which is heavily dependent on tourism and the U.S. military presence, both of which are dependent on world economic, social and political events.

Tourism. Tourism represents a significant share of the economic activity on Guam. Historically, the tourism industry and airline passenger traffic, both worldwide and on Guam, has correlated closely with the state of the world's economies and levels of real disposable income. A weak economy, war, epidemic outbreaks, natural disasters or the threat of terrorist activity, among other influences that are beyond the Government's control, can adversely affect the tourism industry. Also, currency exchange rates, trade balances, political relationships and conflicts within and between countries are increasingly important influences on tourism and passenger traffic at major international airports.

Economic conditions in Japan, South Korea and throughout the Pacific Rim, and the resulting effect on overseas travel from these countries, are a major determinant of tourism on Guam and airline traffic at the Airport. In the past, the Japanese government had encouraged international travel as a means of reducing its trade surplus and Guam had benefited directly from this policy. Any change in Japan's international travel policy going forward could affect tourism in Guam, Revenues and the ability of the Authority to pay debt service on the Bonds, including the 2019 Bonds. Tourism, particularly from South Korea and Japan, where, in Fiscal Year 2018, approximately 49.3% and 34.7% of visitors, respectively, to Guam originated, represents a significant share of the economic activity on Guam and are the major sources of airline passenger traffic at the Airport. A significant downturn in tourism, including a downturn related to South Korean or Japanese or global economic conditions or social policies, could result in a reduction in passenger traffic and subsequently reduced Revenues. No assurance can be given that Guam will not experience a reduction in the number of visitors from South Korea, Japan or other visitor markets because of natural disasters or other economic, political or societal conditions.

The GVB projects that the total number of tourists visiting Guam in Fiscal Year 2019 will be approximately 5.5% above the total number of tourists in Fiscal Year 2018. The GVB is actively promoting tourism in Guam, including working with travel agents to market group-travel initiatives. Furthermore, GVB and the Authority are focused on increasing airplane seat capacities by facilitating two incentive programs – the Japan Air Service Support Program and the Japan Charter Flight Incentive Program. The airline incentive programs have helped with the continued recovery of the Japan markets.

See APPENDIX A – “GENERAL INFORMATION REGARDING THE TERRITORY OF GUAM – DEMOGRAPHIC AND ECONOMIC INFORMATION – Guam Tourist Industry.” See also “– Uncertainties Relating to Political and Military Action.”

U.S. Military Presence. Guam's economy and the Authority's level of Revenues are also affected by the U.S. military presence on Guam, including arrivals through the Airport by military and civilian visitors and contractors. The U.S. military presence affects economic activity on Guam in various ways, both directly, through individuals' demand for commercial, construction and other services, and expansions in the U.S. military presence, such as the expansions expected to occur over the next several years, can have a direct, positive impact on the Guam economy and the Authority's level of Revenues by spurring new economic activity and attracting visitors to Guam. However, economic, geopolitical, and other influences that are beyond the Government and the Authority's control might result in a decision by the U.S. government to reduce the existing presence of the U.S. military on Guam or forego some or all of the planned enhancements to its presence on Guam. Approximately 5,000 marines and 1,300 dependents from Okinawa, Japan and other locations are expected to be relocated to Guam by Fiscal Year 2026, with the first 2,500 marines moving to a new Marine Corps base to be built on existing federal land in Finegayan, Dededo (near Andersen Air Force Base in the northern part of Guam) in Fiscal Year 2022. If the U.S. military changes its current plans with respect to staffing and other strategic improvements on Guam, expected benefits may not be realized and the economy and the Authority's level of Revenues could be adversely affected. If the U.S. military elects to reduce or eliminate its presence on Guam, the economy and the Authority's level of Revenues could decline. See APPENDIX A – “GENERAL INFORMATION REGARDING THE TERRITORY OF GUAM – DEMOGRAPHIC AND ECONOMIC INFORMATION– Military Activity.”

H-2B Visas. The anticipated relocation of U.S. Marines from Okinawa, Japan and other economic projects are expected to generate a significant amount of additional construction activity on Guam. The construction industry is heavily dependent on skilled foreign workers that require H-2B visas to work on Guam. From time to time, the U.S. Citizenship and Immigration Service has changed, amended or modified its policies with respect to approval of H-2B visas. Future approval of new H-2B visas or extensions of existing H-2B visas is uncertain and could impact future military construction, public infrastructure and private sector projects on Guam. For more

information regarding the status of H-2B visas, see APPENDIX A – “GENERAL INFORMATION REGARDING THE TERRITORY OF GUAM – DEMOGRAPHIC AND ECONOMIC INFORMATION – H-2B Visas.”

Uncertainties Relating to Political and Military Action

Guam is approximately 3,800 miles west-southwest of Honolulu, Hawaii, the nearest major city of the U.S. The significant U.S. military presence on Guam, its distance from locations in the U.S. and its location in relation to potential sites of political and military conflict in Asia make Guam both a location of great value to the U.S. militarily and a potential site of military conflict. Political events in Asia may create the risk of conflict for the region in general and, in some cases, for Guam. In response to threats in 2013 by North Korea to launch ballistic missile attacks against U.S. military targets, including targets on Guam, the U.S. military deployed a missile defense system to Guam. Threats by North Korea in August 2017 contributed, in part, to the declining number of tourists visiting Guam in Fiscal Year 2018, which was approximately 2.0% below the total number of tourists in Fiscal Year 2017. No assurance can be given that these threats and any future military actions will not have an adverse effect on Guam tourist activity or that any decline in the total number of tourists will have an adverse effect on the Authority's Revenues.

Demand for Air Travel

The Bonds, including the 2019 Bonds, are payable solely from Revenues, and the amount of Revenues depends primarily on the level of aviation activity and passenger traffic at the Airport. The level of aviation activity and enplaned passenger traffic at the Airport depend upon a number of factors, many of which are outside the control of the Authority, including, among others, economic and political conditions, such as the population, levels of disposable income and the nature, level and concentration of industrial and commercial activity in the service area; international hostilities; world health concerns; natural disasters; aviation security concerns, including terrorism; accidents involving commercial passenger aircraft; airline service and routes; airline fares and competition; airline industry economics, including labor relations, fuel prices, aging aircraft fleets and other factors discussed below under “– Financial Condition of the Airlines”); capacity of the national air traffic control and airport system; reliability of air service; and the capacity, availability and convenience of service at the Airport. Changes in demand, decreases in aviation activity and their potential effects on passenger traffic at the Airport may result in reduced Revenues.

Airport Capacity and Operating Restrictions in Japan and Other Key Markets

Airports in Japan and throughout the Pacific Rim are among the most congested in the world. Increased demands by the airlines on the capacity of airports and air traffic control systems in the Pacific Rim have resulted in aircraft delays and restrictions on the number of aircraft movements in certain air traffic routes and on the number of landings and takeoffs at certain airports. In addition, opposition to aircraft noise has resulted in curfews on aircraft operations at certain airports, including Tokyo Narita International Airport. These restrictions affect the scheduling of flights to and from the Airport.

Financial Condition of the Airlines

The ability of the Authority to generate Revenues depends, in large part, upon the financial health of the aviation industry. The economic condition of the industry is volatile, and the aviation industry has undergone significant changes in recent years, including mergers, acquisitions, bankruptcies and closures. Further, the aviation industry is sensitive to a variety of factors, including (i) the cost and availability of labor, fuel, aircraft, supplies and insurance; (ii) general economic conditions; (iii) international trade; (iv) currency values; (v) competitive considerations, including the effects of airline ticket pricing; (vi) traffic and airport capacity constraints; (vii) governmental regulation, including security regulations and taxes imposed on airlines, and passengers and maintenance and environmental requirements; (viii) passenger demand for air travel; (ix) strikes and other union activities; (x) availability of financing; and (xi) disruptions caused by natural disasters, airline accidents, criminal incidents and acts of war or terrorism.

Due to the discretionary nature of business and personal travel spending, airline passenger traffic and revenues are heavily influenced by the state of the local, national and global economies, security concerns and other factors. Structural changes to the industry also result from the impact of low cost carriers, internet travel websites and reorganization following bankruptcy or insolvency. In addition, outside of the United States, many countries have wholly or partially privatized their national airlines, and certain air service agreements have been liberalized, which has resulted in increased competition. Other airlines have changed their business practices, including reducing or eliminating service on unprofitable routes, reducing their work forces, implementing pay cuts, reducing fares, deferring aircraft deliveries, streamlining operations, merging with other airlines and significantly increasing the use of smaller, regional jets.

Efforts of airlines to stimulate traffic by significantly discounting fares have affected consumer expectations regarding airfares. In addition, airfares have become easier to compare, which has made pricing and marketing among airlines more competitive.

The price of fuel has been a significant cost factor for the airline industry. According to Airlines for America (formerly known as the Air Transport Association of America), fuel has overtaken labor as the industry's top cost. Some of the airlines that sought airline bankruptcy protection have cited high fuel prices as a contributing factor. While some airlines have hedged fuel prices through the purchase of oil future contracts, the substantial increase in fuel prices has had a significant impact on profitability, and future fuel price increases or sustained higher prices could continue to affect the financial condition of airlines and the level of service they provide. Increases in fuel prices have also caused airlines to increase airfares and to institute fuel, checked baggage and other extra surcharges, all of which may have a negative effect on the demand for air travel.

The airline industry is highly cyclical and is subject to intense competition, high operating and capital costs and varying demand. Passenger volumes are highly sensitive to several factors, including those described above under "– Demand for Air Travel." Airlines are vulnerable to fuel price spikes, labor activity, seasonal travel patterns, economic recession and external shocks, such as terrorism, world health concerns, military conflicts and natural disasters. As a result, financial performance can fluctuate dramatically from one reporting period to the next.

The Authority makes no representation with respect to the continued viability of any of the carriers serving the Airport, airline service patterns or the impact of any airline failures on Revenues.

Effect of Possible Airline Bankruptcies

The bankruptcy of an airline with significant operations at the Airport could have a material adverse effect on operations of the Airport and on Revenues.

In the event of a bankruptcy of an airline operating at the Airport, the automatic stay provisions of the United States Bankruptcy Code could prevent any action to collect any amount owing by the airline to the Authority, any action to enforce any obligation of the airline to the Authority, or any action by the Authority to terminate any agreement with the airline, unless the permission of the bankruptcy court was obtained. With the authorization of the bankruptcy court, the airline may be able to repudiate some or all of its agreements with the Authority and stop performing its obligations (including payment obligations) under such agreements. To the extent that any agreement that is repudiated constitutes a lease of real property, the claim of the Authority may be significantly limited. Alternatively, the airline may threaten to repudiate an agreement with the Authority unless the Authority renegotiates the agreement and provides the airline with more favorable terms. Depending on the circumstances, the Authority may conclude that it has no choice but to renegotiate the agreement. In addition, with the authorization of the bankruptcy court, the airline may be able to assign any of its agreements with the Authority to another entity, notwithstanding the provisions of the agreement. The 2019 Bondowners may be required to return to the airline as preferential transfers any money that was used to make payments on the 2019 Bonds and that was received from the airline during the 90 days immediately preceding the filing of the bankruptcy petition.

The airlines operating at the Airport are also required to pay to the Authority PFCs collected from enplaned passengers at the Airport. The PFC Act provides that PFCs collected by the airlines constitute a trust fund held for the beneficial interest of the eligible agency (i.e., the Authority) imposing the PFCs, except for any handling fee or retention of interest collected on unremitted proceeds. In addition, federal regulations require airlines to account for

PFC collections separately and to disclose on financial statements the existence and amount of funds regarded as trust funds. The airlines, however, are permitted to commingle PFC collections with other revenues and are also entitled to retain interest earned on PFC collections until such PFC collections are remitted. The treatment of these arrangements in a bankruptcy case of an airline is not clear. Should an airline go into bankruptcy, the airline may not be required to turn over to the Authority any PFCs in its possession at the time it goes into bankruptcy. While the airline is in bankruptcy, it may not be required to turn over PFCs that are collected prior to the time that the Authority demands the turnover of the PFCs. Even after a demand is made, it is possible that the airline would not be required to turn over subsequently-collected PFCs.

In the event that a foreign airline goes into bankruptcy or similar proceedings in a foreign country, the losses suffered by the Authority may be worse than those described above. The 2019 Bondowners may be required to return to the airline payments on the 2019 Bonds in an amount larger than that described above. There may be other adverse consequences of such a proceeding. The Authority is unable to predict what types of orders could be issued by a foreign tribunal.

There may be delays in payments on the 2019 Bonds while a court considers any of these issues. There may be other possible effects of a bankruptcy of an airline that could result in delays or reductions in payments on the 2019 Bonds, or result in losses to the holders of the 2019 Bonds. Regardless of any specific adverse determinations in an airline bankruptcy proceeding, the fact of an airline bankruptcy proceeding could have an adverse effect on the liquidity and value of the 2019 Bonds.

Effect of Possible Concessionaire Bankruptcies

The bankruptcy of a concessionaire with significant operations at the Airport could have a material adverse effect on operations of the Airport and on Revenues.

In the event of a bankruptcy of a concessionaire operating at the Airport, the automatic stay could prevent any action to collect any amount owing by the concessionaire to the Authority, any action to enforce any obligation of the concessionaire to the Authority, or any action by the Authority to terminate any agreement with the concessionaire, unless the permission of the bankruptcy court was obtained. With the authorization of the bankruptcy court, the concessionaire may be able to repudiate some or all of its agreements with the Authority and stop performing its obligations (including payment obligations) under such agreements. To the extent that any agreement that is repudiated constitutes a lease of real property, the claim of the Authority may be significantly limited. Alternatively, the concessionaire may threaten to repudiate an agreement with the Authority unless the Authority renegotiates the agreement and provides the concessionaire with more favorable terms. Depending on the circumstances, the Authority may conclude that it has no choice but to renegotiate the agreement. In addition, with the authorization of the bankruptcy court, the concessionaire may be able to assign any of its agreements with the Authority to another entity, notwithstanding the provisions of the agreement. The 2019 Bondowners may be required to return to the concessionaire as preferential transfers any money that was used to make payments on the 2019 Bonds and that was received from the concessionaire during the 90 days immediately preceding the filing of the bankruptcy petition.

There may be delays in payments on the 2019 Bonds while the court considers any of these issues. There may be other possible effects of a bankruptcy of a concessionaire that could result in delays or reductions in payments on the 2019 Bonds, or result in losses to the holders of the 2019 Bonds. Regardless of any specific adverse determinations in a concessionaire bankruptcy proceeding, the fact of a concessionaire bankruptcy proceeding could have an adverse effect on the liquidity and value of the 2019 Bonds.

Effect of Authority Insolvency

Should the Authority become insolvent, there could be a material adverse effect on operations of the Airport and on Revenues, resulting in delays or reduction in payments on the 2019 Bonds, or in losses to the holders of the 2019 Bonds.

Limitation of Rights Upon Insolvency

On June 30, 2016, the Puerto Rico Oversight, Management, and Economic Stability Act (“**PROMESA**”) became law. Despite its name, PROMESA contains provisions relating to other U.S. territories, besides Puerto Rico. PROMESA defines a “territory” as (A) Puerto Rico, (B) Guam, (C) American Samoa, (D) the Commonwealth of the Northern Mariana Islands, and (E) the U.S. Virgin Islands. PROMESA establishes a financial oversight and management board only for Puerto Rico. The stated purpose of an oversight board is to “provide a method for a covered territory to achieve fiscal responsibility and access to the capital markets.” There are provisions of PROMESA that contemplate that oversight boards could be established in the future for other territories, but PROMESA does not set forth a clear mechanism for doing so. It appears that action by Congress and the President would be required before an oversight board could be established for any territory other than Puerto Rico. An earlier version of the Congressional bill that became PROMESA included text providing that, except with respect to Puerto Rico, an oversight board “for a territory is established in accordance with this section only if the Legislature of the territory adopts a resolution signed by the Governor requesting the establishment.” That provision is not included in the final version of PROMESA.

An oversight board for a territory has the discretion to designate an instrumentality of the territory as subject to the provisions of PROMESA.

One of the powers that an oversight board can exercise is to file a petition in federal court that commences a case under PROMESA pursuant to which the territory or a designated instrumentality of the territory can adjust its debts. The territory or territorial instrumentality is not authorized to commence a case under PROMESA by itself. Before the oversight board files such a petition, the oversight board must determine that (i) the territory or territorial instrumentality has made good-faith efforts to reach a consensual restructuring with creditors, (ii) the territory or territorial instrumentality has (A) adopted procedures necessary to deliver timely audited financial statements and (B) made public draft financial statements and other information sufficient for any interested person to make an informed decision with respect to a possible restructuring, and (iii) the territory or territorial instrumentality has adopted a fiscal plan that has been certified by the oversight board.

While the provisions of PROMESA regarding adjustment of debts include some of the provisions found in the Bankruptcy Code, the provisions of PROMESA regarding adjustment of debts are not the same as the provisions of the Bankruptcy Code.

PROMESA also establishes an out-of-court process, pursuant to which bondholders and the territory or territorial instrumentality can agree, under the supervision of the oversight board, to modify the terms of bonds issued by the territory or territorial instrumentality. Any such modification must be approved by two-thirds of the principal amount of bonds that vote on the proposal. If the modification is approved by at least a two-thirds vote, the court has the power to enforce the modification against the bondholders who did not vote to approve it.

United Airlines – The Airport’s Largest Carrier

United Airlines has continued to use Guam as the Micronesian hub following the merger with Continental. The Airport’s runway and terminal capacities are good, relative to nearby alternatives. There is risk associated with the potential for an airline to reduce or discontinue service when the airline accounts for a sizable market share of the enplanements at the airport. In Fiscal Year 2018, United accounted for approximately 38.0% of the total enplaned passengers at the Airport. The Authority cannot predict the effect that a reduction or discontinuation of service by United would have on the Authority or Revenues, or whether another airline would provide the service previously provided by United.

Litigation Regarding the Duty Free Concession

In July 2012, the Authority initiated a competitive solicitation process for the duty free concession (the “**2012 Procurement**”). Four proposals were submitted, including proposals from Lotte and DFS Guam L.P. (“**DFS**”), each of which included proposed minimum annual guaranteed rent (ranging from \$13 million to \$15.25 million) and proposed percentage rent based on a percentage of gross revenues. On April 12, 2013, the Board

determined Lotte to be the most qualified proposer and approved the award of the concession to Lotte, subject to final negotiations. On May 18, 2013, the Authority and Lotte executed the Lotte Concession Agreement and Lotte moved into the Airport's main concession space on July 21, 2013.

In 2013, DFS submitted three protests to the Authority (collectively, the **"DFS Protests"**). The first protest on April 23, 2013, challenged the 2012 Procurement and the Authority's ranking of Lotte as the most qualified proposer, and demanded that the Authority stay its negotiations with Lotte. The second protest on May 29, 2013, challenged the Authority's award of the 2012 Procurement to Lotte. The third protest on June 7, 2013, sought to void Lotte's award of the 2012 Procurement on the basis that the Authority failed to adopt non-airline lease and concession policies as required by the Authority's enabling statute. The Authority denied each of the DFS Protests.

In 2014 and 2015, DFS filed three lawsuits in the Superior Court of Guam (the **"Superior Court"**), all of which have been consolidated. On February 2, 2018, the Superior Court issued various decisions and orders (collectively, the **"February 2 Orders"**), which, among other things, voided and set aside the Lotte Concession Agreement but found that it was in the public interest for Lotte to remain as the duty free concession operator until the Authority procured a new duty free concession operator, and further ordered the Authority to abide by the terms of the Lotte Concession Agreement in the interim. The Authority appealed and requested a stay of the February 2 Orders. On February 5, 2018, the Superior Court issued a judgment that, among other things, (i) voided the 2012 Procurement and (ii) voided and set aside the Lotte Concession Agreement (collectively, the **"February 5 Judgment"**). The Authority appealed and also requested a stay of the February 5 Judgment. On July 16, 2018, the Superior Court issued an amended judgment that (i) voided the 2012 Procurement, (ii) voided and set aside the Lotte Concession Agreement, (iii) concluded that the Authority violated Guam's procurement law by failing to stay the award of the 2012 Procurement and entering into the Lotte Concession Agreement before final resolution of the DFS Protests; and (iv) concluded that the Authority violated its enabling statute by entering into the Lotte Concession Agreement without first adopting non-airline lease and concession policies (collectively, the **"Amended Judgment"**). Also on July 16, 2018, the Superior Court stayed the enforcement of the Amended Judgment pending appeals with the Supreme Court of Guam (the **"Stay Order"**). The Authority and DFS both appealed to the Supreme Court of Guam. On July 9, 2019, the Supreme Court of Guam heard oral arguments from the Authority and DFS. A decision from the Supreme Court of Guam is pending.

The Authority cannot predict with certainty the future scope, procedural path, timing of any resolution, or the eventual outcomes of the litigation described above. Enforcement of the Amended Judgment has been stayed pending the appeals with the Supreme Court of Guam, and the Authority cannot predict when the Supreme Court of Guam will issue its opinion on the matters. If the Supreme Court of Guam affirms the Amended Judgment, the Authority would be required to void the Lotte Concession Agreement and conduct a new competitive solicitation process for the duty free concession. However, even if the Authority is required to conduct a new competitive solicitation process, the Authority expects that it will continue to receive revenues from the concession at a level consistent with the range established by the four proposals submitted in response to the 2012 Procurement. Further, the Authority believes that concession revenues in that range would result in a reasonable range of rates for the Signatory Airlines under the Airline Operating Agreements. The Authority also does not expect there to be any material interruption in its receipt of income from the specialty retail concession during the resolution of the litigation. However, these outcomes cannot be assured, and it is possible that the actual concession revenues under such circumstances could differ, perhaps materially, from the Authority's current expectations.

See "AGREEMENTS FOR USE OF AIRPORT FACILITIES – Passenger Terminal Building Concessions and Revenue Arrangements – Duty Free Concession" and "– Lotte Mediation" and APPENDIX C – "AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018 AND INDEPENDENT AUDITOR'S REPORT," Note 9 and Note 11.

Lotte Mediation

On April 26, 2018, the Authority and Lotte went into mediation in an effort to resolve issues and disputes concerning (i) the February 2 Orders, the February 5 Judgment and the status of the Lotte Concession Agreement (which, at the time, had been declared void), and (ii) the direct impacts of the ongoing Third Floor Project on Lotte's operations. Pursuant to a Mediation Term Sheet (the **"MTS"**), and notwithstanding the February 2 Orders and the February 5 Judgment, Lotte confirmed its obligations under the Lotte Concession Agreement. In addition, among

other things, under the MTS, the Authority agreed to (i) waive \$175,000 per month of Lotte's rent obligation for 24 months from May 2018 to April 2020, (ii) waive the payment of percentage rent, if any, from April 2018 through September 2018; (iii) to mitigate the impacts of the Third Floor Project on Lotte, lease 4,000 square feet of vacant warehouse space in the Main Terminal Building to Lotte, and waive payment of rent for such space for 18 months from May 2018 to November 2019. The Authority and Lotte also agreed to negotiate in good faith any additional direct impacts of the Third Floor Project that have an adverse effect on Lotte's operations revenues.

[Update.] [On December 19, 2018, the Authority and Lotte went to mediation again to address additional direct impacts of the Third Floor Project that adversely affected Lotte's operations and revenues (such impacted areas, the "**Phase II Construction**"). Pursuant to an Addendum to the Mediation Term Sheet (the "**MTS Addendum**"), the Authority and Lotte agreed on a formula to calculate the amount that would be deducted from Lotte's monthly rent obligation (the "**Deduction Amount**"). Pursuant to the MTS Addendum, the Deduction Amount will be deducted from Lotte's monthly rent obligation for a period of 22 months following completion of the Phase II Construction, which occurred on September 23, 2019. In addition, the Authority also agreed to waive payment of percentage rent from December 2018 through May 2019.]

See "AGREEMENTS FOR USE OF AIRPORT FACILITIES – Passenger Terminal Building Concessions and Revenue Arrangements – Duty Free Concession" and "– Litigation Regarding the Duty Free Concession" and APPENDIX C – "AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018 AND INDEPENDENT AUDITOR'S REPORT," Note 9 and Note 11.

No Acceleration; Limitations on Remedies

The 2019 Bonds are not subject to acceleration under any circumstances or for any reason, including without limitation on the occurrence or continuance of an Event of Default. Upon the occurrence or continuation of an Event of Default, a Bondholder would only be entitled to principal and interest payments on the 2019 Bonds as they come due. Under certain circumstances, Holders of the 2019 Bonds may not be able to pursue certain remedies or enforce covenants contained in the Indenture. The remedies available to the Holders of the 2019 Bonds upon an Event of Default under the Indenture are in many respects dependent upon judicial actions, which are often subject to discretion and delay. Under existing law, the remedies specified by the Indenture and the 2019 Bonds may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the 2019 Bonds (including Bond Counsel's approving opinion) will be qualified, as to enforceability of the various legal instruments, by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors.

Report of the Airport Consultant

A Report of the Airport Consultant included as APPENDIX D to this Official Statement contains certain assumptions and projections. Actual results are likely to differ, perhaps materially, from those projected. Accordingly, the projections contained in the Report of the Airport Consultant are not necessarily indicative of future performance, and neither the Airport Consultant nor the Authority assumes any responsibility for the failure to meet such projections. In addition, certain assumptions with respect to future business and financing decisions of the Authority are subject to change. If actual results are less favorable than the results projected or if the assumptions used in preparing such projections prove to be incorrect, the amount of Revenues may be materially less than expected, and consequently, the ability to make timely payments of the principal of and interest on the 2019 Bonds from Revenues may be materially adversely affected. See APPENDIX D – "REPORT OF THE AIRPORT CONSULTANT."

Considerations Regarding Passenger Facility Charges

Pursuant to the PFC Acts, the FAA has approved the Authority's application to require the airlines to collect and remit to the Authority a passenger facility charge on each enplaning revenue passenger at the Airport. The Authority expects to use PFC revenues to pay a portion of the debt service on 2019 Bonds.

No assurance can be given that PFC revenues will actually be received in the amounts or at the times contemplated by the Authority. The amount and timing of receipt of actual PFC revenues are expected to vary depending on actual levels of qualified passenger enplanements at Airport. See “– Demand for Air Travel” above.

In addition, the FAA may terminate the Authority’s ability to impose PFC revenues, subject to informal and formal procedural safeguards, if (a) PFC revenues are not being used for approved projects in accordance with the FAA’s approval, the PFC Acts or the regulations promulgated thereunder, or (b) the Authority otherwise violates the PFC Acts or regulations. The Authority’s authority to impose passenger facility charges may also be terminated if the Authority violates certain AIP grant assurances and certain provisions of the Airport Noise and Capacity Act (“ANCA”) and its implementing regulations relating to the implementation of noise and access restrictions for certain types of aircraft. The regulations under ANCA also contain procedural safeguards to ensure that the Authority’s authority to impose passenger facility charges would not be summarily terminated. No assurance can be given that the Authority’s authority to impose passenger facility charges will not be terminated by Congress or the FAA, that the passenger facility charge program will not be modified or restricted by Congress or by the FAA so as to reduce PFC revenues available to the Authority or that the Authority will not seek to decrease the amount of the passenger facility charges to be collected.

In the event the FAA or Congress reduced or terminated the Authority’s ability to collect PFC revenues, or passenger facility charge collections were otherwise less than anticipated, the Authority would need to use other Revenues to pay debt service that it expects to pay with PFC revenues.

Typhoons, Earthquakes and Other Natural Disasters

Because of its location on the southern end of the Marianas Islands chain, Guam is exposed to periodic typhoons, super typhoons and earthquakes. Typhoons have caused significant damage to facilities and infrastructure on Guam, including its water and electric systems. Guam’s relatively small size, and the concentrated location of many of Guam’s businesses in Tumon Bay, means that it is possible that a natural disaster could adversely affect numerous businesses at the same time. To counter this risk, Guam has taken numerous precautions to protect the island in the event of certain weather and seismic related events. Building codes in Guam are specifically designed to ensure that structures be able to sustain strong typhoon winds and earthquakes. To that end, the vast majority of the building structures on Guam are constructed of reinforced concrete or masonry and construction on Guam is governed by the Uniform Building Code (the same standard used in most seismically active regions of the United States). The Guam National Weather Service also monitors tropical storms, and warnings are generally issued in advance of any weather-related event. Businesses also typically have preparations in place for typhoon season. In addition, over the last ten years much of the power distribution system in the Tumon area has been “hardened” (i.e. replacement of concrete poles with wooden poles, relocating power lines underground and including back-up generators at all hotels) to avoid any major interruptions in business activity should a natural disaster hit.

Although the United States Federal Emergency Management Agency (“FEMA”) has historically provided disaster relief assistance after significant typhoon and earthquake damage, there can be no assurance that future typhoons or earthquakes will not cause significant damage on Guam, including to the Airport, or that FEMA will provide disaster relief assistance if significant damage is experienced. There can also be no assurance that, even with FEMA assistance, damage that results from future typhoons or earthquakes will not adversely affect business activity the number of visitors to Guam and/or operations at the Airport and, as a result, Revenues.

Climate Change and Risk of Sea-Level Rise and Flooding Damage

Potential impacts of climate change, including rising sea levels, excessive rainfall, stronger tropical storms, drought, ocean acidification, coral bleaching, salt water intrusion, storm surges, rising temperatures and increased migration, may threaten Guam’s security and resources. Pursuant to a July 2019 study released by the University of Guam, one-third of Guam’s coral reefs have died between 2013 and 2017 because of rising ocean temperatures caused by increased global carbon dioxide output. The impact of climate change and climate variability may also have detrimental socioeconomic impacts to Guam.

In 2016, the U.S. Department of the Interior granted \$450,000 to Guam for climate change action plan projects that support multi-sector collaboration and long-term planning developed by the Guam Climate Change

Task Force established in 2015, pursuant to Executive Order No. 2015-08. Funded projects include (i) a comprehensive report by the University of Guam of long-term climate change impacts on infrastructure and other assets, which is expected to be completed by the end of 2019; (ii) a visual demonstration by the Guam Office of Technology of existing conditions and different climate scenarios; (iii) sustainability planning workshops; (iv) workshops by the University of Guam to build resiliency and strengthen climate change adaptation measures; and (v) updates by the Department of Public Works to the Storm Water Management Plan and Storm Water Manual to account for climate change effects.

The Government has started systemwide coordination and long-range planning efforts to mitigate the potential adverse environmental and socioeconomic impacts of climate change. On August 8, 2019, pursuant to Executive Order No. 2019-19, a Climate Change Resiliency Commission (the “**Climate Change Resiliency Commission**”) was established and Executive Order No. 2015-08, which established the Guam Climate Change Task Force, was revoked. The objective of the Climate Change Resiliency Commission is to develop an integrated strategy to build resiliency against the adverse effects of climate change and to reduce contributing factors such as greenhouse emissions. Pursuant to Executive Order No. 2019-19, the Climate Change Resiliency Commission will develop and coordinate an effective, data-based response to climate change focusing energy, water resources, ocean and land resources, infrastructure and community resiliency, development planning, food security, public health and safety, and greenhouse emissions and carbon footprint. In addition, on September 25, 2019, pursuant to Executive Order No. 2019-23, a Guam Green Grown (G³) Working Group (the “**G³ Working Group**”) was created. The objective of the G³ Working Group is to support a public-private partnership connected to the Local 2030 Islands Network to scale and accelerate locally and culturally relevant sustainability solutions to global challenges through the creation and implementation of a G³ Action Strategy Framework.

The Authority is unable to predict the level of damage, if any, to the Airport that may result from sea-level rise or other impacts of climate change. However, there can be no assurance that any such damage will not adversely affect the Airport’s business activity, the number of visitors to Guam and/or the operations at the Airport, which may, in turn, adversely affect the Authority’s Revenues.

Uncertainties Relating to Political and Military Actions

Guam is approximately 3,800 miles west-southwest of Honolulu, Hawaii, the nearest major city of the U.S. The significant U.S. military presence on Guam, its distance from locations in the U.S. and its location in relation to potential sites of political and military conflict in Asia make Guam both a location of great value to the U.S. militarily and a potential site of military conflict. Political events in Asia may create the risk of conflict for the region in general and, in some cases, for Guam. In response to threats in 2013 by North Korea to launch ballistic missile attacks against U.S. military targets, including targets on Guam, the U.S. military deployed a missile defense system to Guam. Threats by North Korea in August 2017 contributed, in part, to the declining number of tourists visiting Guam in Fiscal Year 2018, which was approximately 2.0% below the total number of tourists in Fiscal Year 2017. No assurance can be given that these threats and any future military actions will not have an adverse effect on Guam tourist activity or that any decline in the total number of tourists will have an adverse effect on General Fund revenues.

Aviation Security Concerns

Like that of many destinations, Guam’s tourism industry is susceptible to the negative impacts of terrorism and other conflicts on the travel industry in general. Concerns about the safety of airline travel and the effectiveness of security precautions may influence passenger travel behavior and air travel demand, particularly in light of existing international hostilities, potential terrorist attacks and world health concerns. Since the September 11, 2001 terrorist attacks and the hostilities in Afghanistan and Iraq, intensified security precautions have been instituted by government agencies, airlines and airport operators. Current and future security measures may create significantly increased inconvenience and delays at the Airport and may adversely affect the Authority’s operations, expenditures and revenues.

The Authority cannot predict whether the Airport will be a target of terrorists in the future. The Authority also cannot predict the effect of any future government-required security measures on passenger activity at the Airport.

Cybersecurity

The Authority relies on a complex technology environment to conduct its operations and faces multiple cybersecurity threats, including, but not limited to, hacking, phishing, viruses, malware and other attacks on its computing and other networks and systems (collectively, “**Systems Technology**”). As a recipient and provider of personal, private or sensitive information, the Authority may be the target of cybersecurity incidents that could result in adverse consequences to the Airport’s Systems Technology, requiring a response action to mitigate the consequences.

Cybersecurity incidents could result from unintentional events or from deliberate attacks by unauthorized entities or individuals attempting to gain access to the Airport’s Systems Technology for the purposes of misappropriating assets or information or causing operational disruption and damage. Cybersecurity breaches could damage the Airport’s Systems Technology and cause material disruption to the Authority’s finances and operations. The costs of remedying any such damage or protecting against future attacks could be substantial. Further, cybersecurity breaches could expose the Authority to material litigation and other legal risks which could cause the Authority to incur material costs related to such legal claims or proceedings.

To mitigate the risk of business operations impact and damage from cybersecurity incidents or cyber-attacks, the Authority invests in cybersecurity and operational safeguards, including training and awareness programs and phishing simulations. However, no assurance can be given by the Authority that such measures will ensure against cybersecurity threats and attacks.

In addition, the airlines serving the Airport and other Airport tenants may also face cybersecurity threats that could affect their operations and finances.

Separate from the Authority, the Government has an in-house cybersecurity team that detects and responds to cybersecurity threats. The Government’s cybersecurity team reports to the Guam Homeland Security Advisor (the “**Guam HSA**”) and the Mariana Regional Fusion Center Director (the “**MRFC Director**”). The Guam HSA and MRFC Director oversee the management of a chief information security officer’s cybersecurity program and initiatives to ensure compliance and protection from cybersecurity threats. In addition, the Government is currently working with the National Governors Association on strategies to enhance cybersecurity.

Uncertainties of Projections and Assumptions

This Official Statement contains certain assumptions, estimates, projections and other forward-looking statements. Demonstration of compliance by the Authority with certain of the covenants contained in the Indenture also may be based upon assumptions, estimates and projections. Actual results, however, may differ, perhaps materially, from those projected. In addition, certain assumptions with respect to future business and financing decisions, including the decision to undertake, or to postpone or cancel, future capital improvements of the Airport may not occur and are subject to change. No representation is made or intended, nor should any representation be inferred, with respect to the existence of any particular future set of facts or circumstances, and prospective purchasers of the 2019 Bonds are cautioned not to place undue reliance upon any forecasts, estimates, plans or projections or requirements for forecasts or projections. If actual results are less favorable than the results projected or if the assumptions used in preparing projections prove to be incorrect, the ability of the Authority to make timely payment of the principal of and interest on the Bonds, including the 2019 Bonds, may be materially and adversely affected.

Regulations and Restrictions Affecting the Airport

The operations of the Airport are affected by a variety of contractual, statutory and regulatory restrictions and limitations including extensive federal legislation and regulations, including, without limitation, the provisions of the Airport Operating Agreements, terminal leases, various grant assurances, the federal acts authorizing the imposition, collection and use of PFC revenues and extensive federal legislation and regulations applicable to all airports in the United States. In the aftermath of the September 11, 2001 terrorist attacks, the Airport also was

required to implement enhanced security measures mandated by the FAA, the TSA, the Department of Homeland Security and Airport management.

It is not possible to predict whether future restrictions or limitation on operations at the Airport will be imposed, whether future legislation or regulations will affect anticipated federal funding or PFC collections for capital projects for the Airport or to pay debt service on the Authority's Bonds, including the 2019 Bonds, or whether such restrictions or legislations would adversely affect Revenues.

Local Law Affecting Airport

From time to time legislation is proposed in the Guam Legislature that could potentially impact operations at the Airport, the manner in which the Authority conducts its business and the generation of Revenues. No assurance can be given that future legislation enacted by the Guam Legislature will not have an adverse effect on Airport operations or on the Authority's business operations and the generation of Revenues.

Federal Law Affecting Airport Rates and Charges

In general, federal aviation law requires that airport fees charges to airlines and other aeronautical users be reasonable and that to receive federal grant funding, all airport generated revenues must be expended for the capital or operating costs of the airport, the local airport system, or other local facilities owned or operated by the airport owner that are directly and substantially related to air transportation of passengers or property. The Authority is not aware of any formal dispute involving the Airport over any existing rates and charges. The Authority believes that the rates and charges methodology it utilizes and the rates and charges it imposes are reasonable and consistent with applicable law. There can be no assurance, however, that a complaint will not be brought against the Authority in the future, challenging such methodology and the rates and charges established by the Authority. If a judgment is rendered against the Authority, there can be no assurance that rates and charges paid by aeronautical users of the Airport will not be reduced. An adverse determination in a challenge could limit the ability of the Authority to charge airlines and other aeronautical users rates sufficient to meet the Rate Covenant in the Indenture and could have a material adverse effect on the receipt of Revenues.

Rate Covenant Limitations

The Authority has covenanted in the Indenture to fix, prescribe and collect rents, fees and charges in connection with the services and facilities furnished by the Airport sufficient to satisfy the Rate Covenant. The Indenture provides that if Revenues and Net Revenues in a Fiscal Year were to fall below the levels necessary to meet the Rate Covenant for such Fiscal Year, the Authority would be obligated to engage an Airport Consultant and to revise such rates, fees and charges or methods of operation and to take such other actions as may be in conformity with such recommendations, subject to applicable requirements or restrictions imposed by law and subject to a good faith determination of the Board that such recommendations, in whole or in part, are in the best interests of the Authority, the Owners and each Credit Provider, if any. The ability of the Authority to increase rates and charges and to reduce expenses is limited by, among other things, federal law (including the provisions thereof described under "– Regulations and Restrictions Affecting the Airport") and certain agreements with airlines and other users of Airport facilities. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Rate Covenant" and "AGREEMENTS FOR THE USE OF AIRPORT FACILITIES."

Continuing Compliance with Tax Covenants; Changes in Law

The Indenture and the Authority's tax certificate will contain various covenants and agreements on the part of the Authority that are intended to establish and maintain the tax-exempt status of interest on the 2019 Series A Bonds. A failure by the Authority to comply with such covenants and agreements, including any remediation obligations, could, directly or indirectly, adversely affect the tax-exempt status of interests on the 2019 Series A Bonds. Any loss of tax-exemption could cause all of the interest received by the Beneficial Owners of the 2019 Series A Bonds to be taxable. All or a portion of interest on the 2019 Series A Bonds also could become subject to federal and/or other income tax as a result of changes of law. See "TAX MATTERS." The Authority is not required to redeem the 2019 Series A Bonds should the interest become taxable.

AIRLINE INDUSTRY INFORMATION

Certain of the airlines operating at the Airport, or their respective parent corporations, are subject to the information reporting requirements of the Securities Exchange Act of 1934, as amended, and in accordance therewith, file reports and other information with the Securities and Exchange Commission (the “SEC”). Certain information, including financial information, concerning such domestic airlines, or their respective parent corporations, and such foreign airlines is disclosed in certain reports and statements filed with the SEC. Such reports and statements can be inspected and copied at the public reference facilities maintained by the SEC, which can be located by calling the SEC at 1-800-SEC-0330. The SEC maintains a website containing reports, proxy statements and other information regarding registrants that file electronically with the SEC. In addition, each airline is required to file periodic reports of financial aid and operating statistics with the United States Department of Transportation (“U.S. DOT”). Such reports can be inspected at the U.S. DOT’s Office of Airline Information, Bureau of Transportation Statistics, Department of Transportation, Room 4201, 400 Seventh Street, S.W., Washington, D.C. 20590, and copies of such reports can be obtained from U.S. DOT at prescribed rates.

Airlines serving the Airport owned by foreign governments or foreign corporations operating airlines serving the Airport (unless such foreign airlines have American Depositary Receipts (“ADRs”) registered on a national exchange) are not required to file information with the SEC. Such foreign airlines, or foreign corporations operating airlines, file limited information only with the U.S. DOT.

The Authority undertakes no responsibility for and makes no representation as to the accuracy or completeness of (i) any reports and statements filed with the SEC or U.S. DOT as described in this section or (ii) any material contained on the SEC’s website as described in this section, including, but not limited to, updated information on the SEC website or links to other internet sites accessed through the SEC’s website. Any such information is not part of this Official Statement nor has such information been incorporated by reference herein, and such information should not be relied upon in deciding whether to invest in the 2019 Bonds.

See also “CERTAIN INVESTMENT CONSIDERATIONS” for discussions regarding the financial condition of the airlines and the effects of airline bankruptcies on the Authority.

LITIGATION

No Litigation Relating to the 2019 Bonds

There is no litigation or proceeding, pending (with service of process having been received by the Authority or otherwise known to counsel to the Authority) or, to the knowledge of such counsel, threatened (either in local or federal courts on Guam) seeking to restrain or enjoin the execution, issuance, sale or delivery of the 2019 Bonds or the Authority’s general legal authority to collect, pledge or pay Revenues under the Indenture, or in any way contesting or affecting the legal existence of the Authority or the titles of certain relevant officials of the Authority to their offices or the validity or enforceability of the 2019 Bonds or the Indenture.

Other Litigation Relating to the Authority and the Airport

From time to time, the Authority is a party to litigation and is subject to claims arising out of its normal course of business and operations. A significant pending proceeding relates to an award in 2013 by the Authority of the specialty retail merchandise concession at the Airport and is further described under “AGREEMENTS FOR USE OF AIRPORT FACILITIES – Passenger Terminal Building Concessions and Revenue Arrangements – Duty Free Concession.” At this time, there is no other pending litigation relating to the Authority or the operations or business pertaining to the Authority or the Airport that would reasonably be expected to have a material impact on Revenues or the operations of the Airport.

TAX MATTERS

2019 Series A Bonds

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Authority, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the 2019 Series A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the “Code”), except that no opinion is expressed as to the status of interest on any 2019 Series A Bond for any period that such 2019 Series A Bond is held by a “substantial user” of the facilities financed or refinanced by the 2019 Series A Bonds or by a “related person” within the meaning of Section 147(a) of the Code. Bond Counsel observes, however, that interest on the 2019 Series A Bonds is a specific preference item for purposes of the federal alternative minimum tax. Bond Counsel is also of the opinion that, under 48 U.S.C. Section 1423a, interest on the 2019 Series A Bonds is exempt from taxation by the Government of Guam, or by any state or territory of the United States or any political subdivision thereof, or by the District of Columbia. A complete copy of the proposed form of opinion of Bond Counsel is set forth in APPENDIX F hereto.

To the extent the issue price of any maturity of the 2019 Series A Bonds is less than the amount to be paid at maturity of such 2019 Series A Bonds (excluding amounts stated to be interest and payable at least annually over the term of such 2019 Series A Bonds), the difference constitutes “original issue discount,” the accrual of which, to the extent properly allocable to each Beneficial Owner thereof, is treated as interest on the 2019 Series A Bonds which is excluded from gross income for federal income tax purposes and is exempt from taxation by any state or territory of the United States or any political subdivision thereof, or by the District of Columbia. For this purpose, the issue price of a particular maturity of the 2019 Series A Bonds is the first price at which a substantial amount of such maturity of the 2019 Series A Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the 2019 Series A Bonds accrues daily over the term to maturity of such 2019 Series A Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such 2019 Series A Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such 2019 Series A Bonds. Beneficial Owners of the 2019 Series A Bonds should consult their own tax advisors with respect to the tax consequences of ownership of 2019 Series A Bonds with original issue discount, including the treatment of Beneficial Owners who do not purchase such 2019 Series A Bonds in the original offering to the public at the first price at which a substantial amount of such 2019 Series A Bonds is sold to the public.

2019 Series A Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) (“**Premium Bonds**”) will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a Beneficial Owner’s basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such Beneficial Owner. Beneficial Owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the 2019 Series A Bonds. The Authority has made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the 2019 Series A Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the 2019 Series A Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the 2019 Series A Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Bond Counsel’s attention after the date of issuance of the 2019 Series A Bonds may adversely affect the value of, or the tax status of interest

on, the 2019 Series A Bonds. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

Although Bond Counsel is of the opinion that interest on the 2019 Series A Bonds is excluded from gross income for federal income tax purposes and, under 48 U.S.C. 1423a, is exempt from taxation by any state or territory of the United States or any political subdivision thereof, or by the District of Columbia, the ownership or disposition of, or the accrual or receipt of amounts treated as interest on, the 2019 Series A Bonds may otherwise affect a Beneficial Owner's federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the Beneficial Owner or the Beneficial Owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the 2019 Series A Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals or clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the 2019 Series A Bonds. Prospective purchasers of the 2019 Series A Bonds should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel is expected to express no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the 2019 Series A Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the Authority, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The Authority has covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the 2019 Series A Bonds ends with the issuance of the 2019 Series A Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the Authority or the Beneficial Owners regarding the tax-exempt status of the 2019 Series A Bonds in the event of an audit examination by the IRS. Under current procedures, parties other than the Authority and their appointed counsel, including the Beneficial Owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the Authority legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the 2019 Series A Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the 2019 Series A Bonds, and may cause the Authority or the Beneficial Owners to incur significant expense.

2019 Series B Bonds

Bond Counsel observes that interest on the 2019 Series B Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Code. Bond Counsel is of the opinion that, under 48 U.S.C. Section 1423a, interest on the 2019 Series B Bonds is exempt from taxation by any state of the United States or any political subdivision thereof, or by the District of Columbia. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual, or receipt of interest on, the 2019 Series B Bonds. The proposed form of opinion of Bond Counsel is contained in APPENDIX F hereto.

The following discussion summarizes certain U.S. federal income tax considerations generally applicable to U.S. Holders (as defined below) of the 2019 Series B Bonds that acquire their 2019 Series B Bonds in the initial offering. The discussion below is based upon laws, regulations, rulings, and decisions in effect and available on the date hereof, all of which are subject to change, possibly with retroactive effect. Prospective investors should note that no rulings have been or are expected to be sought from the IRS with respect to any of the U.S. federal income tax considerations discussed below, and no assurance can be given that the IRS will not take contrary positions. Further, the following discussion does not deal with U.S. tax consequences applicable to any given investor, nor does it address the U.S. tax considerations applicable to all categories of investors, some of which may be subject to

special taxing rules (regardless of whether or not such investors constitute U.S. Holders), such as certain U.S. expatriates, banks, REITs, RICs, insurance companies, tax-exempt organizations, dealers or traders in securities or currencies, partnerships, S corporations, estates and trusts, investors that hold their 2019 Series B Bonds as part of a hedge, straddle or an integrated or conversion transaction, or investors whose “functional currency” is not the U.S. dollar. Furthermore, it does not address (i) alternative minimum tax consequences, (ii) the net investment income tax imposed under Section 1411 of the Code, or (iii) the indirect effects on persons who hold equity interests in a holder. This summary also does not consider the taxation of the 2019 Series B Bonds under state, local or non-U.S. tax laws. In addition, this summary generally is limited to U.S. tax considerations applicable to investors that acquire their 2019 Series B Bonds pursuant to this offering for the issue price that is applicable to such 2019 Series B Bonds (i.e., the price at which a substantial amount of the 2019 Series B Bonds are sold to the public) and who will hold their 2019 Series B Bonds as “capital assets” within the meaning of Section 1221 of the Code. The following discussion does not address tax considerations applicable to any investors in the 2019 Series B Bonds other than investors that are U.S. Holders.

As used herein, “U.S. Holder” means a beneficial owner of a 2019 Series B Bond that for U.S. federal income tax purposes is an individual citizen or resident of the United States, a corporation or other entity taxable as a corporation created or organized in or under the laws of the United States or any state thereof (including the District of Columbia), an estate the income of which is subject to U.S. federal income taxation regardless of its source or a trust where a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons (as defined in the Code) have the authority to control all substantial decisions of the trust (or a trust that has made a valid election under U.S. Treasury Regulations to be treated as a domestic trust). If a partnership holds 2019 Series B Bonds, the tax treatment of such partnership or a partner in such partnership generally will depend upon the status of the partner and upon the activities of the partnership. Partnerships holding 2019 Series B Bonds, and partners in such partnerships, should consult their own tax advisors regarding the tax consequences of an investment in the 2019 Series B Bonds (including their status as U.S. Holders).

Notwithstanding the rules described below, it should be noted that certain taxpayers that are required to prepare certified financial statements or file financial statements with certain regulatory or governmental agencies may be required to recognize income, gain and loss with respect to the 2019 Series B Bonds at the time that such income, gain or loss is recognized on such financial statements instead of under the rules described below (in the case of original issue discount, such requirements are only effective for tax years beginning after December 31, 2018).

Prospective investors should consult their own tax advisors in determining the U.S. federal, state, local or non-U.S. tax consequences to them from the purchase, ownership and disposition of the 2019 Series B Bonds in light of their particular circumstances.

U.S. Holders

Interest. Interest on the 2019 Series B Bonds generally will be taxable to a U.S. Holder as ordinary interest income at the time such amounts are accrued or received, in accordance with the U.S. Holder’s method of accounting for U.S. federal income tax purposes.

To the extent that the issue price of any maturity of the 2019 Series B Bonds is less than the amount to be paid at maturity of such 2019 Series B Bonds (excluding amounts stated to be interest and payable at least annually over the term of such 2019 Series B Bonds) by more than a de minimis amount, the difference may constitute original issue discount (“OID”). U.S. Holders of 2019 Series B Bonds will be required to include OID in income for U.S. federal income tax purposes as it accrues, in accordance with a constant yield method based on a compounding of interest (which may be before the receipt of cash payments attributable to such income). Under this method, U.S. Holders generally will be required to include in income increasingly greater amounts of OID in successive accrual periods.

2019 Series B Bonds purchased for an amount in excess of the principal amount payable at maturity (or, in some cases, at their earlier call date) will be treated as issued at a premium. A U.S. Holder of a 2019 Series B Bond

issued at a premium may make an election, applicable to all debt securities purchased at a premium by such U.S. Holder, to amortize such premium, using a constant yield method over the term of such 2019 Series B Bond.

Sale or Other Taxable Disposition of the 2019 Series B Bonds. Unless a nonrecognition provision of the Code applies, the sale, exchange, redemption, retirement (including pursuant to an offer by the Authority) or other disposition of a 2019 Series B Bond will be a taxable event for U.S. federal income tax purposes. In such event, in general, a U.S. Holder of a 2019 Series B Bond will recognize gain or loss equal to the difference between (i) the amount of cash plus the fair market value of property received (except to the extent attributable to accrued but unpaid interest on the 2019 Series B Bond, which will be taxed in the manner described above) and (ii) the U.S. Holder's adjusted U.S. federal income tax basis in the 2019 Series B Bond (generally, the purchase price paid by the U.S. Holder for the 2019 Series B Bond, decreased by any amortized premium, and increased by the amount of any OID previously included in income by such U.S. Holder with respect to such 2019 Series B Bond). Any such gain or loss generally will be capital gain or loss. In the case of a non-corporate U.S. Holder of the 2019 Series B Bonds, the maximum marginal U.S. federal income tax rate applicable to any such gain will be lower than the maximum marginal U.S. federal income tax rate applicable to ordinary income if such U.S. holder's holding period for the 2019 Series B Bonds exceeds one year. The deductibility of capital losses is subject to limitations.

Defeasance of the 2019 Series B Bonds. If the Authority defeases any 2019 Series B Bond, the 2019 Series B Bond may be deemed to be retired and reissued for U.S. federal income tax purposes as a result of the defeasance. In that event, in general, a holder will recognize taxable gain or loss equal to the difference between (i) the amount realized from the deemed sale, exchange or retirement (less any accrued qualified stated interest which will be taxable as such) and (ii) the holder's adjusted tax basis in the 2019 Series B Bond.

Information Reporting and Backup Withholding. Payments on the 2019 Series B Bonds generally will be subject to U.S. information reporting and possibly to "backup withholding." Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate U.S. Holder of the 2019 Series B Bonds may be subject to backup withholding at the current rate of 24% with respect to "reportable payments," which include interest paid on the 2019 Series B Bonds and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the 2019 Series B Bonds. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number ("TIN") to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a "notified payee underreporting" described in Section 3406(c) of the Code or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against the U.S. Holder's federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain U.S. holders (including among others, corporations and certain tax-exempt organizations) are not subject to backup withholding. A holder's failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

Foreign Account Tax Compliance Act ("FATCA")

Sections 1471 through 1474 of the Code impose a 30% withholding tax on certain types of payments made to foreign financial institutions, unless the foreign financial institution enters into an agreement with the U.S. Treasury to, among other things, undertake to identify accounts held by certain U.S. persons or U.S.-owned entities, annually report certain information about such accounts, and withhold 30% on payments to account holders whose actions prevent it from complying with these and other reporting requirements, or unless the foreign financial institution is otherwise exempt from those requirements. In addition, FATCA imposes a 30% withholding tax on the same types of payments to a non-financial foreign entity unless the entity certifies that it does not have any substantial U.S. owners or the entity furnishes identifying information regarding each substantial U.S. owner. Under current guidance, failure to comply with the additional certification, information reporting and other specified requirements imposed under FATCA could result in the 30% withholding tax being imposed on payments of interest on the 2019 Series B Bonds. In general, withholding under FATCA currently applies to payments of U.S. source interest (including OID) and, under current guidance, will apply to certain "passthru" payments no earlier than the date that is two years after publication of final U.S. Treasury Regulations defining the term "foreign passthru payments." Prospective investors should consult their own tax advisors regarding FATCA and its effect on them.

The foregoing summary is included herein for general information only and does not discuss all aspects of U.S. federal taxation that may be relevant to a particular holder of 2019 Series B Bonds in light of the holder's particular circumstances and income tax situation. Prospective investors are urged to consult their own tax advisors as to any tax consequences to them from the purchase, ownership and disposition of 2019 Series B Bonds, including the application and effect of state, local, non-U.S., and other tax laws.

UNDERWRITING

The 2019 Bonds are to be purchased from the Authority by Barclays Capital Inc. and Morgan Stanley & Co. LLC (collectively, the “**Underwriters**”) pursuant to the terms of a Bond Purchase Agreement (the “**Bond Purchase Agreement**”) between the Underwriters and the Authority. The purchase price of the 2019 Series A Bonds is \$_____, representing the aggregate principal amount of the 2019 Series A Bonds (\$_____), [plus/less] [net] original issue [discount/premium] of \$_____ and less Underwriters' discount of \$_____. The purchase price of the 2019 Series B Bonds is \$_____, representing the aggregate principal amount of the 2019 Series B Bonds (\$_____) less Underwriters' discount of \$_____. The Bond Purchase Agreement provides that the Underwriters will purchase all of the 2019 Bonds if any are purchased and that the obligation to make such purchase is subject to certain terms and conditions set forth in the Bond Purchase Agreement, including the approval by counsel of certain legal matters.

The Underwriters reserve the right to join with dealers and other underwriters in offering the 2019 Bonds to the public. The Underwriters intend to offer the 2019 Bonds for sale at the prices or yields set forth on the inside cover page hereof. Such initial public offering prices or yields may be changed from time to time by the Underwriters without prior notice. The Underwriters may offer and sell the 2019 Bonds to certain dealers, unit investment trusts or money market funds at prices lower than or at yields higher than the public offering prices or yields stated on the inside front cover page.

Morgan Stanley & Co. LLC, an underwriter of the 2019 Bonds, has entered into a retail distribution arrangement with its affiliate Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may distribute municipal securities to retail investors through the financial advisor network of Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the 2019 Bonds.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. Certain of the Underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various investment banking services for the Authority, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Authority, including the 2003 Bonds being refunded.

CERTAIN LEGAL MATTERS

The validity of the 2019 Bonds and certain other legal matters are subject to the approving opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Authority. A complete copy of the proposed form of Bond Counsel opinion is attached as APPENDIX F hereto. Bond Counsel undertakes no responsibility for the accuracy, completeness or fairness of this Official Statement. Certain legal matters will be passed upon for the Underwriters by Kutak Rock LLP, their counsel. Orrick, Herrington & Sutcliffe LLP, as Disclosure Counsel, will provide certain other legal services for the Authority,

FINANCIAL STATEMENTS

The audited financial statements of the Authority for the Fiscal Year ended September 30, 2018 included in APPENDIX C have been audited by Ernst & Young LLP, independent auditors, as stated in their report appearing therein.

AVAILABLE INFORMATION

During the initial offering period for the 2019 Bonds, copies of the Authority's audited financial statements are available from the Authority, P.O. Box 8770, Tamuning, Guam, 96931, and copies of the Indenture may be obtained, upon written request, from the Underwriters.

RATINGS

Moody's Investors Service, Inc. ("**Moody's**") and S&P Global Ratings ("**S&P**"), have assigned their ratings of "[]" and "[]", respectively, to the 2019 Bonds. The ratings reflect only the views of the rating agencies assigning such ratings, and an explanation of the significance of any such rating may be obtained from such rating agency. There is no assurance that either of the ratings will continue for any given period of time or that either of the ratings will not be revised downward or withdrawn entirely by either such rating agency if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of any such rating may have an adverse effect on the market price of the 2019 Bonds.

CONTINUING DISCLOSURE

Pursuant to the Continuing Disclosure Agreement (the "**Continuing Disclosure Agreement**") between the Authority and Digital Assurance Certification, L.L.C. ("**DAC**" or the "**Dissemination Agent**"), the form of which is attached to this Official Statement as APPENDIX H, the Authority will covenant for the benefit of the holders of the 2019 Bonds to provide its annual financial statements and certain financial information and operating data relating to the Authority by not later than 180 days after the end of the Fiscal Year (currently September 30) to which such information pertains, commencing with the Fiscal Year ending September 30, 2019 (each, an "**Annual Report**"), and to provide notices of the occurrence of certain enumerated events. The Annual Reports and the notices of enumerated events are to be filed with the Municipal Securities Rulemaking Board through its EMMA system. The specific nature of the information to be contained in the Annual Reports and in the notices of enumerated events is described in the form the Continuing Disclosure Agreement in APPENDIX H hereto. The Authority is making these covenants for the benefit of the holders and Beneficial Owners of the 2019 Bonds and to assist the Underwriters in complying with Securities and Exchange Commission Rule 15c2-12(b)(5), as amended from time to time ("**Rule 15c2-12**").

The Authority designates DAC as the Dissemination Agent in the Continuing Disclosure Agreement. Pursuant to the Continuing Disclosure Agreement, the Dissemination Agent has only the duties specifically set forth in the Continuing Disclosure Agreement. The Dissemination Agent's obligation to deliver the information at the times and with the contents described in the Continuing Disclosure Agreement is limited to the extent the Authority has provided such information to the Dissemination Agent as required by the Continuing Disclosure Agreement. The Dissemination Agent has no duty with respect to the content of any disclosures or notice made pursuant to the terms of the Continuing Disclosure Agreement. The Dissemination Agent has no duty or obligation to review or verify any information in the annual report, audited financial statements, notice of notice event or voluntary report, or any other information, disclosures or notices provided to it by the Authority and is not to be deemed to be acting in any fiduciary capacity for the Authority, the Bondholders or any other party. The Dissemination Agent has no responsibility for the Authority's failure to report to the Dissemination Agent a notice event or a duty to determine the materiality thereof. The Dissemination Agent shall have no duty to determine or liability for failing to determine whether the Authority has complied with the Continuing Disclosure Agreement. The Dissemination Agent may conclusively rely upon certifications of the Authority at all times.

MISCELLANEOUS

The attached Appendices are integral parts of this Official Statement and should be read in their entirety. The capitalized terms used in this Official Statement shall have the meanings ascribed to them in the text and, if not defined in the text, shall have the meanings ascribed to them in the Indenture. The Authority has reviewed the information contained herein and has approved all such information for use in this Official Statement.

The execution and delivery of this Official Statement has been duly authorized by the Authority.

A.B. WON PAT INTERNATIONAL AIRPORT
AUTHORITY, GUAM

By: _____

Thomas C. Ada
Executive Manager

APPENDIX A

GENERAL INFORMATION REGARDING THE TERRITORY OF GUAM

APPENDIX B

SUMMARY OF THE FORM OF AIRLINE OPERATING AGREEMENT

APPENDIX C

**AUDITED FINANCIAL STATEMENTS FOR THE
FISCAL YEAR ENDED SEPTEMBER 30, 2018 AND
INDEPENDENT AUDITOR'S REPORT**

APPENDIX D
REPORT OF THE AIRPORT CONSULTANT

APPENDIX E

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

APPENDIX F

PROPOSED FORM OF OPINION OF BOND COUNSEL

APPENDIX G

DTC AND ITS BOOK-ENTRY ONLY SYSTEM

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the 2019 Bonds. The 2019 Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered 2019 Bond certificate will be issued for each maturity of each series of the 2019 Bonds in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“**Direct Participants**”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary The Depository Trust & Clearing Corporation (“**DTCC**”). DTCC is a holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned and operated by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“**Indirect Participants**”). The DTC Rules applicable to its Direct and Indirect Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of 2019 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2019 Bonds on DTC’s records. The ownership interest of each actual purchaser of each 2019 Bond (“**Beneficial Owner**”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2019 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in 2019 Bonds, except in the event that use of the book-entry system for the 2019 Bonds is discontinued.

To facilitate subsequent transfers, all 2019 Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of 2019 Bonds with DTC and their registration in the name of Cede & Co. or such other nominee does not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2019 Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such 2019 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of 2019 Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the 2019 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the 2019 Bond documents. Beneficial Owners of 2019 Bonds may wish to ascertain that the nominee holding the 2019 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative,

Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the 2019 Bonds within a series and maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such series and maturity to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the 2019 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the 2019 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payment of principal of, Redemption Price of and interest on the 2019 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority or the Trustee on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Authority or the Trustee, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal of, Redemption Price or interest on the 2019 Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Trustee, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such, payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the 2019 Bonds at any time by giving reasonable notice to the Authority. Under such circumstances, in the event that a successor securities depository is not obtained, 2019 Bond certificates are required to be printed and delivered. The Authority may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, 2019 Bond certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Authority believes to be reliable, but the Authority takes no responsibility for the accuracy thereof.

The preceding information in this APPENDIX G was provided by DTC for inclusion herein, and has not been independently verified by the Authority or the Underwriters. No representation is made by the Authority as to the completeness or the accuracy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof.

The Authority cannot and does not give any assurances that DTC will distribute to the Participants, or that the Participants or others will distribute to the Beneficial Owners, payments of debt service on the 2019 Bonds paid or any redemption or other notices or that they will do so on a timely basis or will serve and act in the manner described in this Official Statement. The Authority is not responsible or liable for the failure of DTC or any Direct Participant or Indirect Participant to make any payments or give any notice to a Beneficial Owner with respect to the 2019 Bonds or any error or delay relating thereto.

Neither the Authority nor the Trustee shall have any responsibility or obligation to any DTC Participant, any beneficial owner or other persons claiming a beneficial ownership interest in the 2019 Bonds under or through DTC or any DTC Participant, with respect to (i) the accuracy of any records maintained by DTC or any DTC Participant with respect to the beneficial ownership interest in the 2019 Bonds; (ii) the payment by DTC or any DTC Participant of any amount in respect of the principal of and premium, if any, or interest on the 2019 Bonds to any beneficial owner or other person for the 2019 Bonds; or (iii) the delivery to any beneficial owner of the 2019 Bonds, or any other person of any notice which is permitted or required to be given to owners under the Indenture. Neither the Authority nor the Trustee shall have any responsibility with respect to obtaining consents from anyone other than the registered owners.

APPENDIX H

PROPOSED FORM OF CONTINUING DISCLOSURE AGREEMENT

ANTONIO B. WON PAT INTERNATIONAL AIRPORT AUTHORITY, GUAM
BOARD OF DIRECTORS

EXECUTIVE SUMMARY

REQUEST FOR PROPOSAL NO. RFP-007-FY19
SECURITY ACCESS CONTROL SYSTEM (SACS)
MANAGEMENT AND INFRASTRUCTURE SUPPORT SERVICES

October 11, 2019

Purpose

Board action is requested to approve the ranking results and award for Request for Proposal No. RFP-007-FY19 for Security Access Control System (“SACS”) Management and Infrastructure Support Services (“RFP”).

Background

The referenced RFP solicits proposals from professional firms and/or individuals to assist GIAA in the management and infrastructure support services to its SACS. The preliminary scope of work includes, but not limited to; maintenance and repairs to the SACS servers, monitors, backup system, printing and recording devices, all communication panels and electrical hardware. Also, the services extend to all the SACS workstations and/or terminals, digital cameras, security doors, card readers, the badging systems, parking lot readers, toll gate mechanisms.

The firm and/or consultant is required to have particular knowledge and expertise in the GIAA invested Security Management System software (C-Cure 800/8000) and hardware.

Procurement Background

The RFP was advertised in the local newspapers on August 2, 6, and 19, 2019. The established deadline to submit the proposals was September 6, 2019, 4 p.m.

A total of fifteen (15) firms showed their interest by obtaining the RFP package and two (2) firms responded by submitting their proposal before the submission deadline.

Proposal Analysis and Evaluation

The Evaluation Committee appointed by me completed their evaluations of the two (2) proposals based on the evaluation criteria set forth in the RFP. The score sheets were gathered and tabulated by the Procurement Office and the evaluation results in the order of ranking are as follows:

1. Offeror A
2. Offeror B

The two (2) proposals were reviewed to determine responsiveness, that is, whether or not the offerors submitted all documents required by the RFP. The two (2) **offerors' proposals were** determined to be responsive.

Based on the tabulation of the evaluation ranking, *Offeror A* is ranked as the best qualified, responsive firm to perform the required services in accordance with the criteria set forth in the RFP. Also, as a result of analysis **of the offeror's submitted required documents**, *Offeror A* has been deemed to have met the standards of responsibility outlined in the Guam Procurement Law & Regulations.

Legal Review

Upon Board approval, a contract will be forwarded to Legal Counsel for review and approval as to form. The term of the contract is for a period of three (3) years with additional two one (1) year option years to be exercised at the sole discretion of GIAA, not to exceed a total contract period of five (5) years and subject to the availability of funding.

Financial Review

The *SACS Management and Infrastructure Support Services* contract will be funded under the **Administration Division's O&M Budget**.

Recommendation

I recommend the Board approve the ranking results and the contract award to Offeror A for the *SACS Management and Infrastructure Support Services* contract, subject to negotiation of fair and reasonable fees to be submitted by the offeror at a time and in a format determined by GIAA. If GIAA is unable to negotiate a contract with the highest ranked offeror, the Executive Manager or his designee, may enter into negotiations with the next most qualified offeror, consistent with the Guam Procurement Law & Regulations.



October 10, 2019

MEMORANDUM

TO: Thomas C. Ada
Executive Manager

FROM: GIAA Procurement Section

SUBJECT: *Evaluation and Recommendation - Request For Proposal (RFP)*
Security Access Control System (SACS) Management and Infrastructure Support Services,
RFP No. RFP-007-FY19

The referenced Request for Proposal ("RFP") solicits proposals from firms and/or individuals to provide professional information technology ("IT") management and infrastructure support services for the Security Access Control System ("SACS") at the Antonio B. Won Pat International Airport Guam. The RFP was advertised in the local newspapers on August 2, 6, 19, 2019. The deadline to submit proposals was established for September 6, 2019, at 4 p.m.

A total of fifteen (15) firms and/or individuals downloaded the RFP package and two (2) firms submitted proposals before the submission deadline.

Proposal Review for Responsiveness

The two (2) proposals were reviewed to determine responsiveness, that is, whether or not the offerors submitted all the documents required by the RFP. The two (2) offerors' proposals were determined to be responsive.

Evaluation and Selection

Pursuant to Section 8: Selection of Best Qualified Proposer and Proposal of *Basic Information* of the RFP documents, after receipt of all proposals, the GIAA Evaluation Committee established by the Executive Manager shall conduct an independent evaluation of the proposals based on the evaluation criteria set forth in the RFP for the purpose of determining if the offerors have met the standards of responsibility outlined in the Guam Procurement Law & Regulations.

The evaluation committee established by management was comprised of the following individuals:

1. Jean M. Arriola, Airport Services Manager
2. Raymond T.Q. Quintanilla, Airport Operations Supervisor
3. Lt. Thomas P.C. Daga, Assistant Chief of Airport Police, *Acting*
4. Danny C. Cepeda, Data Processing Manager

The committee completed their evaluations of the two (2) proposals based on the evaluation criteria set forth in the RFP. The scores were tabulated as reflected on the attached summary worksheet. As a result of our tabulation, the firms selected in the order of their ranking are as follows:

1. **Offeror A**
2. **Offeror B**

Attached for your reference is the summary of the committee's evaluation scores based on the evaluation criteria set forth in the RFP.

Recommendation

Based on the tabulation of the evaluation ranking *Offeror A* is ranked as the best qualified, responsive firm to perform the required services in accordance with the criteria set forth in the RFP. Also, as a result of our review of the offeror's submitted required documents, *Offeror A* has been deemed to have met the standards of responsibility outlined in the Guam Procurement Law & Regulations.

Therefore, it is recommended to approve the ranking results and the contract award to *Offeror A* for *SACS Management and Infrastructure Support Services*, subject to negotiation of fair and reasonable fees. The term of the contract to be awarded is for a period of three (3) years with additional two one (1) year option years to be exercised at the sole discretion of GIAA, not to exceed a total contract term of five (5) years and subject to the availability of funding. If GIAA is unable to negotiate a contract with the highest ranked offeror, the Executive Manager or designee, may enter into negotiations with the next most qualified offeror, consistent with the Guam Procurement Law & Regulations.

Should you have any questions or would like to discuss this matter further, I am available at your request.

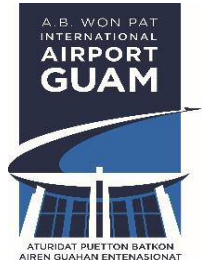

Henry M. Cruz

APPROVED:


THOMAS C. ADA
Executive Manager

Attachments

cc: Evaluation Committee / Procurement File



Antonio B. Won Pat International Airport Authority, Guam

Evaluation Score Tally Sheet

RFP No. RFP-007-FY19

Security Access Control System (SACS) Management and Infrastructure Support Serv

OFFEROR DESIGNATION	Evaluator 1		Evaluator 2		Evaluator 3	
	Score	Rank	Score	Rank	Score	Rank
OFFEROR A	89	1	90	1	87	
OFFEROR B	60	2	57	2	63	

Evaluators:
No. 1: Jean M. Arriola, Airport Services Manager
No. 2: Raymond T.Q. Quintanilla, Airport Operations Supervisor
No. 3: Lt. Thomas P.C. Daga, Assistant Airport Police Chief , <i>Acting</i>
No. 4: Danny C. Cepeda, Data Processing Manager

REQUEST FOR PROPOSAL NO. RFP-008-FY19
PAGING SYSTEM
MANAGEMENT AND INFRASTRUCTURE SUPPORT SERVICES

October 11, 2019

Purpose

Board action is requested to approve the ranking results and award for Request for Proposal No. RFP-008-FY19 for Paging System Management and Infrastructure Support Services (“**RFP**”).

Background

The referenced RFP solicits proposals from professional firms and/or individuals to assist GIAA **with professional information technology (“IT”)** management and infrastructure support services **for GIAA’s public** paging system. The preliminary scope of work includes, but is not limited to, management, administration, configuration, maintenance support and repairs of the paging system.

The awarded contractor is required to have particular knowledge and expertise in the support and **repairs of GIAA’s** paging system.

Procurement Background

The RFP was advertised in the local newspapers on August 2, 6 & 19, 2019. The established deadline to submit the proposals was September 6, 2019, 4 p.m.

A total of fourteen (14) firms showed their interest by obtaining the RFP package and one (1) firm responded by submitting their proposal before the submission deadline.

Proposal Analysis and Evaluation

The Evaluation Committee, appointed by me, completed their evaluations of the sole proposal based on the evaluation criteria set forth in the RFP. The score sheets were gathered and tabulated by the GIAA Procurement Office and the evaluation results in the order of ranking are as follows:

1. Offeror A

best qualified, responsive firm to perform the required services in accordance with the criteria set forth in the RFP. Also, as a result of analysis **of the offeror's submitted required documents**, *Offeror A* has been deemed to have met the standards of responsibility outlined in the Guam Procurement Law & Regulations.

Legal Review

Upon Board approval, a contract will be forwarded to Legal Counsel for review and approval as to form. The term of the contract is for a period of one (1) year with additional four one (1) year option years to be exercised at the sole discretion of GIAA, not to exceed a total contract term of five (5) years and subject to the availability of funding.

Financial Review

The *Paging System Management and Infrastructure Support Services* contract will be funded under **the Administration Division's O&M Budget**.

Recommendation

I recommend the Board approve the ranking results and the contract award to Offeror A for the *Paging System Management and Infrastructure Support Services* contract, subject to negotiation of fair and reasonable fees to be submitted by the offeror at a time and in a format determined by GIAA. If GIAA is unable to negotiate a contract with the highest ranked offeror, the Executive Manager, or his designee, may cancel this solicitation and re-solicit for said services at a future date, consistent with the Guam Procurement Law & Regulations.



October 10, 2019

MEMORANDUM

TO: Thomas C. Ada
Executive Manager

FROM: GIAA Procurement Section

SUBJECT: *Evaluation and Recommendation - Request For Proposal (RFP)*
Paging System Management and Infrastructure Support Services,
RFP No. RFP-008-FY19

The referenced Request for Proposal ("RFP") solicits proposals from firms and/or individuals to provide professional information technology ("IT") management and infrastructure support services for the public paging system at the Antonio B. Won Pat International Airport Guam. The RFP was advertised in the local newspapers on August 2, 6 & 19, 2019. The deadline to submit proposals was established at September 6, 2019, at 4 p.m.

A total of fourteen (14) firms and/or individuals downloaded the RFP package and one (1) firm submitted a proposal before the submission deadline.

Proposal Review for Responsiveness

The offeror's proposal was reviewed to determine responsiveness, that is, whether or not the offeror submitted all the documents required by the RFP. The sole proposal was determined to be responsive.

Evaluation and Selection

Pursuant to Section 8: Selection of Best Qualified Proposer and Proposal of *Basic Information* of the RFP documents, after receipt of all proposals, the GIAA Evaluation Committee established by the Executive Manager shall conduct an independent evaluation of the proposals based on the evaluation criteria set forth in the RFP for the purpose of determining if the offerors have met the standards of responsibility outlined in the Guam Procurement Law & Regulations.

The evaluation committee established by management comprised of the following individuals:

1. Jean M. Arriola, Airport Services Manager
2. Raymond T.Q. Quintanilla, Airport Operations Supervisor
3. Lt. Thomas P.C. Daga, Assistant Chief of Airport Police, *Acting*
4. Danny C. Cepeda, Data Processing Manager

The committee completed their evaluation of the sole proposal based on the evaluation criteria set forth in the RFP. The scores were tabulated as reflected on the attached summary worksheet. As a result of our tabulation, the firms selected in the order of their ranking are as follows:

1. **Offeror A**

Attached for your reference is the summary of the committee's evaluation scores based on the evaluation criteria set forth in the RFP.

Recommendation

Based on the tabulation of the evaluation ranking *Offeror A*, the sole offeror, is ranked as the best qualified, responsive firm to perform the required services in accordance with the criteria set forth in the RFP. Also, as a result of our review of the offeror's submitted required documents, *Offeror A* has been deemed to have met the standards of responsibility outlined in the Guam Procurement Law & Regulations.

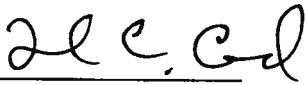
Therefore, it is recommended to approve the ranking results and the contract award to *Offeror A* for *Paging System Management and Infrastructure Support Services*, subject to negotiation of fair and reasonable fees. The contract to be awarded is for a period of one (1) year with additional four one (1) year option years to be exercised at the sole discretion of GIAA, not to exceed a total contract term of five (5) years and subject to the availability of funding. If GIAA is unable to negotiate a contract with the highest ranked offeror, the Executive Manager, or his designee, may cancel this solicitation and re-solicit for said services at a future date, consistent with the Guam Procurement Law & Regulations.

Should you have any questions or would like to discuss this matter further, I shall be available at your request.



Henry M. Cruz

APPROVED:



THOMAS C. ADA
Executive Manager

Attachments

cc: Evaluation Committee / Procurement File



Antonio B. Won Pat International Airport Authority, Guam
Evaluation Score Tally Sheet
RFP No. RFP-008-FY19
Paging System Management and Infrastructure Support Services

OFFEROR DESIGNATION	Evaluator 1		Evaluator 2		Evaluator 3	
	Score	Rank	Score	Rank	Score	Rank
OFFEROR A	86	1	85	1	100	

Evaluators:
No. 1: Jean M. Arriola, Airport Services Manager
No. 2: Raymond T.Q. Quintanilla, Airport Operations Supervisor
No. 3: Lt. Thomas P.C. Daga, Assistant Airport Police Chief , <i>Acting</i>
No. 4: Danny C. Cepeda, Data Processing Manager