

different or additional Depositary for any fund or account established under the Indenture. See “APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE AND THE SEVENTH 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 or any Supplemental 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 D – SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE AND THE SEVENTH SUPPLEMENTAL INDENTURE – Summary of Certain Provisions of the General Indenture – Investment of Moneys in Funds.”

## DEBT SERVICE SCHEDULE

The following table sets forth the debt service schedule for the 2024 Bonds and the Prior Bonds, including the Target Bonds. See “PLAN OF REFUNDING.”

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

Fiscal Year	Prior Bonds <sup>(1)</sup>		2024A Bonds		2024B Bonds		Total Debt Service
	Principal	Interest	Principal	Interest	Principal	Interest	
2025	\$ 4,015,000	\$ 7,771,615					
2026	10,940,000	7,567,950					
2027	11,220,000	7,273,906					
2028	11,525,000	6,949,720					
2029	11,875,000	6,574,349					
2030	12,290,000	6,129,933					
2031	12,770,000	5,635,954					
2032	13,280,000	5,108,556					
2033	13,825,000	4,569,344					
2034	7,595,000	4,134,379					
2035	6,905,000	3,814,168					
2036	7,210,000	3,507,111					
2037	7,520,000	3,164,930					
2038	7,900,000	2,800,958					
2039	8,250,000	2,439,738					
2040	8,615,000	2,062,527					
2041	9,000,000	1,647,341					
2042	9,450,000	1,213,672					
2043	9,870,000	757,925					
2044	10,355,000	256,674					
Total <sup>(2)</sup>	\$194,410,000	\$83,380,750					

<sup>(1)</sup> Includes debt service for Target Bonds. See “PLAN OF REFUNDING.”

<sup>(2)</sup> Totals may not add due to rounding.

## THE AUTHORITY

### General

The Authority is organized and exists under Chapter 1 of Title 12 of the Guam Code Annotated and is a public corporation and an autonomous instrumentality of the Government of Guam with authority to acquire, construct, reconstruct, purchase, extend, improve, better, operate and maintain airports and related facilities for civil aviation purposes on Guam. The Authority owns and operates the Airport and is the only commercial airport operator in Guam licensed by the FAA.

### 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 former enlisted housing units located on the northern side of Tiyan, and properties located on the southern side that 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.

### Governance

Except as otherwise provided in the Act, all powers vested in the Authority are exercised by its Board of Directors (the “**Board of Directors**”). The Board of Directors 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 of Directors, 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 of Directors meets publicly at least once a month. The Board of Directors elects a chairman and vice chairman from among its members. The Board of Directors establishes the policies of the Authority and appoints the Executive Manager and Comptroller.

### 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 John M. Quinata and Artemio Hernandez, respectively. The Comptroller is Dafne Mansapit-Shimizu.

Below are brief biographies of key management personnel at the Authority:

***John M. Quinata, Executive Manager.*** Mr. Quinata was appointed the Executive Manager of the Authority on June 26, 2020, promoted from the GIAA Deputy Executive Manager position, a capacity he had held since April 30, 2019. Mr. Quinata's record of management spans the full spectrum of public service as an elected lawmaker in the 27th Guam Legislature with oversight of the Committee on Tourism, Public Safety and the Judiciary, Director for the Guam Customs and Quarantine Agency, and a military career of 38 years that includes Chief of Administration, 1st Combat Evaluation Group, Strategic Air Command with the Guam Air National Guard, and Security Forces Manager, 254 Security Forces Squadron. Mr. Quinata retired in the U.S. Air Force and Guam National Guard at the distinguished rank of E9 as the Sixth State Command Chief Master Sergeant and is the first enlisted Guam National Guardsman to have received the distinguished Air Force Legion of Merit Award.

***Artemio "Ricky" Hernandez, Ph.D., Deputy Executive Manager.*** Dr. Hernandez was selected as the Deputy Executive Manager of the Authority on June 26, 2020. Dr. Hernandez brings over a decade in government service in the fields of budget, accounting, finance and administration as former Deputy Administrator at the Guam Economic Development Authority, former Interim Deputy Director at the Department of Public Works, and former and longest serving Director of the Guam Legislature Office of Finance and Budget. He is also an Adjunct Instructor of Accounting and Public Administration at the University of Guam. He is Guam's first International Airport Professional having completed the Airports Council International and International Civil Aviation Authority Airport Management Professional Accreditation Program in 2021. He is also a Certified Government Financial Manager, a Certified Public Procurement Officer, and an Accredited Investment Fiduciary. Dr. Hernandez holds Bachelor's and Master's Degrees in Accounting and a Ph.D. in Business. He currently serves as Treasurer and Chairman of the Investments Committee of the Government of Guam Retirement Fund Board of Trustees, Member of the Board of Directors for the Research Corporation of the University of Guam, and Treasurer of the Guam Commission on Lawyer Regulation.

***Dafne Mansapit-Shimizu, Comptroller.*** Mrs. Shimizu joined the Authority as Comptroller in November 2023. She previously served as the Director of the Guam Department of Revenue and Taxation for approximately five years. She earned both a Bachelor of Business Administration in Accounting and a Master of Public Administration from the University of Guam and has been a Guam licensed U.S. Certified Public Accountant since 2000. She has almost 30 years of experience in accounting and finance, including experience in the health insurance industry as Controller and Vice President/Finance – Chief Financial Officer of StayWell Insurance. Mrs. Shimizu is a member of the Association of Government Accountants, the Agana Cathedral Basilica Finance Council, and the Agana Cathedral Chapter of Christian Mothers. She has served on the boards of Catholic Social Services, the Guam Board of Accountancy and Soroptimist International of the Marianas.

## **Labor and Employee Relations**

The Authority had approximately 222 full-time employees for Fiscal Year 2023, and currently has approximately 237 full-time employees as of June 30, 2024. The Authority's employees are not represented by labor unions. The Authority's management believes that relations with its employees are positive.

In the next three- to five-years, approximately 10-20% of the Authority's employees will become eligible for retirement. With the aviation industry experiencing substantial growth and the need to expand operations, the Authority is focused on building and retaining a pipeline of professional and skilled workers to provide quality service at the Airport. The Authority's strategic management process includes workforce development initiatives, such as providing aviation certification and training, workshops and seminars, as well as succession planning initiatives. Such initiatives are intended to mitigate risks associated with employee turnover and to cultivate personnel to meet future organizational needs.

A market study of U.S. airport industry salaries in comparison to the Authority's 2012 pay scale was completed in 2022. Based on the report and in order to remain competitive in attracting and retaining employees, the Authority approved a structural pay adjustment and implementation at the 20<sup>th</sup> market percentile based on the 2022 market data for all positions on or after October 1, 2023, subject to certain additional requirements.

## THE AIRPORT

### General

The Airport is centrally located in Guam's business district on an 1,800-acre parcel of land. The Airport has approximately 874,000 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, based on annual enplaned passenger levels, by the FAA.

### 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, renovating and expanding the original passenger terminal building from approximately 226,000 square feet to approximately 767,553 square feet. In April 2022, the Authority completed a \$135 million construction of the Third Floor International Arrivals Corridor, expanding the passenger terminal building to a total of 874,870 square feet. The existing passenger terminal building currently consists of 88 ticket counter positions (54 of which are common-use counters that are currently on-line; 22 of which are used exclusively by United Airlines, the Airport's largest air carrier; and 12 of which are common-use counters that are currently off-line), 48 immigration inspection stations, 42 customs inspection stations that provide enough capacity to process 5,000 international passengers per hour and one TSA checkpoint with seven security lanes.

The existing terminal is currently divided into four 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; (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; and (iv) the Third Floor International Arrivals Corridor, which includes federal inspection services areas that 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. The 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 PacAir, 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 the former Naval Air Station property 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 PacAir Integrated Air Cargo Terminal (the “**PacAir Integrated Air Cargo Terminal**”), the DHL Cargo Terminal (the “**DHL Cargo Terminal**”), the Triple B Forwarders Building (the “**Triple B Forwarders Building**”) and the CTSI Freight Forwarding Terminal (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 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 Agreements for Airport Facilities – 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 Agreements for Airport Facilities – Airport Industrial Park.” The fuel farm for the Airport fuel system and the 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.”

The following map shows the current Airport layout plan, most recently approved by the FAA in 2017. The Authority has completed a final draft of the airport master plan update, which is currently pending review and approval of an updated airport layout plan by the FAA. See also “AIRPORT PLANNING – Master Plan Update.”

[MAP OF AIRPORT]



## Air Carriers Serving the Airport

The following table sets forth the air carriers that have provided service at the Airport during the first nine months of Fiscal Year 2024. In addition to the air carriers listed below, other charter flights, including military charter flights operated by various airline carriers, also serve the Airport.

**Table 2**  
**Air Carriers Serving A.B. Won Pat International Airport, Guam**  
**First Nine Months of Fiscal Year 2024<sup>(1)</sup>**

<u><b>U.S.-Flag Airlines</b></u>	<u><b>Foreign-Flag Airlines</b></u>
United Airlines*	Asiana Airlines
	Japan Airlines*
	Jeju Air*
	Jin Air*
	Korean Air*
	Philippine Airlines*
	T'Way Air*
	Starlux Airlines
<u><b>Regional/Commuter Airlines</b></u>	
Star Marianas Airlines	
<u><b>Cargo Airlines</b></u>	
Asia Pacific Airlines	
FedEx Corporation	
United Parcel Service (UPS)	

\* Indicates a Signatory Airline. See “AGREEMENTS FOR USE OF AIRPORT FACILITIES – Airline Operating Agreements.”

<sup>(1)</sup> Includes all airlines that served the Airport at any time during the first nine months of Fiscal Year 2024.

Source: *The Authority*.

In November 2020, Korean Air announced plans to acquire Asiana Airlines. This proposed merger remains subject to regulatory approval and other conditions and the Authority cannot predict what impact such merger will have on airline traffic at the Airport. Air Busan and Air Seoul, which are subsidiaries of Asiana Airlines, remain Signatory Airlines but suspended services in November 2022. In addition, China Airlines remains a Signatory Airline but suspended services in February 2020. See “CERTAIN INVESTMENT CONSIDERATIONS – Financial Condition of the Airlines.”

## Aviation Activity

### ***Typhoon Mawar***

On May 24, 2023, Typhoon Mawar struck Guam with winds exceeding 140 miles per hour. The Airport’s terminal and passenger processing technical systems were affected by water infiltration on all floors of the terminal, and the Authority closed all Airport operations on May 24, 2023. In cooperation with the Federal Aviation Administration (the “FAA”), the Airport’s partner airlines, and federal and local regulatory agencies, the Airport opened for humanitarian and essential cargo operations three days later, on May 27, 2023. Cargo flights transported military relief personnel, equipment, and essential cargo. The Airport opened for regular flight operations on May 29, 2023. Although visitor arrivals declined to approximately 17,310 in June 2023, as compared to approximately 55,354 in April 2023, visitor arrivals recovered to approximately 52,154 in July 2023. Despite the impacts of Typhoon Mawar, enplaned passengers continued to recover from the impacts of the COVID-19 pandemic in Fiscal Year 2023, increasing by 111% compared to Fiscal Year 2022. See also “– Aviation Activity.”

Facility-wide damage assessment of the entire Airport, including leased facilities, is ongoing. The typhoon caused damage primarily to the terminal flooring, passenger loading bridges, baggage handling and passenger conveyance systems and air handling units. As of June 2024, preliminary damage assessments are estimated at approximately \$10-15 million. The Authority is consulting with the Federal Emergency Management Agency (“FEMA”) and the FAA for federal assistance following completion of such preliminary damage assessments. Repairs to damaged infrastructure necessary for maintaining security and safety standards at the Airport have been completed. Although the Authority anticipates that efforts to permanently repair remaining damaged infrastructure will take an

extended period of time, such efforts are expected to have minimal disruptions to Airport operations, which have fully resumed.

The Authority maintains a property insurance policy for all risks with coverage up to \$200,000,000, including, among others, coverage up to \$5,000,000 for damage resulting from windstorms, typhoons, or earthquakes, after a \$5,000,000 deductible. The property insurance also includes coverage for business interruption at the Airport resulting from a covered event, such as a typhoon, and with a 72-hour waiting period. For more information regarding the Airport's insurance, see "FINANCIAL INFORMATION – Risk Management and Insurance."

Furthermore, in connection with the permanent repair efforts relating to Typhoon Mawar, the Authority is actively pursuing federal funding to secure approximately \$30 million dedicated to hazard mitigation projects aimed at increasing storm resiliency, enhancing public safety, and minimizing potential damage to airport infrastructure. Such projects include but are not limited to hardening terminal flooring, reducing penetration points to minimize water infiltration, hardening fence lines from steel to concrete posts.

See also "CERTAIN INVESTMENT CONSIDERATIONS – Typhoons, Earthquakes and Other Natural Disasters" in the Official Statement and "APPENDIX A – GENERAL INFORMATION REGARDING THE TERRITORY OF GUAM – Typhoon Mawar and Guam Restoration Efforts" and "– GEOGRAPHIC, DEMOGRAPHIC AND ECONOMIC INFORMATION – Geography and Climate."

### ***Historical Passenger Activity***

The following table presents originating and transit passengers at the Airport from Fiscal Year 2013 through Fiscal Year 2023. 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. Prior to the COVID-19 pandemic, total enplaned passengers at the Airport had increased at an average annual rate of 1.8% between Fiscal Years 2013-2019.

Total enplaned passengers for the first nine months of Fiscal Year 2024 (October 2023-June 2024) were approximately 796,213, an increase of approximately 25.4% from total enplaned passengers for the same period in Fiscal Year 2023.

Originating Passengers. Between Fiscal Years 2013-2019, prior to the COVID-19 pandemic, total originating passengers increased at an average annual rate of 2.4%. Most of the increase in originating passengers was attributable to the increasing number of tourists, primarily from Japan, China, South Korea and Taiwan. Total originating passengers fell to a low of 101,696 in Fiscal Year 2021 due to the impacts of the COVID-19 pandemic, and are slowly recovering. Total originating passengers are 701,480 for the first nine months of Fiscal Year 2024 (September 2023 – June 2024).

Transit Passengers. As shown in the following table, the total number of transit passengers processed annually through the Airport has fluctuated over the last 10 fiscal years, peaking in Fiscal Year 2015 and then decreasing thereafter at an average annual rate of 6.5% from Fiscal Year 2015 to Fiscal Year 2019, prior to the COVID-19 pandemic. Total transit passengers fell to a low of 33,870 in Fiscal Year 2021 due to the impacts of the COVID-19 pandemic, and are slowly recovering. Total transit passengers are 94,733 for the first nine months of Fiscal Year 2024 (September 2023 – June 2024).

**Table 3**  
**Historical Enplaned Passengers**  
**A.B. Won Pat International Airport, Guam**  
**Fiscal Years 2013-2023**

<b>Fiscal Year</b>	<b>Originating Passengers</b>	<b>Transit Passengers</b>	<b>Total Enplaned Passengers</b>	<b>Originating Passengers as % of Total Enplaned Passengers</b>	<b>Transit Passenger as a % of Total Enplaned Passengers</b>	<b>Annual % Increase/ (Decrease) in Originating Passengers</b>	<b>Annual % Increase/ (Decrease) in Transit Passengers</b>	<b>Annual % Increase/ (Decrease) in Total Enplaned Passengers</b>
2013	1,498,419	199,567	1,697,986	88.2%	11.8%	6.5%	19.3%	7.8%
2014	1,480,349	210,551	1,690,900	87.5	12.5	(1.2)	5.5	(0.4)
2015	1,476,574	216,369	1,692,943	87.2	12.8	(0.2)	2.8	0.1
2016	1,559,141	215,449	1,774,590	87.9	12.1	5.6	(0.4)	4.8
2017	1,660,548	197,831	1,858,379	89.4	10.6	6.5	(8.2)	4.7
2018	1,596,054	184,518	1,780,572	89.6	10.4	(3.9)	(6.7)	(4.2)
2019	1,720,562	164,546	1,885,108	91.3	8.7	7.8	(10.8)	5.9
2020	783,532	100,528	884,060	88.6	11.4	(54.5)	(38.9)	(53.1)
2021	101,696	33,870	135,566	75.0	25.0	(87.0)	(66.3)	(84.7)
2022	329,193	89,041	418,234	78.7	21.3	223.7	162.9	208.5
2023	735,429	147,235	882,664	83.3	16.7	123.4	65.4	111.0

*Source: The Authority.*

**Key Visitor Markets.** According to GVB, in calendar year 2021 (most recent data available as of the date of this Official Statement), tourism generated approximately 6.0% of Guam’s Gross Island Product and supported approximately 21% of all jobs on Guam. By contrast, in calendar year 2019 (pre-pandemic), tourism generated approximately 33.0% of Guam’s Gross Island Product and supported approximately 31.2% of all jobs on Guam.

The following table presents the annual number of visitors to Guam for Fiscal Years 2013 through 2023. Guam had significant increases in visitors in Fiscal Year 2016, due in part to increased seat capacity from certain South Korean airlines and the island hosting the Festival of Pacific Arts and Culture, a celebration of indigenous Pacific Islanders, and in Fiscal Year 2019, due in part to increased seat capacity from certain Japanese airlines. The highest number of annual visitors to Guam on record was in Fiscal Year 2019, with approximately 1.6 million visitors.

Arrivals for Fiscal Years 2020 and 2021 declined substantially, primarily because of the COVID-19 pandemic, and slowly began to recover in Fiscal Years 2022 and 2023. The number of visitors in Fiscal Year 2023 was also impacted by Typhoon Mawar. See “THE AIRPORT – Aviation Activity – *Typhoon Mawar*.” For the first eight months of Fiscal Year 2024, arrivals were 412,046, up 26.7% from the corresponding period in Fiscal Year 2023. See also Tables A-6 and A-7 in APPENDIX A.

**Table 4**  
**Annual Visitors to Guam**  
**Fiscal Years 2013-2023**

<b>Fiscal Year</b>	<b>Visitor Arrivals</b>	<b>Percent Increase (Decrease)</b>
2013	1,337,669	--
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	1,525,219	(2.2)
2019	1,631,049	6.9
2020	757,385	(53.6)
2021	61,607	(91.9)
2022	216,915	252.1
2023	602,594	177.8

*Source: Guam Visitors Bureau.*

Table 5 presents visitor arrivals to Guam by country for Fiscal Years 2019 through 2023 and the first eight months of Fiscal Year 2024. Table 6 presents the percentage change in annual visitors to Guam by country for Fiscal Years 2019 through 2023. Although Guam receives visitors from many countries, Guam’s top four visitor markets have typically included Japan, South Korea, U.S. Mainland/Hawaii and Taiwan. Market shares fluctuated during Fiscal Years 2020 through 2022 due to the COVID-19 pandemic and travel restrictions in key Asian visitor markets. GVB 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 2019-2023 and First Eight Months of Fiscal Year 2024**

	2019		2020		2021		2022		2023		2024 <sup>(1)</sup>	
	Arrivals	Percent of Total	Arrivals	Percent of Total	Arrivals	Percent of Total	Arrivals	Percent of Total	Arrivals	Percent of Total	Arrivals	Percent of Total
Japan	664,784	40.76%	324,574	42.85%	3,454	5.61%	13,022	6.00%	97,823	16.23%	136,079	26.06%
South Korea	734,339	45.02	325,109	42.93	2,063	3.35	108,454	50.00	358,570	59.50	281,709	53.95
U.S.Mainland/Hawaii	94,141	5.77	48,263	6.37	41,239	66.94	64,572	29.77	82,794	13.74	57,014	10.92
Taiwan	28,346	1.74	10,691	1.41	2,253	3.66	423	0.20	5,371	0.89	1,999	0.38
China P.R.C.	12,588	0.77	4,287	0.57	124	0.20	416	0.19	2,025	0.34	3,074	0.59
CNMI	22,566	1.38	10,318	1.36	3,178	5.16	12,625	5.82	14,383	2.39	7,791	1.49
Micronesia <sup>(2)</sup>	19,788	1.21	9,858	1.30	2,849	4.62	5,290	2.44	15,903	2.64	10,913	2.09
Philippines	20,708	1.27	9,344	1.23	2,262	3.67	6,230	2.87	13,593	2.26	8,965	1.72
Australia	2,250	0.14	1,297	0.17	360	0.58	1,079	0.50	1,253	0.21	888	0.17
Europe	2,340	0.14	1,116	0.15	697	1.13	826	0.38	1,485	0.25	1,218	0.23
Hong Kong	6,395	0.39	1,226	0.16	31	0.05	125	0.06	708	0.12	506	0.10
Russia	5,189	0.32	996	0.13	67	0.11	63	0.03	148	0.02	127	0.02
Singapore	1,525	0.09	493	0.07	914	1.48	562	0.26	853	0.14	717	0.14
Others/Unknown	5,995	0.37	4,290	0.57	1,192	1.93	2,241	1.03	4,088	0.68	3,340	0.66
<b>Total Air<sup>(3)</sup></b>	<b>1,620,954</b>	<b>99.38%</b>	<b>751,862</b>	<b>99.27%</b>	<b>60,683</b>	<b>98.50%</b>	<b>215,928</b>	<b>99.54%</b>	<b>598,997</b>	<b>99.40%</b>	<b>514,430</b>	<b>98.51%</b>
<b>Total Sea</b>	<b>10,095</b>	<b>0.62%</b>	<b>5,523</b>	<b>0.73%</b>	<b>924</b>	<b>1.50%</b>	<b>987</b>	<b>0.46%</b>	<b>3,597</b>	<b>0.60%</b>	<b>7,756</b>	<b>1.49%</b>
<b>Total Air &amp; Sea</b>	<b>1,631,049</b>	<b>100.00%</b>	<b>757,385</b>	<b>100.00%</b>	<b>61,607</b>	<b>100.00%</b>	<b>216,915</b>	<b>100.00%</b>	<b>602,594</b>	<b>100.00%</b>	<b>522,186</b>	<b>100.00%</b>

(1) Preliminary, subject to change; data for first eight months of Fiscal Year 2024 (October 2023 – May 2024)

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

(3) Includes military air arrivals.

Source: Guam Visitors Bureau.

**Table 6**  
**Percentage Change in Annual Visitors to Guam by Country**  
**Fiscal Years 2019-2023**

	<b>2019</b>	<b>2020</b>	<b>% Change From 2019</b>	<b>2021</b>	<b>% Change From 2020</b>	<b>2022</b>	<b>% Change From 2021</b>	<b>2023</b>	<b>% Change From 2022</b>
Japan	664,784	324,574	-51.2%	3,454	-98.9%	13,022	277.0%	97,823	651.2%
South Korea	734,339	325,109	-55.7	2,063	-99.4	108,454	5157.1	358,570	230.6
U.S. Mainland / Hawaii	94,141	48,263	-48.7	41,239	-14.6	64,572	56.6	82,794	28.2
Taiwan	28,346	10,691	-62.3	2,253	-78.9	423	-81.2	5,371	1169.7
China P.R.C.	12,588	4,287	-65.9	124	-97.1	416	235.5	2,025	386.8
CNMI	22,566	10,318	-54.3	3,178	-69.2	12,625	297.3	14,383	13.9
Micronesia <sup>(1)</sup>	19,788	9,858	-50.2	2,849	-71.1	5,290	85.7	15,903	200.6
Philippines	20,708	9,344	-54.9	2,262	-75.8	6,230	175.4	13,593	118.2
Australia	2,250	1,297	-42.4	360	-72.2	1,079	199.7	1,253	16.1
Europe	2,340	1,116	-52.3	697	-37.5	826	18.5	1,485	79.8
Hong Kong	6,395	1,226	-80.8	31	-97.5	125	303.2	708	466.4
Russia	5,189	996	-80.8	67	-93.3	63	-6.0	148	134.9
Singapore	1,525	493	-67.7	914	85.4	562	-38.5	853	51.8
Others / Unknown	7,520	4,290	-43.0	1,192	-72.2	2,241	88.0	4,088	82.4
<b>Total Air<sup>(2)</sup></b>	<b>1,622,479</b>	<b>751,862</b>	<b>-53.7%</b>	<b>60,683</b>	<b>-91.9%</b>	<b>215,928</b>	<b>255.8%</b>	<b>598,997</b>	<b>177.4%</b>
<b>Total Sea</b>	<b>10,095</b>	<b>5,523</b>	<b>-45.3%</b>	<b>924</b>	<b>-83.3%</b>	<b>987</b>	<b>6.8%</b>	<b>3,597</b>	<b>264.4%</b>
<b>Total Air &amp; Sea</b>	<b>1,632,574</b>	<b>757,385</b>	<b>-53.6%</b>	<b>61,607</b>	<b>-91.9%</b>	<b>216,915</b>	<b>252.1%</b>	<b>602,594</b>	<b>177.8%</b>

<sup>(1)</sup> Includes Palau, FSM and RMI.

<sup>(2)</sup> Includes military air arrivals.

Source: Guam Visitors Bureau.

Japan and South Korea. Because many Guam tourists historically originated from Japan and South Korea prior to the COVID-19 pandemic, trends in Guam’s tourist industry are closely linked to Japanese and South Korean travel patterns. See Tables 5 and 6 and “APPENDIX A – GENERAL INFORMATION REGARDING THE TERRITORY OF GUAM – GEOGRAPHIC, DEMOGRAPHIC AND ECONOMIC INFORMATION – Guam Tourism Industry – Key Visitor Markets.”

Key drivers that have affected Japanese tourism have typically included: the impacts of the economic recessions and recoveries experienced by the Japanese economy, due in part to an increase in Japan’s consumption tax; the increased popularity among Japanese tourists of 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, including the COVID-19 pandemic. For example, the number of visitors from Japan started declining in Fiscal Year 2020 and dropped to a low of 3,454 in Fiscal Year 2021 due primarily to the COVID-19 pandemic and related travel restrictions, including vaccination and quarantining requirements. Japan gradually reopened the economy and the travel market and lowered travel warnings for the U.S. and over 100 other countries in 2022. Furthermore, the value of the Japanese yen is currently at its weakest level since the 1990s.

Key drivers that have affected South Korean tourism have typically included the increased international travel among South Korean tourists; the increase in airline seat capacity; and world health concerns, including the COVID-19 pandemic. For example, the number of visitors from South Korea started declining in Fiscal Year 2020 and dropped to a low of 2,063 in Fiscal Year 2021 due primarily to the COVID-19 pandemic and related travel restrictions in South Korea, including vaccination and quarantining requirements. South Korea gradually reopened the economy and the travel market, reducing travel restrictions in 2022. Currently, Guam competes for South Korean visitors with a strong Won-Yen relationship, which trend the Authority expects to continue in the months ahead. Additionally, Guam is increasingly disadvantaged by the scale and cost of travel with neighboring destinations in Asia having larger populations and lower cost in their destination value chain.

Visa Waiver Program. The current Guam-Commonwealth of the Northern Mariana Islands (“CNMI”) visa waiver 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 CNMI without a visa for a period of up to 45 days.

### ***Air Carrier Market Share***

The following table presents airline market shares of total enplaned passengers at the Airport in Fiscal Years 2019 through 2023. United Airlines, Inc., a wholly owned subsidiary of United Continental Holdings Inc., is the largest carrier. 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 also provide service at the Airport.

Airline market shares fluctuated during Fiscal Years 2020 through 2022 due to the COVID-19 pandemic and travel restrictions, and have returned to approximate the pre-pandemic shares more closely beginning in Fiscal Year 2023. For the first nine months of Fiscal Year 2024, United Airlines accounted for 37.8% of airline market share, as compared to 36.4% in Fiscal Year 2019 (pre-pandemic).

See also “APPENDIX A – GENERAL INFORMATION REGARDING THE TERRITORY OF GUAM – GEOGRAPHIC, DEMOGRAPHIC AND ECONOMIC INFORMATION – Guam Tourism Industry – Airlines.”

**Table 7**  
**Airline Market Shares of Enplaned Passengers**  
**A.B. Won Pat International Airport, Guam**  
**Fiscal Years 2019 to 2023**

<b>Airline</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
United Airlines	36.4%	38.2%	85.3%	60.2%	44.8%
Jeju Air	15.3	18.6	0.1	5.5	16.0
Jin Air	11.0	8.4	2.9	9.0	13.6
T'Way Air	9.5	8.9	0.3	3.1	5.6
Korean Air	9.3	9.1	0.4	7.6	10.1
Japan Airlines	5.7	5.2	0.0	0.3	1.1
Air Seoul <sup>(1)</sup>	3.7	3.5	0.0	4.6	0.3
Philippine Airlines	3.0	2.9	3.0	5.9	5.6
Air Busan <sup>(1)</sup>	2.7	2.6	0.0	1.5	0.2
China Airlines	1.8	1.5	0.1	1.5	0.0
Cebu Pacific <sup>(2)</sup>	1.1	0.0	0.0	0.0	0.0
Other <sup>(3)</sup>	0.5	0.6	7.9	2.3	2.7
<b>Total<sup>(4)</sup></b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

<sup>(1)</sup> Air Busan and Air Seoul suspended all service in March 2020, resumed service in December 2021 and suspended Guam operations in November 2022. Air Busan and Air Seoul remain Signatory Airlines. See “– Air Carriers Serving the Airport” and “CERTAIN INVESTMENT CONSIDERATIONS – Financial Condition of the Airlines.”

<sup>(2)</sup> Cebu Pacific permanently suspended all service in December 2019.

<sup>(3)</sup> Other airlines included Star Marianas, Arctic Circle, Uzbekistan Air, Starlux Airlines, Asiana Airlines and drop-in airlines that serve other markets less than once daily.

<sup>(4)</sup> May not add due to rounding

Source: The Authority.

### ***Scheduled Airline Service***

Air service at the Airport can be broken down into three types of service: (1) inter-island 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.

The following table sets forth certain information relating to the top 20 origin-destination passenger markets and airline service for the Airport for calendar year 2023.

In the first quarter of calendar year 2024, scheduled passenger airlines maintained capacity and frequency from 14 direct originations from the last quarter of calendar year 2023, with Seoul, Tokyo and Busan ranking in the top 3 of all originating markets. Travel from the U.S. and Hawaii has seen a significant uptick with the U.S. Air Force and U.S. Navy hosting multinational trainings on Guam in February, March and July 2024. On May 1, 2024, a new daily direct service out of the Tokyo’s Haneda Airport came into effect, adding a fifteenth nonstop flight to Guam’s passenger flight network, and a fifth nonstop connection to Japan.



**Table 8**  
**Top 20 Origin-Destination Passenger Markets and Airline Service**  
**A.B. Won Pat International Airport, Guam**  
**Calendar Year 2023**

<b>Rank</b>	<b>Origin/Destination Market</b>	<b>Air Miles from Guam</b>	<b>Originating Passengers</b>	<b>Percent of Originating Airline Passengers</b>	<b>Average Scheduled Daily Nonstop Departing Seats</b>	<b>Average Daily Nonstop Flights<sup>(1)</sup></b>
1	Seoul	2,000	319,639	38.41%	1,139	6
2	Tokyo	1,550	103,171	12.52%	710	4
3	Busan	1,800	74,559	8.93%	252	2
4	Manila	1,600	53,160	6.37%	345	2
5	Osaka	1,580	51,264	4.64%	164	1
6	Honolulu	3,800	29,487	3.53%	350	1
7	Nagoya	1,550	26,197	3.14%	152	1
8	Saipan	130	25,697	3.08%	179	1
9	Fukuoka	1,650	12,551	2.63%	79	1
10	Chuuk	630	8,840	1.06%	104	1
11	Taipei	1,730	7,841	0.94%	0	0
12	San Diego	6,170	7,729	0.93%	0	0
13	Koror	810	6,895	0.83%	0	0
14	Pohnpei	1,020	6,211	0.74%	0	0
15	Los Angeles	6,090	5,969	0.71%	0	0
16	Hong Kong	2,120	5,827	0.70%	0	0
17	Seattle	5,673	5,436	0.65%	0	0
18	San Francisco	5,809	5,213	0.62%	0	0
19	Sapporo	1,760	4,813	0.58%	0	0
20	Washington DC	7,935	3,935	0.47%	0	0
	<b>Subtotal</b>		<b>764,452</b>	<b>91.48%</b>	<b>3,475</b>	<b>20</b>
	Other Cities		77,436	8.52%	32	0
	<b>TOTAL</b>		<b>841,798</b>	<b>100.00%</b>	<b>3507</b>	<b>20</b>

<sup>(1)</sup> Rankings 11 through 20 represent connecting flights or less than daily flights.  
Source: OAG Aviation Data.

### ***Airline Departures and Gross Takeoff Weight***

The following table presents passenger airline aircraft departures and gross takeoff weight (“GTOW”) at the Airport from Fiscal Years 2013 through 2023. The data include commercial airline operations but do not include military and general aviation operations.

Annual departures totaled 10,919 for the first nine months of Fiscal Year 2024, up 9.4% as compared to 9,984 in the same period in Fiscal Year 2023. GTOW totaled 1,895,836 for the first nine months of Fiscal Year 2024, up 10.9% as compared to 1,709,811 in the same period in Fiscal Year 2023.

**Table 9**  
**Historical Passenger Airline Aircraft Departures and Gross Takeoff Weight**  
**A.B. Won Pat International Airport, Guam**  
**Fiscal Years 2013-2023**

<b>Fiscal Year</b>	<b>Annual Departures<sup>(1)</sup></b>	<b>Daily Average Departures</b>	<b>Gross Takeoff Weight (1,000-pound units)</b>	<b>Gross Takeoff Weight per Aircraft Departure (1,000-pound units)</b>
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
2019	27,269	75	3,372,358	123.7
2020	14,917	41	2,575,583	172.7
2021	6,204	17	1,582,331	255.1
2022	9,378	26	1,699,584	181.2
2023	13,801	38	2,317,944	168.0

<sup>(1)</sup> Aircraft departures are assumed to equal one half the reported passenger airline aircraft operations.

Source: The Authority.

### ***Air Cargo***

The Airport receives revenues from air cargo from landing fees and parking, loading bridge use and fuel flowage fees, as well as from ground leases, space leases and airport business permits with various operators.

The total weight of all-cargo aircraft landings was approximately 255.5 million pounds and 207.4 million pounds in calendar years 2022 and 2023, respectively, up 84.5% and 49.7%, respectively, as compared to approximately 138.5 million pounds in calendar year 2019 (pre-pandemic). Since the beginning of the pandemic, several carriers have repurposed their passenger aircrafts to air cargo only operations due to, among other factors, lockdowns on passenger traffic. Revenues from air cargo were approximately 2.7% and 3.3% of total revenues in Fiscal Years 2022 and 2023, respectively, as compared to approximately 1.5% in Fiscal Year 2019 (pre-pandemic).

## 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 Possible 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 is planning to complete another amendment to the original PFC application to, among other things, extend the PFC collection period, which will be subject to approval by the FAA.

The Authority has authorization to collect up to \$257.8 million in PFC revenues to pay the principal and interest on bonds issued to finance or refinance the terminal renovation and expansion project originally completed in 1998. As of June 30, 2024, the Authority had collected approximately \$146.1 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, the 2019 Bonds and the 2021 Bonds. In Fiscal Years 2022 and 2023, the Authority recorded approximately \$1.3 million and \$3.3 million, respectively, in PFC revenues to the payment of debt service on a portion of outstanding 2013 Bonds, 2019 Bonds, 2021 Bonds and 2023 Bonds. The 2024 Bonds are being issued to refund a portion of the Authority’s outstanding 2021 Bonds, and the Authority expects to apply PFC revenues to help pay annual debt service on the 2024 Bonds. The Authority is not required to seek FAA approval to apply PFC revenues to the payment of debt service on the 2024 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. For example, total PFC revenues were approximately \$7.4 million in Fiscal Year 2019 (pre-pandemic), and declined to \$270,964 in Fiscal Year 2021 due to the COVID-19 pandemic and global travel restrictions. See “CERTAIN INVESTMENT CONSIDERATIONS” for a general discussion of several factors that may impact the number of passenger enplanements at the Airport and the Authority’s receipt of PFC revenues.

## **Aviation Fuel Tax**

On November 7, 2014, the FAA adopted updated policies and procedures concerning the use of airport revenues, which included the proceeds from taxes on aviation fuel as airport revenues generated from taxes increased or imposed after December 30, 1987. This update clarified that state or local taxes on aviation fuel, except taxes in effect on December 30, 1987, are considered to be airport revenue subject to FAA revenue-use requirements. Public Law 34-44 increased the aviation fuel tax rate on Guam from four cents (\$0.04) to eight cents (\$0.08) per gallon effective January 1, 2018, increasing the taxes on aviation fuel above the grandfathered rate of four cents (\$0.04) per gallon. Beginning October 1, 2023, the Government began to remit the applicable four cents (\$0.04) tax increase on aviation fuel to the Authority. In Fiscal Year 2023, the Authority received approximately \$6.8 million from the aviation fuel tax, which included previously owed taxes that should have been remitted to the Authority since January 1, 2018. For Fiscal Year 2024, the Authority anticipates approximately \$1.7 million in revenues from the aviation fuel tax.

## **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.

### ***FAA Funds***

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 the TSA through (i) the National Explosive Detection Canine Team Program (the “NEDCT Program”), which provides for funding for training canine units; (ii) the Law Enforcement Officers Reimbursement Agreement Program (the “LEORA Program”), which provides funding for training law enforcement officers to support passenger screening activities at airport checkpoints; and (iii) 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 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, such as the issuance of Additional Bonds, or may choose not to proceed with certain projects.

### ***COVID-19 Related Relief***

The federal government passed three pieces of legislation providing financial stimulus and relief to individuals, businesses and organizations impacted by the COVID-19 pandemic, each of which is briefly described below. Generally, funds may be drawn on a reimbursement basis to pay for any purpose for which airport revenues can be lawfully used, including but not limited to, the payment of operating expenses and debt service.

In March 2020, the federal government passed the Coronavirus Aid, Relief and Economic Securities Act (the “**CARES Act**”), which provided approximately \$10 billion in government aid to U.S. airports impacted by the COVID-19 pandemic, subject to certain conditions. Under the CARES Act, the Authority was allocated approximately \$20.7 million in grant funding; the Authority applied \$14.7 million of such funding to pay operating expenses and debt service in Fiscal Year 2020, and the remaining \$6.0 million of such funding to pay operating expenses and debt service in Fiscal Year 2021.

In December 2020, the federal government passed the Coronavirus Response and Relief Supplemental Appropriations Act (the “**CRRSA Act**”), which provided approximately \$2 billion in government aid to U.S. airports impacted by the COVID-19 pandemic, including for relief from rent and minimum annual guarantees for eligible airport concessions. Under the CRRSA Act, the Authority was allocated approximately \$6.0 million in grant funding, and applied the full amount of such funding to pay operating expenses in Fiscal Year 2021.

In March 2021, the federal government passed the American Rescue Plan Act (the “**ARP Act**”), which provided approximately \$8 billion in government aid to U.S. airports impacted by the COVID-19 pandemic, including for relief from rent and minimum annual guarantees for eligible airport concessions. Under the ARP Act, the Authority was allocated approximately \$15.8 million in grant funding; the Authority applied \$8.0 million of such funding to pay operating expenses and debt service in Fiscal Year 2021 and applied the remaining \$6.2 million and \$1.6 million of such funding to pay operating expenses and debt service in Fiscal Years 2022 and 2023, respectively. In addition, the ARP Act established the Coronavirus State and Local Fiscal Recovery Funds to provide support to state, local and tribal governments. The Government has allocated \$17.0 million of such moneys to the Authority. The Authority applied such funding to pay operating expenses, specifically personnel costs, in Fiscal Years 2022 and 2023.

The Authority estimates that the amount of forgone revenues from waiving contractual minimum annual guarantee requirements from April 2020 through July 2023 for applicable concessionaires totaled approximately \$35.3 million. See “Passenger Terminal Building Concessions and Revenue Arrangements – *Duty Free Concession*” and “– *Food and Beverage Concessions*” and Non-Passenger Terminal Building Concessions and Revenue Arrangements – *Rental Cars and Customer Facility Charges*” and “– *Parking*.”

Funds received under the CARES Act, CRRSA Act and ARP Act are considered “Revenues” under the Indenture and can be used to satisfy the Rate Covenant. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Rate Covenant.”

The following table sets forth the amounts of federal grants and other funds awarded to the Authority from such federal agencies during Fiscal Years 2013 through 2023, and the first nine months of Fiscal Year 2024. The following table does not include the \$17.0 million of Coronavirus State and Local Fiscal Recovery Funds that the Government allocated to the Authority.

**Table 10**  
**A.B. Won Pat International Airport, Guam**  
**Federal Grant and Other Funding**  
**Fiscal Years 2013 through 2023 and First Nine Months of Fiscal Year 2024**

Fiscal Year	Federal Agency	Type of Funding	Award Amount
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	NEDCT Program and LEORA Program	1,943,782
2017	FAA	AIP Grant	9,700,500
2018	FAA	AIP Grant	20,517,558
2019	FAA	AIP Grant	4,596,429
2020	FAA	AIP Grant	26,092,783
	TSA	NEDCT Program and LEORA Program	378,749
	FAA	CARES Act	20,693,369
2021	TSA	NEDCT Program and LEORA Program	175,200
	FAA	AIP Grant	12,251,167
	FAA	CRRSA Act	5,955,726
	FAA	ARP Act	15,763,258
	TSA	NEDCT Program & LEORA Program	295,700
2022	FAA	AIP Grant	6,880,921
2023	FAA	AIP Grant	36,082,492 <sup>(1)</sup>
	FAA	BIL AIG	3,225,800 <sup>(1)</sup>
	TSA	NEDCT Program & LEORA Program	350,971
	FEMA	Covid-19 Emergency Protective Measures	505,539
2024 <sup>(2)</sup>	FAA	AIP Grant	500,000 <sup>(1)</sup>
	FAA	BIL ATP	21,400,000 <sup>(1)</sup>
	TSA	NEDCT Program & LEORA Program	238,248 <sup>(1)</sup>

<sup>(1)</sup> Full award amount has not yet been paid to the Authority on a reimbursement basis.

<sup>(2)</sup> Fiscal Year 2024 data as of June 30, 2024.

Source: The Authority.

***Infrastructure Investment and Jobs Act (Bipartisan Infrastructure Law).***

The federal government passed the Infrastructure Investment and Jobs Act (the “**IJA**”), also referred to as the Bipartisan Infrastructure Law (the “**BIL**”) in November 2021. The BIL provides approximately \$25 billion for airport capital projects over a five-year period (Fiscal Years 2022-2026). This aviation funding includes \$15 billion in grants for airport infrastructure projects that increase safety and expand capacity; \$5 billion in competitive grants for airport terminals including replacing aging terminals and airport-owned control towers; and \$5 billion to improve the physical condition of FAA air traffic control facilities. BIL grants are not eligible to pay airport operating expenses and debt service.

Under the Airport Infrastructure Grants (AIG) program provided by BIL, the Authority expects to receive approximately \$30 million for infrastructure development over the five-year period. As of June 30, 2024, the Authority has been allocated approximately \$17.8 million in BIL funds (approximately \$3.2 million of which has been received to date) for Fiscal Years 2022, 2023 and 2024 and plans to apply such funding to non-terminal building capital

improvement projects. In addition, BIL also provides competitive discretionary funding for the Airport Terminals Program (ATP). For Fiscal Year 2024, the Authority has been selected for a \$21.4 million project to replace the terminal roof with an energy efficient roofing system. This project is currently underway. See “AIRPORT PLANNING – Capital Improvement Plan – *Primary Projects Currently Underway* – Terminal Roof Replacement.”

## 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. See “THE AIRPORT – Air Carriers Serving the Airport.” Airlines that have entered into operating agreements are referred to as “**Signatory Airlines**.” For a more detailed summary of the Airline Operating Agreements, see “APPENDIX B – SUMMARY OF THE FORM OF SIGNATORY AIRLINE OPERATING AGREEMENT AND TERMINAL BUILDING LEASE.” Capitalized terms not defined in this section are defined in “APPENDIX B – SUMMARY OF THE FORM OF SIGNATORY AIRLINE OPERATING AGREEMENT AND TERMINAL BUILDING LEASE – DEFINITIONS.”

#### *General*

As of August \_\_, 2024, all passenger air carriers serving the Airport with scheduled service are Signatory Airlines. The Authority has a separate, substantially similar Signatory Airline Operating Agreement and Terminal Building Lease with each Signatory Airline serving the Airport (each, an “**Airline Operating Agreement**” and collectively, the “**Airline Operating Agreements**”). 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 Airline Operating Agreements have a five-year term from October 1, 2019 through September 30, 2024. The Authority is working with the Signatory Airlines to execute new airline operating agreements with substantially similar terms as the existing Airline Operating Agreements. The new airline operating agreements are expected to have a five-year term from October 1, 2024 through September 30, 2029. If necessary, and until such time a new airline operating agreement is executed, the Authority anticipates that the Signatory Airlines will continue to operate on “holdover status” on a month-to-month basis under the terms of the existing Airline Operating Agreements. Guam law currently precludes the Authority from entering into an agreement for the use of public real property for a term in excess of five years. In the event there is a change in such law, 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 SIGNATORY AIRLINE OPERATING AGREEMENT AND TERMINAL BUILDING LEASE.”

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, provided that 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**”) is 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**

### ***Duty Free Concession***

In 2013, the Authority entered into a concession agreement with Lotte Duty Free Guam, L.L.C. (“**Lotte**”), which was set to expire on July 20, 2023. On July 18, 2023, the Authority and Lotte entered into an amendment to the agreement (as amended, the “**Lotte Concession Agreement**”), which, among other things, extended the term of the agreement for an additional three years, commencing July 21, 2023, and expiring on July 20, 2026. Under the amended agreement, Lotte is required to pay the Authority rent as follows: (1) an annual concession fee in an amount equal to \$2,640,000, and (2) a per enplaned passenger fee based on the total number of enplaned passengers for the period of the extended term (\$4.00 up to 1,000,000 enplanements; \$4.50 on 1,000,001 to 1,500,000 enplanements; and \$5.00 over 1,500,000 enplanements). During this extended term, Lotte is required to secure a faithful performance bond of no less than \$8 million and make a minimum capital investment of not less than \$2.5 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 rent may be subject to adjustment.

The Authority received approximately \$5.5 million and \$6.6 million in revenues from the Lotte Concession Agreement in Fiscal Years 2022 and 2023, respectively, as compared to \$13.3 million in Fiscal Year 2019 (pre-pandemic). Such revenues reflect the continued impact of the COVID-19 pandemic and Typhoon Mawar on the Airport.

Prior to the amendment in 2023, the original Lotte Concession Agreement was structured for the Authority to receive rent equal to a percentage of gross revenues or a minimum annual guarantee, whichever was higher. As a result of the pandemic, the Authority waived the contractual MAG requirement for Lotte and implemented a lower monthly rental requirement from April 2020 through July 2023. The Authority estimates that the total amount of forgone revenue was approximately \$34.2 million. See also “CERTAIN FUNDING SOURCES – Federal Funding – COVID-19 Related Relief.”

Litigation relating to the Lotte Concession Agreement is currently pending before the Superior Court of Guam. See “CERTAIN INVESTMENT CONSIDERATIONS – Litigation Regarding the Duty Free Concession.” See also “APPENDIX C – AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2022 AND 2023 Note 8 and Note 10”.

### ***Food and Beverage Concessions***

The Authority has food and beverage concession agreements with eight concessionaires that commenced on September 1, 2023. The agreements have a one-year term and two 1-year extension options exercisable by the Authority. Under these agreements, the concessionaires are required to pay to the Authority annually 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 agreements, each concessionaire is required to make periodic capital investments for improvements to the applicable premises and to provide a performance guaranty.

Separate from the agreements described above, the Authority also has a food and beverage concession agreement with Sissie Café that commenced on December 18, 2019, with a five-year term. Under the agreement, the concessionaire is required to pay to the Authority annually the greater of a minimum annual guarantee of \$100,000 or 15% of the concessionaire's annual gross revenues. The agreement was structured for the Authority to receive rent equal to a percentage of gross revenues or a minimum annual guarantee, whichever was higher. As a result of the pandemic, the Authority waived the contractual MAG requirement for Sissie Café and implemented a lower monthly rental requirement from April 2020 through July 2023. The Authority estimates that the total amount of forgone revenue was approximately \$0.2 million. See also “CERTAIN FUNDING SOURCES – Federal Funding – *COVID-19 Related Relief*.”

The Authority received approximately \$0.4 million and \$0.8 million in revenues from the food and beverage concession agreements in Fiscal Years 2022 and 2023, respectively, as compared to \$1.1 million in Fiscal Year 2019 (pre-pandemic). Such revenues in Fiscal Years 2022 and 2023 reflect the continued impact of the COVID-19 pandemic, as well as the impact of Typhoon Mawar, on the Airport.

The Authority also plans to solicit concessions for additional food and beverage concessionaires in Fiscal Year 2025.

### ***In-Flight Catering***

LSG Lufthansa Services Guam, Inc. (“**LSG Lufthansa**”), provides in-flight catering pursuant to an annual business permit that currently expires on June 17, 2025. Pursuant to the permit, LSG Lufthansa is required to pay to the Authority an amount equal to 7% of its monthly gross revenues. LSG Lufthansa and the Authority have had this in-flight catering arrangement since the 1990s.

The Authority received approximately \$0.4 million and \$0.7 million in revenues from the arrangement in Fiscal Years 2022 and 2023, as compared to \$0.9 million in Fiscal Year 2019 (pre-pandemic). Such revenues in Fiscal Years 2022 and 2023 reflect the continued impact of the COVID-19 pandemic, as well as the impact of Typhoon Mawar on the Airport.

### ***Other Passenger Terminal Building Concessions***

The Authority has an airport advertising agreement with Big Fish Creative, Inc. (“**Big Fish**”), which presently continues on a month-to-month holdover basis. Under the agreement, Big Fish is required to pay to the Authority 60% of gross monthly revenue. The Authority received approximately \$208,284 and \$141,638 in revenues from the advertising concession agreement in Fiscal Years 2022 and 2023, respectively.

The Authority also plans to solicit concessions for currency exchange services, books, magazines and newsstand services, and advertising services within the passenger terminal building in Fiscal Year 2025.

## **Non-Passenger Terminal Building Concessions and Revenue Arrangements**

### ***Rental Cars and Customer Facility Charges***

Four rental car companies – Atkins Kroll, Hertz Rent-A-Car, National Car Rental and Nissan Rent-A-Car – currently operate at the Airport under rental car concession agreements that commenced on September 1, 2023. The agreements have a one-year term and two 1-year extension options exercisable by the Authority. The rental car companies have been operating at the Airport since 2006 and the terms of the current agreement are generally consistent with prior rental car concession agreements. Under the 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 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.

The aggregate minimum annual guaranty rent was approximately \$0.6 million and \$0.7 million in Fiscal Years 2022 and 2023, respectively, as compared to \$1.3 million in Fiscal Year 2019 (pre-pandemic). The Authority received approximately \$0.9 million and \$1.4 million in revenues from the rental car concession agreements in Fiscal Years 2022 and 2023, respectively, as compared to \$1.5 million in Fiscal Year 2019 (pre-pandemic). Such revenues in Fiscal Years 2022 and 2023 reflect the continued impact of the COVID-19 pandemic, as well as the impact of Typhoon Mawar, on the Airport.

The prior rental car concession agreements were structured for the Authority to receive rent equal to a percentage of gross revenues or a minimum annual guarantee, whichever was higher. As a result of the pandemic, the Authority waived the contractual MAG requirement for the rental car companies and implemented a lower monthly rental requirement from April 2020 through July 2023. The Authority estimates that the total amount of forgone revenue was approximately \$0.8 million. See also "CERTAIN FUNDING SOURCES – Federal Funding – COVID-19 Related Relief."

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 parking area and staging/storage lot used by the rental car companies and the operating and maintenance expenses of the Authority allocable to the ready/return parking area 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 Years 2022 and 2023, \$90,672 and \$133,999 of CFC revenues were remitted to the Authority, respectively, as compared to \$152,956 in Fiscal Year 2019 (pre-pandemic).

### ***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. PacAir, Ltd. ("PacAir") manages and operates the public facilities at the Airport under a parking concession agreement. PacAir 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 PacAir. The parking concession agreement commenced November 1, 2023. The agreement has a two-year term with a 1-year extension option exercisable by the Authority. PacAir has been operating at the Airport since 2011 and the terms of the current agreement are generally consistent with the prior parking agreement.

Under the agreement, PacAir is required to pay to the Authority annually the greater of (i) \$120,000 or (ii) 17% of PacAir's monthly gross receipts for its operation of the parking facilities. PacAir is also required to make a minimum investment amount of \$200,000 to upgrade the parking revenue control system. 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 has not increased rates since 2016. In addition, PacAir pays a monthly rental fee for office space at the Airport. The Authority pays a monthly flat service fee to PacAir to cover operational

expenses for the management of the commercial parking facilities. Subject to the approval of the Authority, PacAir may sell advertising space on the parking facilities. PacAir is required to pay to the Authority an amount equal to 15% of the gross revenue from the sale of such advertising.

The Authority received approximately \$120,883 and \$199,598 in revenues from the parking agreement in Fiscal Years 2022 and 2023, respectively, as compared to \$253,295 in Fiscal Year 2019 (pre-pandemic). Such revenues in Fiscal Years 2022 and 2023 reflect the continued impact of the COVID-19 pandemic, as well as the impact of Typhoon Mawar, on the Airport.

The prior parking agreement was structured for the Authority to receive rent equal to a percentage of gross revenues or a minimum annual guarantee, whichever was higher. As a result of the pandemic, the Authority waived the contractual MAG requirement for PacAir and implemented a lower monthly rental requirement from April 2020 through July 2023. The Authority estimates that the total amount of forgone revenue was approximately \$0.1 million. See also “CERTAIN FUNDING SOURCES – Federal Funding – *COVID-19 Related Relief*.”

### ***Ground Transportation***

The Airport typically receives ground transportation revenues generated from tour bus operators, taxicab operations, airport shuttle services, transportation network companies (*i.e.*, ridesharing companies) 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 typically operate under annual airport business permits, pursuant to which the various ground transportation providers pay to the Authority specified fees and charges. The Authority historically 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. In addition, the Authority typically 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. The taxicab permit charge was \$300 for each of Fiscal Years 2022 and 2023 and is currently \$400 for Fiscal Year 2024. Transportation network companies pay an annual permit fee of \$40.00 per vehicle and 10% of gross revenues, payable monthly.

The Authority received approximately \$0.5 million and \$1.3 million in revenues from its ground transportation-related arrangements (excluding rental income) and operations in Fiscal Years 2022 and 2023, respectively, as compared to \$4.3 million in Fiscal Year 2019 (pre-pandemic). Revenues from tour bus facility charges made up \$0.3 million and \$1.1 million of such ground transportation-related revenues in Fiscal Years 2022 and 2023, respectively, as compared to \$4.0 million in Fiscal Year 2019 (pre-pandemic). Such revenues in Fiscal Years 2022 and 2023 reflect the continued impact of the COVID-19 pandemic, as well as the impact of Typhoon Mawar, on the Airport. As of June 30, 2024, there were 75 tour bus operators, 106 taxicab companies and two transportation network companies operating at the Airport.

### **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 TSA and the Customs & Quarantine Agency for office and operations space and leases to other entities providing services at the Airport. The Authority received approximately \$5.5 million and \$5.3 million in revenues from these space leases in Fiscal Years 2022 and 2023, respectively, as compared to \$8.3 million in Fiscal Year 2019 (pre-pandemic). Such amounts include approximately \$1.4 million and \$1.5 million from the Customs and Quarantine Agency for space in the passenger terminal building in Fiscal Years 2022 and 2023, respectively, as compared to \$2.4 million in Fiscal Year 2019 (pre-pandemic).

### ***Tiyan Business Park***

The Authority receives revenue from the Tiyan Business Park through ground leases with PacAir 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. The Authority received approximately \$0.6 million per year in revenues from its ground leases with PacAir Properties, DHL, Triple B and CTSI in Fiscal Years 2022 and 2023, respectively, as compared to approximately \$0.6 million in Fiscal Year 2019 (pre-pandemic). The Authority also received approximately \$0.8 million per year in revenues pursuant to other arrangements for the use of facilities located in the Tiyan Business Park in Fiscal Years 2022 and 2023, as compared to approximately \$0.8 million in Fiscal Year 2019 (pre-pandemic).

In 2006, the Authority entered into a ground lease agreement with PacAir Properties to lease 540,000 square feet of land for constructing, maintaining and operating facilities suitable for air transportation services (the “**PacAir Integrated Cargo Terminal**”). Subsequent to the execution of the original ground lease, the Authority and PacAir Properties 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 “**PacAir Ground Lease**”). As so amended, the initial term of the lease is 50 years, commencing on February 22, 2008. For every additional improvement PacAir Properties makes to the leased premises that exceeds \$2.5 million, PacAir 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 PacAir Ground Lease, rent was deferred until July 29, 2014, the fifth anniversary of the date of beneficial occupancy of the PacAir Integrated Cargo Terminal. Thereafter, PacAir Properties is 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. PacAir Properties may sublet portions of the PacAir Integrated Cargo Terminal, subject to the consent of the Authority. Approximately 98% of the PacAir Integrated Cargo Terminal is currently occupied. PacAir Properties currently is subletting 32,500 square feet of the PacAir Integrated Cargo Terminal to the Authority, and in turn, the Authority sub-subleases a portion of the PacAir 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 land for the purposes of constructing, maintaining and operating a multi-modal facility for air and ocean freight and related activities, 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 for handling sea freight and 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 land for constructing, maintaining and operating facilities suitable for air and surface cargo import/export processing, 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 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 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 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 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 land for the purposes of developing and operating a parcel express delivery service, 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 in 2005, was extended twice at DHL’s option and now expires on September 30, 2025. The DHL Ground Lease may be extended at DHL’s option for one additional consecutive 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 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 three tenants operating pursuant to various ground leases, including a gas station and convenience store, a restaurant and a cargo warehouse facility. The Authority plans to solicit interest for a new building tenant in Fiscal Year 2025. The Authority received approximately \$1.1 million per year in revenues from its ground leases in the Airport Industrial Park in Fiscal Years 2022 and 2023, consistent with revenues received in Fiscal Year 2019 (pre-pandemic).

Pursuant to a Ground Lease, dated August 15, 1991 (the “**SPPC 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 land for the purposes of constructing and operating a motor vehicle service station and convenience

store. The initial 30-year term of the SPPC Ground Lease expired on August 13, 2021. SPPC has the option to extend the SPPC Ground Lease for two successive 10-year periods, and has exercised its option to extend for the first 10-year period, which expires on August 13, 2031.

Pursuant to the SPPC Ground 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 SPPC 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 SPPC's cost) to the same condition or better as it was at the commencement of the term of the SPPC Ground Lease.

Under certain circumstances, the Authority may terminate the SPPC Ground Lease and re-enter the property, including (i) any default under the SPPC Ground Lease (after giving effect to notice and cure periods); (ii) if SPPC 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 or 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 SPPC Ground Lease. If SPPC is in breach of the SPPC Ground Lease and has abandoned the premises, the Authority may elect to not to terminate the SPPC Ground Lease, and SPPC 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 land 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 Steamship 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 land 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, IT&E invested approximately \$3.5 million for the development, construction and equipping of the restaurant and related facilities. IT&E's obligation to pay rent under the IT&E Ground Lease began in September 2011, eight months after the commencement date.

The terms of the Marianas 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 escalates 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 Light Aircraft Commuter Facility 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. The Authority received approximately \$2.1 million per year in revenues for the use of these facilities in Fiscal Years 2022 and 2023, consistent with revenues received in Fiscal Year 2019 (pre-pandemic).

### **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 that generally have one-year terms.

## **FINANCIAL INFORMATION**

### **Historical Financial Results**

The following table summarizes the financial results from operations for the Authority for the Fiscal Years 2019 through 2023. See “APPENDIX C – AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2022 AND 2023.”

**Table 11**  
**A.B. Won Pat International Airport Authority, Guam**  
**Statements of Revenues, Expenses and Changes in Net Position**  
**Fiscal Years 2019-2023**

	2019	2020	2021	2022	2023
Operating revenues:					
Facilities and systems usage charges:					
Arrival facilities	\$ 8,347,102	\$ 3,320,638	\$475,611	\$1,432,759	\$3,440,035
Departure facilities	8,523,065	3,166,630	791,830	2,304,411	4,995,719
Immigration	2,992,580	1,141,757	87,865	455,453	1,346,089
Public apron	1,434,721	1,255,161	1,096,053	1,024,902	1,187,753
Passenger loading bridge	5,674,619	4,825,376	1,309,725	1,402,017	3,253,855
Landing fees	3,529,496	2,948,497	799,651	2,797,423	8,375,059 <sup>(1)</sup>
Utility recovery charge and other fees	589,105	630,898	477,492	700,154	824,646
Fuel flowage fee	251,570	242,016	261,792	242,143	379,300
Common use departure fees	--	--	--	183,371	203,435
Total facilities and systems usage charges	\$31,342,258	\$17,530,973	\$5,300,019	\$10,542,633	\$24,005,891
Concession fees:					
General merchandise	\$13,340,866	\$ 8,983,541	\$4,421,204	\$5,527,149	\$6,641,732
Ground transportation	4,056,595	1,869,800	(5,287)	407,880	1,129,610
Car rental	1,669,979	826,033	359,631	856,535	1,408,629
Food and beverage	1,084,172	577,059	115,867	400,001	772,627
In-flight catering	890,493	557,166	263,497	393,306	682,747
Other	1,180,076	664,102	355,030	5,152,459 <sup>(2)</sup>	(7,420,842) <sup>(2)</sup>
Total concession fees	\$22,222,181	\$13,477,701	\$5,509,942	\$12,737,330	\$3,214,503
Rental income:					
Operating space – airline	\$ 4,778,328	\$ 4,504,053	\$2,797,620	\$1,904,161	\$1,995,263
Operating space – non-airline	4,268,780	2,849,043	4,060,166	3,637,639	3,913,154
Other	3,774,343	3,816,917	3,696,941	3,860,340	5,100,665
Total rental income	\$12,821,451	\$11,170,013	\$10,554,727	\$9,402,140	\$11,009,082
Miscellaneous	\$ 2,566,926	\$ 982,110	\$ 1,808,568	\$508,505	\$1,961,444
Total operating revenues	\$68,952,816	\$43,160,797	\$23,173,256	\$33,190,608	\$40,190,920
Operating expenses:					
Contractual services	\$25,529,980	\$20,647,465	\$14,857,167	\$18,967,112	\$23,561,445
Personnel services	18,131,872	19,272,276	18,886,492	18,907,278	22,241,484
Materials and supplies	1,236,583	1,524,757	799,951	1,300,131	1,166,197
Total operating expenses	\$44,898,435	\$41,444,498	\$34,543,610	\$39,174,521	\$46,969,126
Income (loss) from operations before depreciation and amortization	\$24,054,381	\$ 1,716,299	(\$11,370,354)	(\$5,983,913)	(\$6,778,206)
Depreciation and amortization	(28,071,895)	(27,236,732)	(29,198,113)	(31,247,534)	(32,873,078)
Operating income(loss)	(\$ 4,017,514)	(\$25,520,433)	(\$40,568,467)	(\$37,231,447)	(\$39,651,284)
Non-operating income (expense):					
Passenger facility charge income	\$7,362,377	\$2,919,951	\$270,964	\$1,349,348	\$3,281,933
Interest income	2,472,916	1,818,696	762,933	818,954	1,351,070
Interest expense	(7,528,494)	(4,150,792)	756,281	(9,443,734)	(8,708,546)
Interest on leases	--	--	--	131,998 <sup>(2)</sup>	154,121 <sup>(2)</sup>
Other expenses, net	(3,071,554)	(6,533,361)	(2,421,257)	(3,651,843)	(2,616,556)
Operating Grants from the U.S. Government	415,108	15,102,146	20,442,607	24,206,136	2,071,462
Aviation fuel tax	--	--	--	--	6,782,872 <sup>(3)</sup>
Non-recurring expenses	(127,001)	(139,220)	--	--	(1,024,489) <sup>(4)</sup>
Total non-operating income (expense), net	(\$ 476,648)	\$9,017,420	\$19,811,528	\$13,410,859	\$1,291,867
Loss before capital grants	(\$4,494,162)	(\$16,503,013)	(\$20,756,939)	(\$23,820,588)	(\$38,359,417)
Capital Grants from the U.S. Government	\$7,766,386	\$12,054,605	\$22,340,926	\$23,498,637	\$6,467,389
Increase in net position	\$3,272,224	(\$4,448,408)	\$1,583,987	(\$321,951)	(\$31,892,028)
Net position at beginning of year	\$281,488,284	\$284,760,508	\$280,312,100	\$281,896,087	\$281,574,136
Net position at end of year	\$284,760,508	\$280,312,100	\$281,896,087	\$281,574,136	\$249,682,108

- (1) Increase in Fiscal Year 2023 due to a higher landing fee rate effective as of October 1, 2022, and significant increase in aircraft activity.
- (2) Decrease in Fiscal Year 2023 due to effect of Governmental Accounting Standards Board Statement No. 87 implementation on leases. See “APPENDIX C – AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2022 AND 2023, Note 1.”
- (3) Consists of revenues from aviation fuel tax collected by the Government of Guam since January 1, 2018, which were collectively remitted to the Authority in Fiscal Year 2023. See “CERTAIN FUNDING SOURCES – Aviation Fuel Tax.”
- (4) Includes non-recurring expenses in Fiscal Year 2023 related to Typhoon Mawar recovery. See “THE AIRPORT – Aviation Activity – *Typhoon Mawar*.”

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

### ***Management’s Discussion of Fiscal Year 2024 (Year-to-Date) Financial Results.***

For the first nine months of Fiscal Year 2024, the total number of passenger movements reached 1,490,506, 28.3% more than the 1,161,475 movements for the same period in Fiscal Year 2023. Enplanements, constituting 796,213 movements, represented 53.4% of the overall traffic, while arriving passengers comprised 46.6%. Airline partners transported over 7,179 metric tons of cargo and 11,131 metric tons of mail during this period.

During this period, the Airport’s total operating revenues increased by 29.4% from \$35.0 million in the first nine months of Fiscal Year 2023 to \$45.2 million in the same period in Fiscal Year 2024. This increase in operating revenues is attributed to increases in facilities and systems usage charges by \$7.7 million, concession fees by \$1.5 million, rental income by \$1.2 million, as well as a decrease in miscellaneous revenues of \$0.1 million. The increase in facilities and systems usage charges and rental income are mainly attributed to increased passenger activity and airline rents and fees. The Airport’s operating costs and expenses increased from \$32.8 million in the first nine months of Fiscal Year 2023 to \$34.7 million in the same period in Fiscal Year 2024 due to increases in personnel and contractual expenses.

### **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 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 Budget, 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 2024 in August 2023, and expects to adopt its budget for Fiscal Year 2025 by the end of August 2024.

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 SIGNATORY AIRLINE OPERATING AGREEMENT AND TERMINAL BUILDING LEASE” and “APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE AND THE SEVENTH SUPPLEMENTAL INDENTURE.”

### Historical Debt Service Coverage

The following table shows the Authority’s Annual Debt Service Coverage for the Fiscal Years ended September 30, 2019 through 2023. 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 2019-2023**

	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Revenues <sup>(1)</sup>	\$78,057,017	\$62,599,909	\$44,505,782	\$54,733,873	\$60,364,071
Less: Operation and Maintenance Expenses	(44,991,443)	(42,659,019)	(35,767,648)	(42,438,343)	(48,076,913)
Net Revenues	\$33,065,573	\$19,940,890	\$8,738,134	\$12,295,530	\$12,287,158
Plus: Other Available Moneys <sup>(2)</sup>	5,968,250	3,393,565	1,729,676	2,018,555	6,847 <sup>(3)</sup>
Net Revenues and Other Available Moneys	\$39,033,823	\$23,334,455	\$10,467,810	\$14,314,085	\$12,294,005
Aggregate Annual Debt Service	\$23,873,000	\$13,574,260	\$ 6,918,703	\$8,074,221	\$7,264,857
Annual Debt Service Coverage (1.25x Required)	1.64x	1.72x	1.51x	1.77x	1.69x

<sup>(1)</sup> 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.

<sup>(2)</sup> 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.

<sup>(3)</sup> Decrease in Fiscal Year 2023 due to timing of bank transfers.

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

## Projected Debt Service Coverage

The following table sets forth the projected revenues, expenses, debt service and debt service coverage on the Bonds, including the 2024 Bonds, for Fiscal Years 2024 through 2028.

**Table 13**  
**Projected Annual Debt Service Coverage**  
**A.B. Won Pat International Airport Authority, Guam**  
**Fiscal Years Ending September 30**  
**(in thousands)**

	2024	2025	2026	2027	2028
<b>Calculation of Net Revenues Available for Debt Service</b>					
Signatory Airline Revenue	\$31,751	\$41,825	\$44,753	\$47,885	\$51,237
Terminal Building Concession Revenue	17,896	20,931	22,396	23,964	25,641
Other Nonairline Revenue	10,454	10,178	10,890	11,653	12,468
PFC Revenue	3,976	4,727	5,058	5,412	5,791
Aviation Fuel Tax	1,658	1,800	1,926	2,061	2,205
Federal Reimbursement	344	400	400	400	400
<b>Total Revenues</b>	<b>\$66,079</b>	<b>\$79,861</b>	<b>\$85,423</b>	<b>\$91,375</b>	<b>\$97,743</b>
Less: Operation and Maintenance Expenses	(50,712)	(56,897)	(58,035)	(59,196)	(60,380)
Plus: Other Available Money	2,000	4,662	4,700	4,700	4,700
<b>Total Net Revenues &amp; Other Available Moneys<sup>(1)</sup></b>	<b>\$17,367</b>	<b>\$27,626</b>	<b>\$32,088</b>	<b>\$36,879</b>	<b>\$42,064</b>
<b>Calculation of Debt Service Coverage</b>					
Net Revenues & Other Available Moneys	\$17,367	\$27,626	\$32,088	\$36,879	\$42,064
Annual Debt Service <sup>(2)</sup>	\$11,851	\$18,648	\$18,648	\$18,645	\$18,655
<b>Debt Service Coverage Ratio</b>	<b>1.47x</b>	<b>1.48x</b>	<b>1.72x</b>	<b>1.98x</b>	<b>2.25x</b>

<sup>(1)</sup> Totals may not add due to rounding.

<sup>(2)</sup> Total annual debt service has not been and will not be revised to reflect the final terms of the 2024 Bonds.

Source: 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 and their dependents, including Authority employees 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”). From April 1, 2017 to December 31, 2017 and from June 1, 2023 to December 31, 2023, eligible, active DC Plan members could elect to become members of the Defined Benefit 1.75 Retirement System (the “DB 1.75 Plan”). In addition, new employees hired on or after January 1, 2024 will become members of the DC Plan and eligible, active DC Plan members may elect to become a member of the DB 1.75 Plan within a certain timeframe of initial employment. The DB Plan, DC Plan, and DB 1.75 Plan are further described below.

**DB Plan.** The DB Plan is a single-employer defined benefit pension plan administered by the GGRF to which the Authority 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 Authority. 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 Government of Guam Retirement Fund Actuarial Valuation as of September 30, 2023 (the “2023 GGRF Valuation Report”), the most recent valuation report as of the date of this Official Statement, there were a total of 933 active members (including 31 Authority employees), 7,201 retired members and 3,045 inactive members under the DB Plan as of September 30, 2023.

**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 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. The default plan for all new Government employees, including Authority employees, is the DC Plan. According to the 2023 GGRF Valuation Report, there were a total of 7,697 active members (including 119 Authority employees) under the DC Plan as of September 30, 2023.

**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 under "– General," certain existing employees and members of the DC Plan were provided an opportunity to participate in the DB 1.75 Plan in 2017. According to the 2023 GGRF Valuation Report, there were a total of 2,640 active members (including 75 Authority employees), 292 retired members and 16 inactive members under the DB 1.75 Plan as of September 30, 2023.

As further described above under "– General," certain existing employees and members of the DC Plan currently have, and certain new employees and members of the DC Plan will have, an opportunity to participate 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 Fiscal Years 2019-2023 are shown in the following table. The UAAL and funded ratio includes the DB 1.75 Plan.

**Table 14**  
**Unfunded Actuarial Accrued Liability and Funded Ratio of Defined Benefit Plans<sup>(1)</sup>**  
**Fiscal Years 2019 through 2023**  
**(in millions)**

<b>Fiscal Year</b>	<b>Accrued Liability</b>	<b>Actuarial Assets</b>	<b>Unfunded Actuarial Accrued Liability</b>	<b>Funded Ratio</b>
2019	\$3,221.3	\$2,066.0	\$1,155.4	64.13%
2020	3,228.1	2,053.9	1,174.2	63.62
2021	3,267.5	2,125.3	1,142.2	65.04
2022	3,236.6	2,063.6	1,173.0	63.76
2023	3,232.6	2,019.3	1,213.3	62.47

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

Source: Government of Guam Retirement Fund Actuarial Valuation as of September 30, 2023.

Significant actuarial assumptions and methods used in the 2023 GGRF Valuation Report 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 2.50% per year; (d) 3-year phase-in of gains/losses relative to interest rate assumption; and (e) amortization of UAAL to an end date of May 1, 2033. According to the 2023 GGRF Valuation Report, and based on the GGRF 2023 Audited Financial Statements, the GGRF actuary calculated an investment return on the total market value of assets of 11.6% for the fiscal year ending September 30, 2023. The average annual return on the market value of assets has been 3.2% for the last five fiscal years. The investment return on the actuarial value of assets (recognizing investment gains and losses over a 3-year period) was 2.2% for the Fiscal Year ended September 30, 2023.

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 2015. For the Authority's proportionate share of the GGRF's net pension liability and pension expense for Fiscal Year 2023, see "APPENDIX C – AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2022 AND 2023, Note 7."

**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 Guam Legislature by the GGRF in advance of each Fiscal Year and used for budget preparation, the Guam 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 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 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 2019-2023:

**Table 15**  
**Employer Contribution Rates – Actuarial and Statutory<sup>(1)</sup>**  
**Fiscal Years 2019 through 2023**

<b>Fiscal Year</b>	<b>Actuarial Rate</b>	<b>Statutory Rate</b>
2019	26.97%	26.56%
2020	28.32	26.28
2021	28.43	26.97
2022	29.43	28.32
2023	30.77	28.43

<sup>(1)</sup> 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, 2021 (Fiscal Year 2021) is applied for the Fiscal Year beginning October 1, 2023 (Fiscal Year 2023)

*Source: Government of Guam Retirement Fund Actuarial Valuation as of September 30, 2023.*

In addition, the statutory rates for Fiscal Years 2024 and 2025 are 29.43% and 30.77%, respectively.

The following table sets forth the actual contributions made by the Authority to the DB Plan during Fiscal Years 2019 through 2023. Such amounts were equal to the required contributions for those years.

**Table 16**  
**Authority's Contributions to DB Plan**  
**Fiscal Years 2019 through 2023**

<b>Fiscal Year</b>	<b>Amount</b>
2019	\$2,295,961
2020	2,218,740
2021	2,314,394
2022	2,379,736
2023	2,432,489

*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 2019 through 2023. Such amounts were equal to the required contributions for those years.

**Table 17**  
**Authority's Contributions to DC Plan and DB Plan toward Unfunded Liability**  
**Fiscal Years 2019 through 2023**

<b>Fiscal Year</b>	<b>DC Plan Amount</b>	<b>Portion of DC Plan Amount to DB Plan</b>
2019	\$3,106,325	\$ 810,364
2020	3,390,951	1,172,211
2021	3,521,603	1,258,026
2022	3,841,957	1,462,221
2023	4,047,008	1,614,519

*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. Public Law 36-107 increased ad hoc COLA payments of \$2,000 per year to \$2,200 per year 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. Starting in Fiscal Year 2020, the Government began to phase in policy self-insurance: dental in Fiscal Year 2020, pharmaceuticals in Fiscal Year 2022 and medical in Fiscal Year 2024. 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, including fiduciary funds and component units such as the Authority, was approximately \$2.67 billion for Fiscal Year 2022 (most recent data available), \$2.60 billion for Fiscal Year 2021, and \$2.52 billion for Fiscal Year 2020. The OPEB unfunded actuarial accrued liability allocated to the Authority was approximately \$49.2 million for Fiscal Year 2022, \$47.5 million for Fiscal Year 2021, and \$45.4 million for Fiscal Year 2020.

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 2019-2023, as well as the Authority’s contributions to reimburse the Government for the OPEB costs of the Authority’s retirees (*i.e.*, medical, dental and life insurance).



**Table 18**  
**Government Contributions from General Fund for OPEB and**  
**Authority's Contribution to Reimburse OPEB**  
**Fiscal Years 2019 through 2023**

<b>Fiscal Year</b>	<b>Government Contributions<sup>(1)</sup></b>	<b>Authority's Contribution to Reimburse OPEB</b>
2019	\$30,569,444	\$502,180
2020	27,920,521	515,865
2021	32,565,557	463,603
2022	N/A <sup>(1)</sup>	529,407
2023	N/A <sup>(1)</sup>	651,561

<sup>(1)</sup> The Government contribution amounts for Fiscal Years 2022 and 2023 are not yet available.

*Sources: Extracted from Government of Guam Financial Statements for Fiscal Year 2022 and Authority's Audited Financial Statements for Fiscal Years 2023 and 2022.*

### **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 June 30, 2024, the balances in the Renewal and Replacement Fund and in the Risk and Loss Management Fund were approximately \$1.0 million and \$7.3 million, respectively.

## AIRPORT PLANNING

### Master Plan Update

In November 2021, the Authority retained a planning consultant to update the existing airport master plan. The primary goals of the master plan update include updating forecasts of aircraft and passenger activity; determining physical Airport facilities necessary to meet the Airport's future passenger and cargo needs; enhancing passengers' overall experiences of passing through the Airport; developing a terminal and cargo facilities plan that confirms the Authority's strategic vision; developing a landside plan that accommodates the loss of public parking expected to result from the widening of Route 10A; and expanding usable space within the terminal footprint to support an improved concessions program. A final draft of the airport master plan update has been completed and is currently pending review and approval of the airport layout plan by the FAA. The airport master plan update has been funded with an FAA planning grant.

### Airports Capital Improvement Plan

The national Airports Capital Improvement Plan (the "ACIP") is an FAA document that serves as the primary planning tool for identifying and prioritizing airport development and associated capital needs for the national airspace system. It also serves as the basis for the distribution of grant funds under the Airport Improvement Program ("AIP"). The FAA prepares the national ACIP annually based on regional airports capital improvement plans prepared from information provided by individual airports or state airport planning agencies on anticipated development needs over the next three- to five-years. The Authority is currently working with its regional airports office to revise the regional airport capital improvement plan with respect to the Airport's anticipated development needs for fiscal years 2025-2027, some of which will overlap with the Airport's airport master plan update. ACIP projects are funded with FAA and BIL grants.

### Capital Improvement Plan

Based on prior airport master plans and prior ACIPs, the Authority developed a multi-year capital improvement plan that focused on projects intended to increase capacity, facilitate passengers through the federal inspection service process and enhance customer safety and security. Below are key projects that were completed in Fiscal Years 2022 and 2023 and primary projects that are currently underway with planning, design or construction. The Authority does not currently plan to issue Additional Bonds to provide additional funds for any of these capital projects.

#### *Key Projects Completed in Fiscal Years 2022 and 2023*

- Third Floor International Arrivals Corridor with Seismic Upgrades. This project consisted of construction of a new international arrivals corridor that separates arriving non-TSA-screened passengers from departing TSA-screened passengers, as well as seismic upgrades to the passenger terminal building infrastructure to support the new Third Floor International Arrivals Corridor. The west concourse was completed and operational in December 2021, and the east concourse was completed and operational in April 2022. Total project costs were approximately \$135 million. Sources of funding for this project included proceeds from the Series 2013 Bonds, Authority funds and FAA grants.
- Runway 6L/24R Rehabilitation (Phase 1a and 1b). This project includes the rehabilitation and reconstruction of over 1,550 linear feet of runway (Phase 1a) and the rehabilitation and reconstruction of an additional 1,450 linear feet of runway (Phase 1b). Phase 1a and Phase 1b were completed in May 2022. Total project costs were approximately \$21 million. Sources of funding for this project included FAA grants (90%) and Authority funds (10%).
- Aircraft Rescue and Firefighting Facility. This project consists of construction of a new aircraft rescue and firefighting facility that will improve response time to potential emergencies. This project was substantially completed in July 2022. Total project costs were approximately \$23.4 million. Sources of funding for this project included FAA grants (90%) and Authority funds (10%).

- Runway 6L/24R Rehabilitation (Phase 2). This project includes the rehabilitation of over 4,000 linear feet of runway previously constructed using PCC pavement. Phase 2 was physically completed in March 2023. Total project costs were approximately \$5 million. Sources of funding for this project included FAA grants (90%) and Authority funds (10%).

#### ***Primary Projects Currently Underway***

- Part 150 Noise Study Update. This project is an update of the Authority’s Noise Compatibility Program, an ongoing project to provide for noise mitigation. The project will include an update of the noise exposure maps that will determine the scope of remediation. Drafts of the updated noise exposure maps are in final form and pending public review. The Authority anticipates the Noise Compatibility Program will be completed in 2025. Total planning costs are estimated to be approximately \$2.2 million. Sources of funding for this project are from FAA grants (90%) and Authority funds (10%). See also “AIRPORT ENVIRONMENTAL MATTERS – Noise Mitigation.”
- 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. Project design is currently 60% complete. Sources of funding for the design component of this project are from FAA grants (90%) and Authority funds (10%).
- Apron and 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. As of July 2024, notice to proceed has been issued for three of four phases. Total project costs are estimated to be approximately \$40 million. The source of funding for this project is anticipated to be AIP grants from the FAA. To date, the FAA has awarded \$31 million for this project. See “CERTAIN FUNDING SOURCES – Federal Funding.”
- Terminal Roof Replacement. This project includes two phases. Phase 1 includes replacing a deteriorating roofing system. Phase 2 includes adding solar renewable energy. Construction bids for Phase 1 have been received and are currently under evaluation. Total project costs are estimated to be approximately \$47 million. The source of funding for these two phases is anticipated to be Airport Terminals Program funds under the BIL. The FAA has selected Phase 1 for funding in the amount of \$21.4 million under the Airport Terminals Program provided under the BIL. See also “CERTAIN FUNDING SOURCES – Federal Funding – *Infrastructure Investment and Jobs Act (Bipartisan Infrastructure Law)*.”

## AIRPORT ENVIRONMENTAL MATTERS

The Authority is required to comply with a number of federal and local laws and regulations. Several significant environmental matters have direct and indirect impacts on the Authority and the Airport, including aircraft noise mitigation and hazardous substance clean up, some of which are described below. A significant portion of the Authority's property has been used in the past for a variety of industrial and military purposes, resulting in environmental contamination. The Authority's financial statements include accrued liabilities, which are established, reviewed and adjusted periodically, in accordance with applicable accounting standards, for the estimated costs of compliance with environmental requirements and remediation of known contamination. As required by GASB 49, as of September 30, 2023, the Authority estimated that its pollution remediation obligations to be approximately \$55,996. 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 YEARS ENDED SEPTEMBER 30, 2022 AND 2023, Note 10."

### 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 is currently operating on a month-to-month basis. 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."

The Authority, the Navy and the EPA are currently in discussions regarding firefighting foam. Per- and polyfluoroalkyl substances ("PFAS") have been historically used in aqueous film-forming foams ("AFFFs") for fighting liquid fuel fires. Fluorine-free foams are foams for fighting liquid fuel fires that do not contain any PFAS. The Authority is phasing out AFFFs and transitioning to fluorine-free foams. The Authority is in the process of applying for FAA funds to study the mitigation of PFAS in the groundwater utilizing the granular activated carbon ("GAC") treatment system. The initial program includes GAC replacement and possibly reusing and testing protocols for PFAS levels at the wells, reservoir and in the GAC material.

See "APPENDIX C – AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2022 AND 2023, Note 10."

### 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 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. Under the OU3 Decision 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," and "APPENDIX C – AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2022 AND 2023, Note 10."

### **Noise Mitigation**

In November 2003, the FAA approved a Noise Compatibility Program (the "NCP") developed by the Authority in response to the FAA's Federal Aviation Regulation Part 150, Airport Noise Compatibility Planning. As part of the NCP, the Authority created the Residential Sound Solutions Program (the "RSSP") to reduce aircraft related noise levels for residents in the highest noise impacted areas surrounding the Airport and developed a noise 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. Between 2003 and 2018, under the RSSP, the Authority provided sound insulation to approximately 237 residences. In exchange for such sound insulation improvements, the Authority received voluntary aviation easements from homeowners. 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 constitute high noise impact areas, 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 under the RSSP while the Authority updated its NCP, including the 2003 Noise Exposure Map (such update, the "**Part 150 Noise Study Update**"). The RSSP is currently on hold pending completion of the Part 150 Noise Study Update. Drafts of the updated noise exposure maps are in final form and pending public review. The Authority anticipates the NCP will be completed in 2025.

### **Environmental Sustainability**

The Authority is committed to environmental sustainability and has established several energy savings and sustainability initiatives. First, the Authority's terminal roof replacement project is planned to include renewable energy using solar panels which is expected to provide approximately 1.6 megawatts of power. See "AIRPORT PLANNING – Capital Improvement Plan – *Primary Projects Currently Underway* – Terminal Roof Replacement." The Authority is also committed to reducing carbon emissions and fostering sustainable transportation. Through the FAA's zero emissions vehicle program, the Authority plans to initiate fleet electrification with seven electric vehicles and four charging stations. Moreover, the Authority has commenced an energy efficiency study to identify additional opportunities for reducing energy consumption and enhancing the Airport's energy-saving measures. Finally, the Authority is exploring the development of a micro-grid planning study for centralized transmission and distribution of all power sources, including the strategic use of backup batteries.

## 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 2024 Bonds and does not necessarily reflect the relative importance of the various risks. Potential purchasers of the 2024 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 2024 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 2024 Bonds. No assurance can be given that other risk factors will not become material in the future. The 2024 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 2024 Bonds and should confer with their own legal and financial advisors before considering a purchase of the 2024 Bonds.

### General

The principal of and interest on the Bonds, including the 2024 Bonds, are payable pursuant to the Indenture solely from the Revenues. The ability to pay debt service on the Bonds, including the 2024 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 2024 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 and is the major source of airline passenger traffic at the Airport. 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 Authority's control, can adversely affect the tourism industry. For example, the outbreak of COVID-19 in calendar year 2020 had a significant impact on the tourism industry. See "APPENDIX A – GENERAL INFORMATION REGARDING THE TERRITORY OF GUAM – COVID-19 Pandemic" and "– GEOGRAPHIC, DEMOGRAPHIC AND ECONOMIC INFORMATION – Guam Tourism Industry." Currency exchange rates, trade balances, political relationships, and conflicts within and between countries are also increasingly important influences on tourism and passenger traffic at major international airports.

Economic, social and political conditions in South Korea, Japan 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. Total visitor arrivals decreased from a high of approximately 1.6 million in Fiscal Year 2019 to a low of approximately 61,000 in Fiscal Year 2021 due primarily to the COVID-19 pandemic. Total visitor arrivals from South Korea and Japan decreased from approximately 1.4 million in Fiscal Year 2019 to a low of approximately 5,500 in Fiscal Year 2021, resulting in significantly reduced revenues to the Airport during this period. Any continued or future significant downturn in tourism, including a downturn related to South Korean or Japanese economic conditions or social policies, may result in reduced collection of Revenues. While GVB expects visitor arrivals to rebound as the pandemic continues to subside, no assurance can be given that Guam will not experience continued reductions in the number of visitors from South Korea, Japan and other visitor markets because of the COVID-19 pandemic or other economic, social or political conditions. See "– Worldwide Health Concerns" below and "APPENDIX A – GENERAL INFORMATION REGARDING THE TERRITORY OF GUAM – GEOGRAPHIC, DEMOGRAPHIC AND ECONOMIC INFORMATION – Guam Tourism Industry."

In April 2024, the Authority implemented its Air Service Development Incentive Program, with the objective of stimulating international and domestic passenger air service to the Airport, increasing aeronautical and non-aeronautical revenue streams, and reducing costs per enplaned passenger at the Airport. The program is aligned with the FAA's final policy statement regarding incentives offered by airport sponsors to air carriers for improved air service, effective December 7, 2023. The program provides for discounts up to 50% on applicable operational rates, offering incentives to new entrant carriers, year round or seasonal direct air service providers, and incentives for incumbent carriers to add new routes.

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

***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, such as through individuals' demand for commercial, construction and other services. Expansions in the U.S. military presence, such as the expansions expected to occur over the next several years, can also 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.

Based on the 2015 Supplemental Environmental Impact Statement and 2015 Record of Decision, which have not been updated since their initial publication, the U.S. Department of Defense planned to relocate approximately 5,000 military personnel and 1,300 dependents to Guam over a 12-year period, which was expected to increase the military population on Guam by approximately 50% over levels at that time. The population increase was expected to peak at 9,721 people in calendar year 2023, including military personnel, dependents, construction and civilian personnel associated with the military realignment, and gradually reach a steady state of 7,411 people by calendar year 2028 as construction declines and construction personnel leave Guam. However, based on reports from the Defense Manpower Data Center, the highest number of military personnel on Guam since December 2015 was 11,638 in September 2022 (an increase of 2,254 military personnel since December 2015). The number of military personnel on Guam has since decreased to 10,523 in March 2024. If the U.S. military changes its current plans with respect to staffing and other strategic improvements on Guam or if the planned population increase does not materialize, 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 – GEOGRAPHIC, DEMOGRAPHIC AND ECONOMIC INFORMATION – Military Activity.”

***H-2B Visas.*** The anticipated relocation of U.S. Marines from Okinawa, Japan and other economic projects has generated and is expected to continue 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. As of June 3, 2024, there were approximately 5,508 individuals with H-2B visas 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. The National Defense Authorization Act for federal fiscal year 2021 included a provision that specifically allows Guam to bring in H-2B workers for civilian projects, which had not been allowed in previous years. For more information regarding the status of H-2B visas, see “APPENDIX A – GENERAL INFORMATION REGARDING THE TERRITORY OF GUAM – GEOGRAPHIC, DEMOGRAPHIC AND ECONOMIC INFORMATION – H-2B Visas.”

## **Worldwide Health Concerns**

A pandemic, epidemic or outbreak of an infectious disease can have significant adverse health and financial impacts on global and local economies, including Guam and the Airport. For example, the outbreak of Severe Acute Respiratory Syndrome (SARS) in 2003 led to temporary declines in passenger traffic at the Airport in Fiscal Year

2003. In addition, the COVID-19 pandemic has significantly impacted Guam's economic activity and Airport Revenues. In addition to certain direct impacts on the operations and finances of the Authority, the COVID-19 pandemic had significant and varied impacts on general economy activity at the local, national and global levels, including supply chain and labor market disruptions. Such disruptions, among other effects, resulted in increases in materials, labor and other costs across a wide number of sectors, as well as delays in delivery of projects and equipment. The Authority has experienced, and may in the future experience, increases in certain costs, such as for bulk chemical supplies, and delays in the delivery of equipment as a result of a disruption of supply chains from the COVID-19 pandemic. Additionally, such disruptions may result in schedule delays for the Authority's capital projects or increased costs for such projects.

See "APPENDIX A – GENERAL INFORMATION REGARDING THE TERRITORY OF GUAM – COVID-19 Pandemic and – GEOGRAPHIC, DEMOGRAPHIC AND ECONOMIC INFORMATION – Guam Tourism Industry."

### **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 2024 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, such as the COVID-19 pandemic; 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 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**

Prior to the outbreak of the COVID-19 pandemic, airports in Japan and throughout the Pacific Rim were 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. As travel rebounds in the years following the COVID-19 pandemic, these restrictions may 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 airlines serving the Airport and the airline industry as a whole. The economic condition of the aviation industry is volatile, and the aviation industry has undergone significant changes in recent years, including mergers, acquisitions, bankruptcies and closures. For example, in November 2020, Korean Air announced plans to acquire Asiana Airlines. This proposed merger remains subject to regulatory approval and other conditions and the Authority cannot predict what impact such merger will have on airline traffic at the Airport. Air Busan and Air Seoul, which remain Signatory Airlines, are subsidiaries of Asiana Airlines. See also “THE AIRPORT – Air Carriers Serving the Airport.”

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; (xi) disruptions caused by natural disasters, airline accidents, criminal incidents and acts of war or terrorism; and (xii) world health concerns such as the COVID-19 pandemic. The COVID-19 pandemic and the economic impacts thereof have had a significant and adverse impact on the demand for air travel and the airline industry.

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 in the past 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 such as the COVID-19 pandemic, 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, any action to remove the airline from possession of any premises or other space, 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. Such a repudiation could also excuse the other parties to the agreements from performing their obligations under such agreements. To the extent that any agreement that is repudiated constitutes, or is determined to constitute, 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. The airline may be able, without the consent and over the objection of the Authority, the Trustee, and the holders of the 2024 Bonds, to alter the terms, including the payment terms, of its agreements with the Authority, as long as the bankruptcy court determines that the alterations are fair and equitable. 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 2024 Bondholders may be required to return to the airline as preferential transfers any money that was used to make payments on the 2024 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 connection with airlines in bankruptcy or similar proceedings outside of the United States, the Authority cannot predict what types of orders could be issued by foreign tribunals or the extent of delays in connection with such proceedings, the extent to which such orders would be enforceable in the United States, or the extent of any losses resulting from such proceedings.

There may be delays in payments on the 2024 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 2024 Bonds, or result in losses to the holders of the 2024 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 2024 Bonds.

Philippine Airlines, Inc. filed for Chapter 11 bankruptcy in the United States Bankruptcy Court for the Southern District of New York in September 2021. The Authority subsequently filed a claim in the amount of \$31,658 for airport rents, fees and charges in November 2021. PAL completed a financial restructuring plan and emerged from bankruptcy in December 2021. The Authority is a non-priority, unsecured creditor, and the claim has not yet been paid as of August \_\_, 2024. However, PAL's bankruptcy has not had a material adverse effect on the Airport's operations or Revenues, and PAL continues to operate at the Airport pursuant to the Airline Operating Agreement.

## **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, any action to remove the concessionaire from possession of any premises or other space, 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. Such a repudiation could also excuse the other parties to the agreements from performing their obligations under such agreements. To the extent that any agreement that is repudiated constitutes, or is determined to constitute, 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 concessionaire may be able, without the consent and over the objection of the Authority, the Trustee, and the holders of the 2024 Bonds, to alter the terms, including the payment terms, of its agreements with the Authority, as long as the bankruptcy court determines that the alterations are fair and equitable. The 2024 Bondowners may be required to return to the concessionaire as preferential transfers any money that was used to make payments on the 2024 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 2024 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 2024 Bonds, or result in losses to the holders of the 2024 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 2024 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 2024 Bonds, or in losses to the holders of the 2024 Bonds.

## **United Airlines – The Airport’s Largest Carrier**

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 2019 (pre-pandemic), United Airlines accounted for approximately 36.4% of airline market share of enplaned passengers at the Airport. While most airlines operating at the Airport suspended or terminated service as a result of the COVID-19 pandemic, United Airlines continued providing service throughout the pandemic, operating “lifeline” flights for medical and emergency response personnel and essential cargo service of medical supplies, equipment and perishable foods. United Airlines accounted for a high of 85.3% of airline market share of enplaned passengers at the Airport in Fiscal Year 2021. For the first nine months of Fiscal Year 2024, United Airlines has returned to pre-pandemic levels, accounting for approximately 37.8% of airline market share. See “THE AIRPORT – Aviation Activity – *Air Carrier Market Share*.” The Authority believes United Airlines is committed to serving Guam and expanding its Guam based hub operations. Most recently, United Airlines launched daily non-stop flights to Haneda Airport in Tokyo, Japan, on May 1, 2024, and announced a new Tokyo-Cebu service utilizing Guam based air equipment and crew to begin in the third quarter of 2024. However, the Authority cannot predict the effect that a reduction or discontinuation of service by United Airlines would have on the Authority or Revenues, or whether another airline would be able to provide the service previously provided by United Airlines in the event of a such a reduction or discontinuation of service.

## **Litigation Regarding the Duty Free Concession**

Following a competitive solicitation process that began in 2012 (the “**2012 Procurement**”), the Authority awarded the duty free concession to Lotte and executed the concession agreement with Lotte on May 18, 2013. Another bidder, DFS Guam L.P. (“**DFS**”), submitted three protests (collectively, the “**DFS Protests**”) to the Authority challenging the concession award to Lotte, each of which the Authority denied. Lotte commenced concession operations on July 21, 2013.

In 2014 and 2015, following remand from the Supreme Court of Guam (the “**Guam Supreme Court**”), DFS filed three lawsuits in the Superior Court of Guam (the “**Superior Court**”) appealing the Authority’s denial of the DFS Protests and raising new causes of action based on claims that were alleged for the first time in the lawsuits and not presented in the original DFS Protests. All three lawsuits have been consolidated (collectively, the “**Concession Protest Lawsuit**”). The Superior Court issued various decisions and orders in 2018, including an amended judgment in July 2018 that (i) voided the 2012 Procurement, (ii) voided and set aside the original 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 “**2018 Judgment**”). The Superior Court also stayed enforcement of the 2018 Judgment pending appeals. DFS and the Authority both appealed to the Guam Supreme Court.

In December 2020, following rehearing, the Guam Supreme Court issued an Amended Opinion on Rehearing and an Amended Judgment (the “**Amended Opinion**”). The Amended Opinion reversed in part, affirmed in part and vacated in part the Superior Court’s decisions and orders, vacated the 2018 Judgment, and remanded the case to the Superior Court for further proceedings. The Amended Opinion also directed judgment in favor of the Authority on eight of DFS’s causes of action that were either based on claims not timely protested to the Authority or claims not previously protested to the Authority, and therefore not administratively exhausted. Accordingly, the Lotte Concession Agreement remains in effect and valid. See “**AGREEMENTS FOR USE OF AIRPORT FACILITIES – Passenger Terminal Building Concessions and Revenue Arrangements – Duty Free Concession.**”

In 2023, the Superior Court ordered a bifurcated trial. Phase 1, which was limited to determining whether each of DFS’s remaining claims in the Concession Protest Lawsuit were timely protested under Guam’s procurement law, commenced in August 2023. In February 2024, the Superior Court issued its findings, concluding that all of the remaining claims in the Concession Protest Lawsuit were timely protested and, therefore, an automatic stay of the award of the 2012 Procurement should have been in place until there was final resolution of the DFS Protests (the “**Phase 1 Findings**”). Phase 2 of the trial, which will determine the merits of the remaining claims in the Concession Protest Lawsuit, is scheduled to commence on September 4, 2024.

The Concession Protest Lawsuit seeks, among other relief, (i) a declaration that the Authority improperly awarded the Concession Agreement to Lotte and denied the DFS Protests; (ii) an order voiding the amended Lotte Concession Agreement and barring Lotte from participating in future solicitations; (iii) the appointment of a special master to oversee the issuance of future solicitations; (iv) and an award of certain fees and costs related to DFS’s bid and the DFS Protests. At this time, the Authority cannot determine the extent to which the Lawsuit will result in penalties or affect the Authority’s current operations. The Authority intends to vigorously defend the action and to appeal the Phase 1 Findings following the conclusion of the case. It is not known when the ongoing Concession Protest Lawsuit will end and whether the litigation will impact the solicitation of a new duty free concessionaire.

See “**AGREEMENTS FOR USE OF AIRPORT FACILITIES – Passenger Terminal Building Concessions and Revenue Arrangements – Duty Free Concession**” and “**APPENDIX C – AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2022 AND 2023, Note 8 and Note 10.**”

## **No Acceleration; Limitations on Remedies**

The 2024 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 2024 Bonds as they come

due. Under certain circumstances, Holders of the 2024 Bonds may not be able to pursue certain remedies or enforce covenants contained in the Indenture. The remedies available to the Holders of the 2024 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 2024 Bonds may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the 2024 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.

### **Considerations Regarding Passenger Facility Charges**

Pursuant to the PFC Act, 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 2024 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 Act or the regulations promulgated thereunder, or (b) the Authority otherwise violates the PFC Act 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.

### **Future Capital Projects**

The Authority's capital improvement plan is based on identified improvements, current cost and timing estimates. The actual costs and schedules of projects are subject to change due to, among other factors, inflation, increased borrowing costs and the availability of labor and supplies, which may result in significantly higher costs than currently estimated. There may be additional capital improvement needs beyond what has been identified in the capital improvement program that are necessary to address the needs of the Airport, improvements to repurpose facilities, and improvements that are deemed to provide an economic or environmental benefit. There is no guarantee that capital investments will generate new revenues or revenues sufficient to offset costs. Any such future borrowing, if executed on the same lien as the Bonds, would be required to meet the Indenture's requirements for issuing Additional Bonds.

### **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. Most recently, Typhoon Mawar struck Guam on May 24, 2023. See "THE AIRPORT – Aviation Activity – *Typhoon Mawar*." 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 are 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 International 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 10 years much of the power distribution system in the Tumon area has been “hardened” (*i.e.*, replacement of wooden poles with concrete 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 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, and may have detrimental socioeconomic impacts to Guam. The Government has started systemwide coordination and long-range planning efforts to mitigate the potential adverse environmental and socioeconomic impacts of climate change. For more information regarding these efforts, see “APPENDIX A – GENERAL INFORMATION REGARDING THE TERRITORY OF GUAM – GEOGRAPHIC, DEMOGRAPHIC AND ECONOMIC INFORMATION – Climate Change and Risk of Sea-Level Rise and Flooding Damage.”

The Airport is located approximately 301 feet above sea level. Although the Authority believes there is minimal risk of damage to the Airport’s facilities as a result of sea-level rise or other impacts of climate change, there can be no assurance that any such damage and/or the impacts of climate change will not adversely affect the number of visitors to Guam, the Airport’s business activity and/or the operations at the Airport, which may, in turn, adversely affect the Authority’s 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. In April 2023, the TSA issued a mandate for airports to randomly screen aviation workers entering certain terminal building access points, effective September 2023. The Authority has implemented such screening requirements at the Airport.

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.

### **Geopolitical Considerations**

Geopolitical conflicts and acts of war may cause disruptions to the global economy, including disruptions that affect air, maritime, and other transportation modes. Conflicts may impact the aviation industry by preventing access to airports in or around areas of unrest, by causing airline schedule and routing changes, and by increasing passenger anxieties about air travel. Conflicts such as Russia’s invasion of Ukraine in 2022 and the conflict between

Hamas and Israel beginning in 2023 may also lead to increased volatility in fuel and other commodity prices, challenges in sourcing needed materials, changes in supply, demand or pricing due to export restrictions and sanctions, and additional supply chain risks.

## **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. In addition, in compliance with cybersecurity requirements issued by the TSA in March 2023, the Authority has implemented performance-based cybersecurity measures on critical systems and plans to conduct table top cybersecurity exercises on an annual basis to test the Authority’s response to and recovery from cybersecurity threats and attacks. 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 significantly, 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 2024 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 2024 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 limitations 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 2024 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 and 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 of Directors 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 2024 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 2024 Bonds. Any loss of tax-exemption could cause all of the interest received by the Beneficial Owners of the 2024 Bonds to be taxable. All or a portion of interest on the 2024 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 2024 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 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 2024 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 2024 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 2024 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 2024 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. Litigation relating to a specialty retail merchandise concession award by the

Authority in 2013 is described under “CERTAIN INVESTMENT CONSIDERATIONS – Litigation Regarding the 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**

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 2024 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 2024 Bond for any period that such 2024 Bond is held by a “substantial user” of the facilities financed or refinanced by the 2024 Bonds or by a “related person” within the meaning of Section 147(a) of the Code. Bond Counsel is of the further opinion that interest on the 2024B Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. Bond Counsel observes that interest on the 2024A Bonds is a specific preference item for purposes of the federal individual alternative minimum tax, and that interest on the 2024 Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Bond Counsel is also of the opinion that, under 48 U.S.C. Section 1423a, interest on the 2024 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. 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 2024 Bonds. A complete copy of the proposed form of opinion of Bond Counsel is set forth in Appendix E hereto.

To the extent the issue price of any maturity of the 2024 Bonds is less than the amount to be paid at maturity of such 2024 Bonds (excluding amounts stated to be interest and payable at least annually over the term of such 2024 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 2024 Bonds which is excluded from gross income for federal income tax purposes and 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. For this purpose, the issue price of a particular maturity of the 2024 Bonds is the first price at which a substantial amount of such maturity of the 2024 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 2024 Bonds accrues daily over the term to maturity of such 2024 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 2024 Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such 2024 Bonds. Beneficial Owners of the 2024 Bonds should consult their own tax advisors with respect to the tax consequences of ownership of 2024 Bonds with original issue discount, including the treatment of Beneficial Owners who do not purchase such 2024 Bonds in the original offering to the public at the first price at which a substantial amount of such 2024 Bonds is sold to the public.

2024 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 2024 Bonds. The Authority has made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the 2024 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 2024 Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the 2024 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 2024 Bonds may adversely affect the value of, or the tax status of interest on, the 2024 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 2024 Bonds is excluded from gross income for federal income tax purposes and, under 48 U.S.C. Section 1423a, 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, the ownership or disposition of, or the accrual or receipt of amounts treated as interest on, the 2024 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 2024 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 2024 Bonds. Prospective purchasers of the 2024 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 expresses 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 2024 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 2024 Bonds ends with the issuance of the 2024 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 2024 Bonds in the event of an audit examination by the IRS. Under current procedures, 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 2024 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 2024 Bonds, and may cause the Authority or the Beneficial Owners to incur significant expense.

Payments on the 2024 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 Beneficial Owner of 2024 Bonds may be subject to backup withholding with respect to "reportable payments," which include interest paid on the 2024 Bonds and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the 2024 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 a Beneficial Owner's federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain Beneficial Owners (including among others, corporations and certain tax-exempt organizations) are not subject to backup withholding. The failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

## UNDERWRITING

The 2024 Bonds are to be purchased from the Authority by Barclays Capital Inc. (the “**Underwriter**”) pursuant to the terms of the Bond Purchase Agreement between the Underwriter and the Authority. The purchase price of the 2024A Bonds is \$\_\_\_\_\_, representing the aggregate principal amount of the 2024 Bonds (\$\_\_\_\_\_), plus a [net] original issue [premium/discount] of \$\_\_\_\_\_, and less Underwriter’s discount of \$\_\_\_\_\_. The purchase price of the 2024B Bonds is \$\_\_\_\_\_, representing the aggregate principal amount of the 2024B Bonds (\$\_\_\_\_\_), plus a [net] original issue [premium/discount] of \$\_\_\_\_\_, and less Underwriter’s discount of \$\_\_\_\_\_. The Bond Purchase Agreement provides that the Underwriter will purchase all of the 2024 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 obligation of the Underwriter to accept and pay for the 2024 Bonds is subject to certain terms and conditions set forth therein, including the approval by counsel of certain legal matters.

The Underwriter reserves the right to join with dealers and other underwriters in offering the 2024 Bonds to the public. The Underwriter intends to offer the 2024 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 Underwriter without prior notice. The Underwriter may offer and sell the 2024 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.

The Underwriter and its 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. The Underwriter and its respective affiliates may 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 Underwriter and its 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 Target Bonds.

In addition to its role as Underwriter, Barclays Capital Inc. is also serving as Dealer Manager on the Invitation. The Target Bonds are being offered for purchase by the Authority under the terms of the Invitation through the Dealer Manager as described herein. The Dealer Manager has entered into an exclusive dealer manager agreement with the Authority under which the Dealer Manager will be compensated in an amount equal to a percentage of the aggregate principal amount of the Purchased Bonds. The Dealer Manager’s Fee will be paid from proceeds of the 2024 Bonds. See “PLAN OF REFUNDING.”

## CERTAIN LEGAL MATTERS

The validity of the 2024 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 E 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 Authority by its counsel, Calvo Jacob & Pangelinan LLP, Hagåtña, Guam, and for the Underwriter by their counsel, Hawkins Delafield & Wood LLP, Portland, Oregon. Orrick, Herrington & Sutcliffe LLP, as Disclosure Counsel, will provide certain other legal services for the Authority,

## VERIFICATION

\_\_\_\_\_ (the “**Verification Agent**”), will verify from the information provided to them by Authority and the Underwriter the mathematical accuracy at the Closing Date of the computations contained in the provided

schedules to determine that the anticipated receipts from the securities and/or cash deposits listed in the Underwriter's schedules will be sufficient to pay, when due, the principal or redemption price of and interest on the Purchased Bonds to be refunded with proceeds of the 2024 Bonds. The Verification Agent will express no opinion on the reasonableness of the assumptions provided to them, or the likelihood that the redemption price and principal of and interest on such Purchased Bonds will be paid as described in the accompanying schedules.

### **MUNICIPAL ADVISOR**

Montague DeRose and Associates, L.L.C. (the "**Municipal Advisor**") has assisted the Authority with various matters relating to the planning, structuring and issuance of the 2024 Bonds. The Municipal Advisor is a financial advisory firm and is not engaged in the business of underwriting or distributing municipal securities or other public securities. The Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or assume responsibility for the accuracy, completeness, or fairness of the information contained in this Official Statement.

### **FINANCIAL STATEMENTS**

The audited financial statements of the Authority for the Fiscal Years ended September 30, 2023 and September 30, 2022 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 2024 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 Underwriter.

### **RATING**

Moody's has assigned its rating of "\_\_\_" to the 2024 Bonds. The rating reflects only the views of Moody's, and an explanation of the significance of the rating may be obtained from Moody's. There is no assurance that the rating will continue for any given period of time or that the rating will not be revised downward or withdrawn entirely by Moody's 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 2024 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 F, the Authority will covenant for the benefit of the holders of the 2024 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, 2023 (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 F hereto. The Authority is making these covenants for the benefit of the holders and Beneficial Owners of the 2024 Bonds and to assist the Underwriter in complying with SEC 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.

On March 26, 2020, prior to the due date of the Annual Report for Fiscal Year 2019 (the “**2019 Annual Report**”), the Authority caused to be filed a notice indicating that the 2019 Annual Report would not be timely filed due to COVID-19 and the related closure of non-essential Government offices, including the Authority's office, effective March 16, 2020. The 2019 Annual Report was subsequently filed on April 27, 2020.

In addition, on March 28, 2023, and March 20, 2024, prior to the due dates of the Annual Report for Fiscal Year 2022 and Fiscal Year 2023, respectively, the Authority caused to be filed notices indicating that the audited financial statements for such Fiscal Years would not be timely filed due to pending actuarial valuations for the Government of Guam Retirement Fund and the Government of Guam OPEB plan, which were outside of the Authority's control. Unaudited financial statements for such Fiscal Years were not filed. The audited financial statements for Fiscal Year 2022 were filed on September 8, 2023, and the audited financial statements for Fiscal Year 2023 were filed on June 24, 2024.

## **MISCELLANEOUS**

The attached appendices are integral parts of this Official Statement and should be read in their entirety. 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: \_\_\_\_\_  
John M. Quinata  
Executive Manager

## **APPENDIX A**

### **GENERAL INFORMATION REGARDING THE TERRITORY OF GUAM**



**APPENDIX B**

**SUMMARY OF THE FORM OF  
SIGNATORY AIRLINE OPERATING AGREEMENT AND TERMINAL BUILDING LEASE**

**APPENDIX C**

**AUDITED FINANCIAL STATEMENTS FOR THE  
FISCAL YEARS ENDED SEPTEMBER 30, 2022 AND 2023**

**APPENDIX D**

**SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE  
AND THE SEVENTH SUPPLEMENTAL INDENTURE**

**APPENDIX E**

**PROPOSED FORM OF OPINION OF BOND COUNSEL**

## APPENDIX F

### 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, 2024 Series A (AMT) and \$\_\_\_\_\_ A.B. Won Pat International Airport Authority, Guam General Revenue Bonds, 2024 Series B (Non-AMT) (collectively, the “2024 Bonds”). The 2024 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 Seventh Supplemental Indenture, dated as of October 1, 2024 (the “Seventh Supplemental Indenture”), by and between the Authority and Bank of Guam, as successor trustee (the “Trustee”), and U.S. Bank Trust Company, National Association, as successor in interest to U.S. Bank National Association (the “Co-Trustee”). The General Indenture, as amended and restated, including by the Seventh 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 2024 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 2024 Bonds (including persons holding 2024 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 2024 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 \_\_\_\_\_, 2024, as supplemented, relating to the 2024 Bonds.

“Participating Underwriters” shall mean, collectively, the original underwriters of the 2024 Bonds required to comply with the Rule in connection with the offering of the 2024 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, 2024, 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 2024 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 2024 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 2024 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 2024 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 2024 Bonds or other material events affecting the tax status of the 2024 Bonds;
2. Modifications to rights of 2024 Bond holders;

3. 2024 Bond calls;
4. Release, substitution or sale of property securing repayment of the 2024 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 2024 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 2024 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 Securities and Exchange Commission in Release No. 34-83885 dated August 20, 2018 (the “2018 Release”), and any further amendments or written guidance provided by the Securities and Exchange Commission or its staff with respect to 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 2024 Bonds. If such termination occurs prior to the final maturity of the 2024 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 2024 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 2024 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 2024 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 2024 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 2024 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 2024 Bonds.

The Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Dissemination Agent shall have no duty or obligation to review or verify any disclosures or notices provided to it by the Authority and shall not be deemed to be acting in any fiduciary capacity for the Authority, the Holders of the 2024 Bonds or any other party. The Dissemination Agent shall have no responsibility for the Authority's failure to report to the Dissemination Agent a Listed 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 this Disclosure Agreement. The Dissemination Agent may conclusively rely upon certifications of the Authority at all times.

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,  
2024 Series A (AMT) and 2024 Series B (Non-AMT)

Date of Issuance: \_\_\_\_\_, 2024

NOTICE IS HEREBY GIVEN that the Authority has not provided an Annual Report with respect to the above-named 2024 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]

## APPENDIX G

### DTC AND ITS BOOK-ENTRY ONLY SYSTEM

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the 2024 Bonds. The 2024 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 2024 Bond certificate will be issued for each maturity of each series of the 2024 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](http://www.dtcc.com).

Purchases of 2024 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2024 Bonds on DTC’s records. The ownership interest of each actual purchaser of each 2024 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 2024 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 2024 Bonds, except in the event that use of the book-entry system for the 2024 Bonds is discontinued.

To facilitate subsequent transfers, all 2024 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 2024 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 2024 Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such 2024 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 2024 Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the 2024 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the 2024 Bond documents. Beneficial Owners of 2024 Bonds may wish to ascertain that the nominee holding the 2024 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 2024 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 2024 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 2024 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payment of principal of and interest on the 2024 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 or interest on the 2024 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 2024 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, 2024 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, 2024 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 Underwriter. 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 2024 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 2024 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 2024 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 2024 Bonds; (ii) the payment by DTC or any DTC Participant of any amount in respect of the principal of or interest on the 2024 Bonds to any beneficial owner or other person for the 2024 Bonds; or (iii) the delivery to any beneficial owner of the 2024 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.



**ANTONIO B. WON PAT INTERNATIONAL AIRPORT AUTHORITY, GUAM  
BOARD OF DIRECTORS**

**EXECUTIVE SUMMARY**

**INVITATION FOR BID**

**IFB NO. GIAA-C07-FY24**

**Project No. GIAA-FY22-02-1, AIP No. 3-66-0001-TBD**

**TERMINAL BUILDING ROOF REPLACEMENT AND RENEWABLE ENERGY SYSTEM – PHASE I**

**August 16, 2024**

**Purpose**

Board action is requested to approve the award for Invitation for Bid (“IFB”) No. GIAA-C07-FY24 for the Terminal Building Roof Replacement and Renewable Energy System – Phase I.

**Background**

Bids were solicited for Phase I of the Terminal Building Roof Replacement and Renewable Energy System for the Antonio B. Won Pat International Airport Authority, Guam (“GIAA”). The scope of work involves removing the existing roof system, installing a new, efficient roofing system with improved membrane and insulation, examining roof surface, retrofitting mechanical and plumbing systems, installing new water piping and hose bibbs for maintenance, and setting up structural steel foundations for solar panels. Additionally, all affected items, including structural, architectural, mechanical, electrical, fire protection, and plumbing systems, will be restored, relocated, or replaced as necessary. The work to be performed is crucial to ensure that work sites remain safe for everyone involved.

The contract will be awarded to the responsive and responsible bidder(s) with the Lowest Total Bid Price within the available funding for the project, and provided the bid is reasonable and is in the best interest of GIAA to accept. The contract time for the Project is seven hundred thirty (730) calendar days from issuance of the Notice to Proceed.

**Procurement Background**

The above referenced was publicly announced in a local newspaper on May 22, 30, June 14, and 28, 2024. The bid submission deadline was extended to July 5, 2024, 2:00 p.m. and bid opening took place on the same day at 2:15 p.m.

Twenty-six (26) firms and/or individuals downloaded the IFB package, and three (3) firms submitted a bid prior to the bid submission deadline. The bids were opened publicly and read aloud by the Supply Management Administrator and recorded by a member of the Procurement staff.

The result of the submitted bids are as follows in the order that they were received and opened:

<b>Bidder</b>	<b>Total Bid Amount</b>
Green Community Development dba: Surface Solutions	\$7,898,800.00

**Executive Summary**

Invitation for Bid No. GIAA-C07-FY24; Project No. GIAA-FY22-02-1; AIP No. 3-66-0001-TBD

Terminal Building Roof Replacement and Renewable Energy System – Phase I

Page 2 of 3

Core Tech International Corporation	\$20,068,296.00
Pacific Federal Management, Inc.	\$15,922,865.41

The government estimate for this project is \$20,124,165.00.

**Green Community Development dba: Surface Solutions:** The bidder submitted a total bid price of \$7,898,800.00 or 60.75% below the government estimate. The bidder's submittal was reviewed to determine its responsiveness and responsibility as set forth in the Procurement Law and Regulations. Pursuant to IFB Package, Special Reminder to Prospective Bidders, a copy of a valid Contractor's License (Classification A, B, C-8, C-13, C-33, C-37, C-41, C-42, C-48, C-51, C-55, and C-56) must be included in the bid. Surface Solutions submitted the Contractor's License(s) for the following classifications: A, B, C-8, C-33, C-41, C-42, C-48, C-55 and C-56, however, did not submit the Contractor's License(s) for the following classifications: C-13, C-37, and C-51 (See Attachment 2). The Bidder also did not list any subcontractors with the missing classifications. Furthermore, GIAA has confirmed with the Contractors Licensing Board that the Bidder does not hold the required classifications stated above. The bid was found to be nonresponsive due to the failure to submit all required Contractor's License classifications and will therefore be rejected, pursuant to 2 GAR, §3115 (e)(3)(A)(ii).

**Core Tech International Corporation:** The bidder submitted a total bid price of \$20,068,296.00 or 0.28% below the government estimate. The bidder's submittal was reviewed and deemed responsive through the submission of all required documents, completed and in conformance with the IFB, including a copy of its Contractor's License(s): #C-0624-0641, #C-0624-0469 (subcontractor), #C-0624-0777 (subcontractor), #R-0624-0778 (subcontractor). Additionally, Bidder was deemed responsible through the submission of the Bidder's Qualification Statement, which included current and past projects and key personnel's resumes. The bid was found to be responsive, and the bidder meets the standards of responsibility as set forth in the Procurement Law and Regulations.

**Pacific Federal Management, Inc.:** The bidder submitted a total bid price of \$15,922,865.41 or 20.88% below the government estimate. The bidder's submittal was reviewed to determine its responsiveness and responsibility as set forth in the Procurement Law and Regulations. Pursuant to IFB Package, Special Reminder to Prospective Bidders, a copy of a valid Contractor's License (Classification A, B, C-8, C-13, C-33, C-37, C-41, C-42, C-48, C-51, C-55, and C-56) must be included in the bid. Pacific Federal Management, Inc. submitted the Contractor's License(s) for the following classifications: A, B, C-13 (subcontractor), C-33 (subcontractor), C-37 (subcontractor), C-51 (subcontractor), C-55 (subcontractor), and C-56 (subcontractor), however, did not submit the Contractor's License(s) for the following classifications: C-8, C-41, C-42, and C-48 (See Attachment 3). Furthermore, GIAA has confirmed with the Contractors Licensing Board that the Bidder and their listed subcontractors do not hold the required classifications stated above. The bid was found to be nonresponsive due to the failure to submit all required Contractor's License classifications and will therefore be rejected, pursuant to 2 GAR, §3115 (e)(3)(A)(ii).

**Legal Review**

Upon Board approval, the award will be processed through the issuance of a contract in conformance with the Guam Procurement Law and Regulations, subject to legal review. Due to the cost of this procurement, the Office of the Attorney General acts as legal advisor to GIAA. The recommendation below was approved by the Office of the Attorney General via privileged communication.

**Executive Summary**

Invitation for Bid No. GIAA-C07-FY24; Project No. GIAA-FY22-02-1; AIP No. 3-66-0001-TBD

Terminal Building Roof Replacement and Renewable Energy System – Phase I

Page 3 of 3

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**Financial Review**

The Project is funded through Federal Aviation Administration (“FAA”) Airport Improvement Plan (“AIP”) grant.

**Recommendation**

Management recommends award of the Terminal Building Roof Replacement and Renewable Energy System – Phase I in the amount of **\$20,068,296.00** to **Core Tech International Corporation**, who is the lowest bidder that has met the standards of responsibility and responsiveness outlined in Guam Procurement Law and Regulations.





P.O. Box 8770 Tel (671) 646-0300  
Tamuning, GU 96931 Fax (671) 646-8823

www.guamairport.com

EMAIL: official@guamairport.net

WE'RE ON IT  
**24/7**

August 1, 2024

**MEMORANDUM**

TO: John M. Quinata  
Executive Manager

VIA: Jean M. Arriola *JA*  
Airport Services Manager

FROM: *KB* Kathrina Bayson, Supply Management Administrator  
Audie Artero, Engineer Supervisor

SUBJECT: Bid Evaluation and Recommendation – Invitation For Bid (“IFB”)  
Terminal Building Roof Replacement and Renewable Energy System – Phase I  
IFB No. GIAA-C07-FY24, Project No. GIAA-FY22-02-1, AIP No. 3-66-0001-TBD

**Project Background:**

The IFB is for Terminal Building Roof Replacement and Renewable Energy System – Phase I (the “Project”) for the A.B. Won Pat International Airport Authority, Guam (“GIAA”) inclusive of roofing system replacement, retrofit and repair of plumbing piping and mechanical insulation, and other work shown in the technical specifications. The work to be performed is crucial to ensure that work sites remain safe for everyone involved.

**Procurement Background:**

The IFB was publicly announced in a local newspaper on May 22, 30, June 14, and 28, 2024. The bid submission deadline was extended to July 5, 2024, 2:00 p.m. and bid opening took place on the same day at 2:15 p.m.

Twenty-six (26) firms and/or individuals downloaded the IFB package and three (3) firms submitted a bid prior to the bid submission deadline. The bids were opened publicly and read aloud by the Supply Management Administrator and recorded by a member of the Procurement staff.

The result of the submitted bids are as follows in the order that they were received and opened:

Bidder	Total Bid Amount
Green Community Development dba: Surface Solutions	\$7,898,800.00
Core Tech International Corporation	\$20,068,296.00
Pacific Federal Management, Inc.	\$15,922,865.41

**Bid Analysis and Evaluation:**

Pursuant to Section 12 of the Instructions to Bidders of the IFB, the contract will be awarded, if it is to be awarded, as soon as possible to the responsive and responsible bidder with the lowest Total Bid Price within the available funding for the project, and provided the bid is reasonable and is in the best interest of GIAA to accept. To determine the responsiveness of bidders, the bid package specified the required documents that bidders must submit with their bid package. The abstract illustrates the list of required documents and each bidder’s submittal (see Attachment 1). The government estimate for this project was \$20,124,165.00.

**Green Community Development dba: Surface Solutions:** The bidder submitted a total bid price of \$7,898,800.00 or 60.75% below the government estimate. The bidder’s submittal was reviewed to determine its responsiveness



AMERICAN ASSOCIATION  
OF AIRPORT EXECUTIVES



**NASAO**  
National Association of State Aviation Officials



## Evaluation and Recommendation

Terminal Building Roof Replacement and Renewable Energy System – Phase I

IFB No. GIAA-C07-FY24, Project No. GIAA-FY22-02-1, AIP No. 3-66-0001-TBD

Page 2 of 2

and responsibility as set forth in the Procurement Law and Regulations. Pursuant to IFB Package, Special Reminder to Prospective Bidders, a copy of a valid Contractor's License (Classification A, B, C-8, C-13, C-33, C-37, C-41, C-42, C-48, C-51, C-55, and C-56) must be included in the bid. Surface Solutions submitted the Contractor's License(s) for the following classifications: A, B, C-8, C-33, C-41, C-42, C-48, C-55 and C-56, however, did not submit the Contractor's License(s) for the following classifications: C-13, C-37, and C-51 (See Attachment 2). The Bidder also did not list any subcontractors with the missing classifications. Furthermore, GIAA has confirmed with the Contractors Licensing Board that the Bidder does not hold the required classifications stated above. The bid was found to be nonresponsive due to the failure to submit all required Contractor's License classifications and will therefore be rejected, pursuant to 2 GAR, §3115 (e)(3)(A)(ii).

**Core Tech International Corporation:** The bidder submitted a total bid price of \$20,068,296.00 or 0.28% below the government estimate. The bidder's submittal was reviewed and deemed responsive through the submission of all required documents, completed and in conformance with the IFB, including a copy of its Contractor's License(s): #C-0624-0641, #C-0624-0469 (subcontractor), #C-0624-0777 (subcontractor), #R-0624-0778 (subcontractor). Additionally, Bidder was deemed responsible through the submission of the Bidder's Qualification Statement, which included current and past projects and key personnel's resumes. The bid was found to be responsive and bidder meets the standards of responsibility as set forth in the Procurement Law and Regulations.

**Pacific Federal Management, Inc.:** The bidder submitted a total bid price of \$15,922,865.41 or 20.88% below the government estimate. The bidder's submittal was reviewed to determine its responsiveness and responsibility as set forth in the Procurement Law and Regulations. Pursuant to IFB Package, Special Reminder to Prospective Bidders, a copy of a valid Contractor's License (Classification A, B, C-8, C-13, C-33, C-37, C-41, C-42, C-48, C-51, C-55, and C-56) must be included in the bid. Pacific Federal Management, Inc. submitted the Contractor's License(s) for the following classifications: A, B, C-13 (subcontractor), C-33 (subcontractor), C-37 (subcontractor), C-51 (subcontractor), C-55 (subcontractor), and C-56 (subcontractor), however, did not submit the Contractor's License(s) for the following classifications: C-8, C-41, C-42, and C-48 (See Attachment 3). Furthermore, GIAA has confirmed with the Contractors Licensing Board that the Bidder and their listed subcontractors do not hold the required classifications stated above. The bid was found to be nonresponsive due to the failure to submit all required Contractor's License classifications and will therefore be rejected, pursuant to 2 GAR, §3115 (e)(3)(A)(ii).

### Recommendation:

Pursuant to IFB, Instructions to Bidder, Section 12, the contract will be awarded to the responsive and responsible bidder with the lowest Total Bid Price, **Core Tech International Corporation** in the amount of **\$20,068,296.00**. The contract time for the Project is seven hundred thirty (730) calendar days from issuance of the Notice to Proceed.

Should you have any questions, we are available at your request.


KATHRINA BAYSON

AUDIE ARTERO

APPROVED:

JOHN M. QUINATA  
Executive Manager

## Attachment 1

<b>Invitation for Bid No.:</b> GIAA-C07-FY24					<b>Antonio B. Won Pat International Airport Authority, Guam</b> <b>Abstract for Invitation for Bid</b> <b>DETERMINATION FOR BIDDER'S RESPONSIVENESS</b>		<b>Issuance Date:</b> 5/22/2024																							
<b>Name of Procurement:</b> Terminal Building Roof Replacement and Renewable Energy System - Phase I							<b>Submission Deadline:</b> July 5, 2024 2:00PM																							
							<b>No. of Packages Issued:</b> 26	<b>No. of Bids Received:</b> 3																						
#	Name of Bidder	Date & Time of Submission	Required Forms/Documents																										Bid Security	Bid Form/Bid Amount (See page 2)
			A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y			
1	SURFACE SOLUTIONS	07/05/24 10:49AM	X	X	X			X	X	X		X		X	X	X		X	X	X		X	X	X	X	X	X		BID BOND 15% OF TOTAL BID	X Bid Schedule Attached
2	CORE TECH INTERNATIONAL	07/05/24 1:23PM	X		X		X		X		X		X		X		X		X		X		X		X		X		BID BOND 15% OF TOTAL BID	X Bid Schedule Attached
3	PACIFIC FEDERAL MANAGEMENT	07/05/24 1:40PM	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X		BID BOND 15% OF TOTAL BID	X Bid Schedule Attached
4																														[ ] Bid Schedule Attached
5																														[ ] Bid Schedule Attached
6																														[ ] Bid Schedule Attached
7																														[ ] Bid Schedule Attached
8																														[ ] Bid Schedule Attached

I hereby certify that all bids received in response to this solicitation were opened and that the names of all bidders have been entered hereon.

*K.B.S.* **7.05.24**

**KATHRINA BAYSON** **DATE**

**SUPPLY MANAGEMENT ADMINISTRATOR**

Attested By: *J.M.* **7/5/24**

**JENELLE MENO** **DATE**

**BUYER SUPERVISOR I**

**LEGEND - REQUIRED FORMS/DOCUMENTS**

(A) Special Reminder to Prospective Bidders

(B) Acknowledgement of Receipt Form for receipt of IFB

(C) Acknowledgement of Receipt Form for all Issued Addenda for this IFB

(D) Affidavit Disclosing Ownership, Influence, Commissions and Conflicts of Interest

(E) Affidavit Regarding Non-Collusion

(F) Affidavit Regarding No Gratuities or Kickbacks

(G) Affidavit Regarding Contingent Fees

(H) Affidavit Regarding Ethical Standards

(I) Declaration Regarding Compliance with U.S. DOL Wage and Benefits Determination

(J) Designation of Subcontractors

(K) Bidder's Qualification Statement

(L) Bidder's Financial Statement

(M) Notice of Requirement for Affirmative Action to Ensure Equal Employment Opportunity

(N) Trade Restriction Certification

(O) Certification of Bidder Regarding Debarment

(P) Certification Regarding Lobbying

(Q) Certificate of Buy American Compliance for Total Facility

(R) Title VI Solicitation Notice

(S) Local Procurement Preference Application

(T) Service-Disabled Veteran Owned Business Application

(U) Women-Owned Business Application


(V) Confidential Data Designation Request Form


(W) Certification of Bidder Regarding Tax Delinquency and Felony Convictions

(X) Contract. The Form Contract provided must be submitted by the Bidder

(Y) Other Requirements. Copy of valid Contractor's license



<b>Invitation for Bid No.:</b> GIAA-C07-FY24		 <div style="text-align: right;"> <b>Antonio B. Won Pat International Airport Authority, Guam</b>  <b>Abstract for Invitation for Bid</b>   <b>BID FORM / BID AMOUNT</b> </div>						
<b>Name of Procurement:</b> Terminal Building Roof Replacement and Renewable Energy System - Phase I								
Item No.	Name of Bidder	Bidder						TOTAL BID PRICE
		1 Phase 1A Building 1 & 2	2 Phase 1B Building 3 & 4	3 Phase 1C Building 5	4 Phase 1D Building 6 (1st Half)	5 Phase 1E Building 6 (2nd Half)	6 Phase 1F Building 7, 8, & 9	
1	SURFACE SOLUTIONS	758,116.00	1,031,440.00	1,408,278.00	1,509,776.00	1,245,415.00	1,205,575.00	7,898,000.00
2	CORE TECH INTERNATIONAL	3,059,957.00	4,610,750.00	3,441,235.00	3,218,915.00	2,407,590.00	3,229,033.00	20,068,290.00
3	PACIFIC FEDERAL MANAGEMENT	1,052,215.00	3,574,401.17	3,052,406.21	2,533,204.40	2,040,391.79	2,870,318.84	15,922,805.41
4								
5								
6								
7								
8								

 7.15.24  
**KATHRINA BAYSON**  
 SUPPLY MANAGEMENT ADMINISTRATOR

Attested By:

  
**JENILLE MENO**  
 BUYER SUPERVISOR I

Attachment 2

2025

# CONTRACTOR'S LICENSE

LOURDES A. LEON GUERRERO  
Governor of Guam

JOSHUA F. TENORIO  
Lt. Governor of Guam

Pursuant to the provisions of P.L. 30-011 Chapter 70 of the Government Code  
and the Rules and Regulations of the Contractors License Board, the  
Executive Director of Contractors hereby issues this license to:

**Green Community Development dba: Surface Solutions**

To engage in the business or act in the capacity of a contractor  
in the following classifications

**A,B,  
C1,2,3,5,6,7,8,10,11,12,17,18,21,25,26,27,28,29,31,33,35,36,41,42,43,44,45  
,46,48,49,50,55 & C58**

This license is the property of the Executive Director of Contractors, not transferable,  
and shall be returned to the Executive Director upon demand when suspended, revoked,  
or invalidated for any reason. It becomes void if not renewed on or before the expiration date.

Signature of RME  
RME #


Signature of LICENSEE  
License # CLB20-1602

Issued: June 20, 2024

Certificate #C-0624-0739

Expires: **June 30, 2025**



  
BERNARD S. BENAVENTE  
BOARD CHAIRMAN



  
JOHN P. AGUON  
EXECUTIVE DIRECTOR



**2025**

# CONTRACTOR'S LICENSE

LOURDES A. LEON GUERRERO  
Governor of Guam

JOSHUA F. TENORIO  
Lt. Governor of Guam

Pursuant to the provisions of P.L. 30-011 Chapter 70 of the Government Code  
and the Rules and Regulations of the Contractors License Board, the  
Executive Director of Contractors hereby issues this license to:

**Scott Reed RME For:**

**Green Community Development dba: Surface Solutions**

To engage in the business or act in the capacity of a contractor  
in the following classifications

**A,B,**

**C1,2,3,5,6,7,8,10,11,12,17,18,21,25,26,27,28,29,31,33,35,36,41,42,43,44,45  
,46,48,49,50,55 & C58**

This license is the property of the Executive Director of Contractors, not transferable,  
and shall be returned to the Executive Director upon demand when suspended, revoked,  
or invalidated for any reason. It becomes void if not renewed on or before the expiration date.

Signature of RME  
RME # CLB08-0335

Signature of LICENSEE  
License #.

**Certificate #R-0624-0740**

**Issued: June 20, 2024**

**Expires: June 30, 2025**



BERNARD S. BENAVENTE  
BOARD CHAIRMAN



JOHN P. AGUON  
EXECUTIVE DIRECTOR



2025

# CONTRACTOR'S LICENSE

LOURDES A. LEON GUERRERO  
Governor of Guam

JOSHUA F. TENORIO  
Lt. Governor of Guam


Pursuant to the provisions of P.L. 30-011 Chapter 70 of the Government Code  
and the Rules and Regulations of the Contractors License Board, the  
Executive Director of Contractors hereby issues this license to:

**Pacific Federal Management, Inc.**

To engage in the business or act in the capacity of a contractor  
in the following classifications

**A & B**

This license is the property of the Executive Director of Contractors, not transferable,  
and shall be returned to the Executive Director upon demand when suspended, revoked,  
or invalidated for any reason. It becomes void if not renewed on or before the expiration date.

  
Signature of RME  
RME #

  
Signature of LICENSEE  
License # CLB17-1352

**Issued: May 28, 2024**


**Certificate # C-0524-0325**

**Expires: June 30, 2025**



  
**BERNARD S. BENAVENTE**  
BOARD CHAIRMAN



  
**JOHN P. AGUON**  
EXECUTIVE DIRECTOR



**2025**

# CONTRACTOR'S LICENSE

LOURDES A. LEON GUERRERO  
Governor of Guam

JOSHUA F. TENORIO  
Lt. Governor of Guam

Pursuant to the provisions of P.L. 30-011 Chapter 70 of the Government Code  
and the Rules and Regulations of the Contractors License Board, the  
Executive Director of Contractors hereby issues this license to:

**Nama Shankar Siddharta**

**RME For: Pacific Federal Management, Inc.**

To engage in the business or act in the capacity of a contractor  
in the following classifications

**A & B**

This license is the property of the Executive Director of Contractors, not transferable,  
and shall be returned to the Executive Director upon demand when suspended, revoked,  
or invalidated for any reason. It becomes void if not renewed on or before the expiration date.

  
Signature of RME  
RME #      CLB18-1421


  
Signature of LICENSEE  
License #

**Certificate # R-0524-0326**


**Issued:      May 28, 2024**

**Expires:      June 30, 2025**



  
**BERNARD S. BENAVENTE**  
BOARD CHAIRMAN



  
**JOHN P. AGUON**  
EXECUTIVE DIRECTOR



**2025**

# CONTRACTOR'S LICENSE

LOURDES A. LEON GUERRERO  
Governor of Guam

JOSHUA F. TENORIO  
Lt. Governor of Guam

Pursuant to the provisions of P.L. 30-011 Chapter 70 of the Government Code  
and the Rules and Regulations of the Contractors License Board, the  
Executive Director of Contractors hereby issues this license to:

**Guam Pacific Mechanical & Electrical, LLC**

To engage in the business or act in the capacity of a contractor  
in the following classifications

**C13,C13A,C14,C15,C17,C19,C20,C25,C37,C40,C43,C44,C51,C53,C54,C56**

**This license is the property of the Executive Director of Contractors, not transferable,  
and shall be returned to the Executive Director upon demand when suspended, revoked,  
or invalidated for any reason. It becomes void if not renewed on or before the expiration date.**

Signature of RME  
RME #

Signature of LICENSEE  
License # CLB15-1166

**Issued:** June 12, 2024


**Certificate #C-0624-0543**

**Expires: June 30, 2025**



  
**BERNARD S. BENAVENTE**  
BOARD CHAIRMAN



  
**JOHN P. AGUON**  
EXECUTIVE DIRECTOR



**2025**

# CONTRACTOR'S LICENSE

LOURDES A. LEON GUERRERO  
Governor of Guam

JOSHUA F. TENORIO  
Lt. Governor of Guam

Pursuant to the provisions of P.L. 30-011 Chapter 70 of the Government Code  
and the Rules and Regulations of the Contractors License Board, the  
Executive Director of Contractors hereby issues this license to:

**V.G. Gozum Construction, LLC**

To engage in the business or act in the capacity of a contractor  
in the following classifications

**B, C33, C45 & C55**

This license is the property of the Executive Director of Contractors, not transferable,  
and shall be returned to the Executive Director upon demand when suspended, revoked,  
or invalidated for any reason. It becomes void if not renewed on or before the expiration date.

  
Signature of RME  
RME #

  
Signature of LICENSEE  
License # CLB13-0971




**Issued:** June 21, 2024

**Certificate #C-0624-0777**

**Expires: June 30, 2025**

  
**BERNARD S. BENAVENTE**  
BOARD CHAIRMAN



  
**JOHN P. AGUON**  
EXECUTIVE DIRECTOR



**2025**

# CONTRACTOR'S LICENSE

LOURDES A. LEON GUERRERO  
Governor of Guam

JOSHUA F. TENORIO  
Lt. Governor of Guam

Pursuant to the provisions of P.L. 30-011 Chapter 70 of the Government Code  
and the Rules and Regulations of the Contractors License Board, the  
Executive Director of Contractors hereby issues this license to:

**Francis Rey G. Gozum**

**RME For: V.G. Gozum Construction, LLC**

To engage in the business or act in the capacity of a contractor  
in the following classifications

**B, C33, C45 & C55**

This license is the property of the Executive Director of Contractors, not transferable,  
and shall be returned to the Executive Director upon demand when suspended, revoked,  
or invalidated for any reason. It becomes void if not renewed on or before the expiration date.



Signature of RME  
RME # CLB12-0903



Signature of LICENSEE  
License #



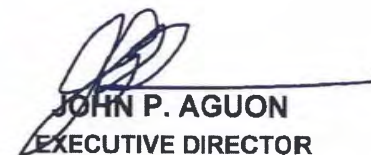
**Issued:** June 21, 2024

**Certificate #R-0624-0778**

**Expires: June 30, 2025**



**BERNARD S. BENAVENTE**  
BOARD CHAIRMAN



**JOHN P. AGUON**  
EXECUTIVE DIRECTOR



**AFFIDAVIT DISCLOSING OWNERSHIP, INFLUENCE, COMMISSIONS AND CONFLICTS OF INTEREST**  
**(Required by 5 GCA § 5233 as amended by P.L. 36-13 (4/9/2021))**

CITY OF Tamuning Maite )  
 ) ss.  
ISLAND OF GUAM )

Preface. As a condition of submitting a Bid/Offer/Proposal or responding to any method of source selection under Guam's Procurement Law for the purpose of entering into a contract with the government of Guam, this Affidavit requires all Bidders/Offerors/Prospective Contractors to make disclosures of ownership, influence, commissions, gratuities, kickbacks, and conflicts of interest occurring **during the 365 calendar days preceding the publication of this solicitation and until award of a contract**. This includes the duty to disclose **any changes** to the facts disclosed herein throughout the solicitation process; and if the entity submitting this Affidavit is awarded a contract, the duty to disclose **any changes** to the facts disclosed herein **continues throughout the life of the contract, including any extensions or renewals**.

A. I, the undersigned, being first duly sworn, depose and say that I am an authorized representative of the Bidder/Offeror/Prospective Contractor and that (please check and fill out all that apply):

☐ The Bidder/Offeror/Prospective Contractor is an individual with a business license, and all decisions are by, and all profit is for, that same individual, with principal place of business street address being: \_\_\_\_\_

☐ The Bidder/Offeror/Prospective Contractor is a business or artificial person (as defined in 1 GCA § 715 or 5 GCA §§ 5030(n) or 5233(b)), and is a sole proprietorship owned entirely (100%) by \_\_\_\_\_, with principal place of business street address being: \_\_\_\_\_

☒ The Bidder/Offeror/Prospective Contractor is a business or artificial person (as defined in 1 GCA § 715 or 5 GCA §§ 5030(n) or 5233(b)), and is owned by the following multiple individuals. Note: owners of more than 10% are statutorily required to be listed below, but other owners of smaller percentage are encouraged to be listed as well.

Name of Owner	Principal Place of Business Street Address	% of Interest
Krystal U. Leung	323 RS Sanchez St., Maite, Guam 96910	51%
Reynold T. Leung	323 RS Sanchez St., Maite, Guam 96910	49%
_____	_____	_____
_____	_____	_____



[ ] One or more of the more-than-10% owners listed above is a business or artificial person. Any more-than-25% owners of such business or artificial person are listed below per 5 GCA § 5233. Note: any less-than-25% owners of such a business or artificial person IS encouraged to also be listed below.

Name of >10% Owner Business or Artificial Person:

Names of owners of the >10% Owner Business or Artificial Person (“Second Tier Owner”)	Owner’s Principal Place of Business Street Address	% of Interest

Name of other >10% Owner Business or Artificial Person:

Names of owners of the >10% Owner Business or Artificial Person (“Second Tier Owner”)	Owner’s Principal Place of Business Street Address	% of Interest

B. If any Second Tier Owner identified above is an artificial person, the natural or artificial owners of such Second Tier Owner who have held more than 49% of the shares or interest in the Bidder/Offeror/Prospective Contractor (Third Tier Owners) are as follows [if none, please so state]:

Second Tier Owner Name

Name of Owner	Principal Place of Business Street Address	% of Interest



- C. If the name of no natural person has been identified as an owner, or a Second or Third Tier Owner of the Bidder/Offeror/Prospective Contractor, please identify the name, position, address, and contact information of the natural person having the authority and responsibility for the Bid/Offer/Proposal/Prospective Contract, and the name of any natural person who has the authority and power to remove and replace the designated responsible person:

Name of Natural Person	Position	Street Address of Principal Place of Business	Phone Number, Email Address, and other Contact Information
None			

- D. Further, I say that the persons who have received or are entitled to receive a commission, gratuity, contingent fee or other compensation to solicit, secure, or assist in obtaining business related to the Bid/Offer/Proposal/Prospective Contract for which this Affidavit is submitted are as follows (if none, please so state):

Name	Principal Place of Business Street Address	Amount of Compensation
None		

- E. Further, I say that the persons who have directly or indirectly participated in this solicitation and who are also employees of the government of Guam or the government of the United States, if federal funds are to be used in the payment of the contract related to the Bid/Offer/Proposal/Prospective Contract for which this Affidavit is submitted, are as follows (if none, please so state):

Name	Principal Place of Business Street Address
None	

- F. Regardless of any ownership interest, the following individuals have the power to control the performance of the contract or to control the Bidder/Offeror/Prospective Contractor, directly or indirectly:

Name	Principal Place of Business Street Address
None	



- G. Until award of the contract, and throughout the term of any contract awarded to the Bidder/Offeror/Prospective Contractor represented herein, I agree to promptly make any disclosures not made previously and update changes in ownership, identities of owners and other required information, interests, compensation or conflicts of the persons required to be disclosed. I understand that failure to comply with this requirement shall constitute a material breach of contract.
- H. I hereby declare under penalty of perjury under the laws of Guam that the foregoing is true and correct.

Executed on: June 24, 2024  
(date)



Signature of one of the following:  
Bidder/Offeror/Prospective Contractor, if a  
licensed individual Owner of sole proprietorship  
Bidder/Offeror/Prospective Contractor Partner,  
if the Bidder/Offeror/Prospective Contractor is a  
partnership  
Officer, if the Bidder/Offeror/Prospective  
Contractor is a corporation

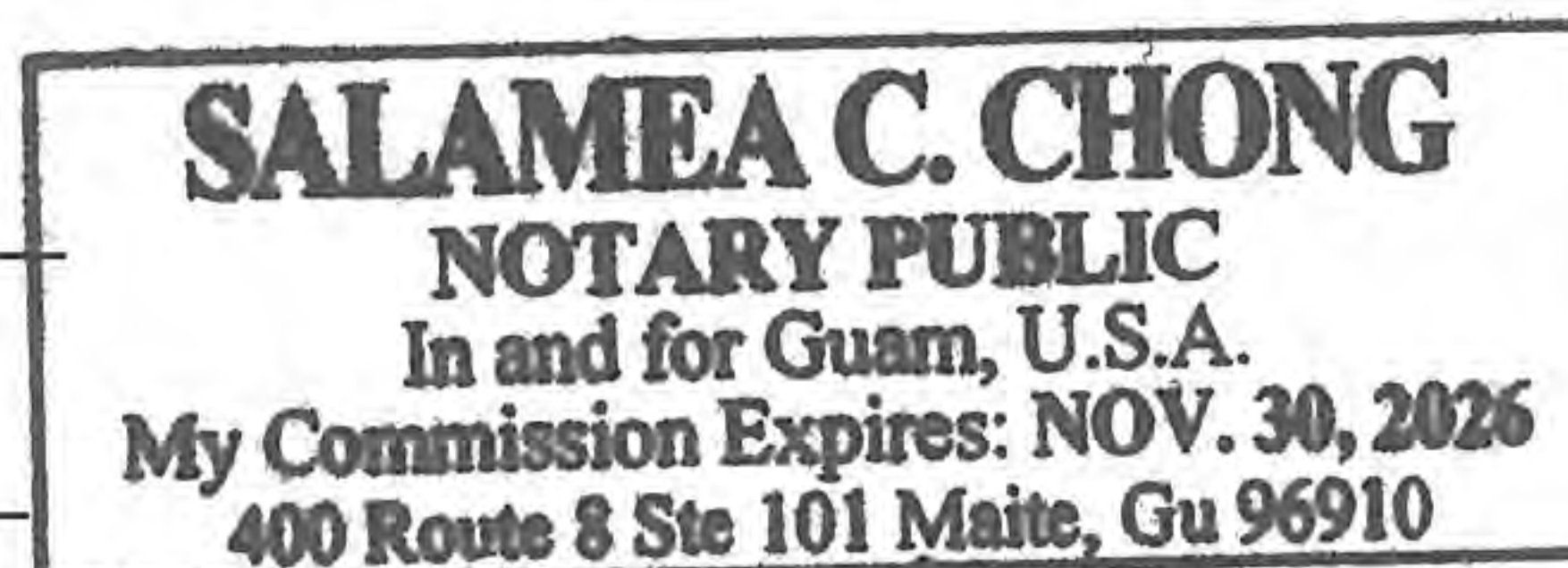
Subscribed and sworn to before me

This 24 day of June, 2024.



NOTARY PUBLIC

My commission expires: \_\_\_\_\_



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



**AFFIDAVIT DISCLOSING OWNERSHIP, INFLUENCE, COMMISSIONS AND CONFLICTS OF INTEREST**  
**(Required by 5 GCA § 5233 as amended by P.L. 36-13 (4/9/2021))**

CITY OF HAGATNA )  
 ) ss.  
ISLAND OF GUAM )

Preface. As a condition of submitting a Bid/Offer/Proposal or responding to any method of source selection under Guam's Procurement Law for the purpose of entering into a contract with the government of Guam, this Affidavit requires all Bidders/Offerors/Prospective Contractors to make disclosures of ownership, influence, commissions, gratuities, kickbacks, and conflicts of interest occurring **during the 365 calendar days preceding the publication of this solicitation and until award of a contract**. This includes the duty to disclose **any changes** to the facts disclosed herein throughout the solicitation process; and if the entity submitting this Affidavit is awarded a contract, the duty to disclose **any changes** to the facts disclosed herein **continues throughout the life of the contract, including any extensions or renewals**.

A. I, the undersigned, being first duly sworn, depose and say that I am an authorized representative of the Bidder/Offeror/Prospective Contractor and that (please check and fill out all that apply):

☐ The Bidder/Offeror/Prospective Contractor is an individual with a business license, and all decisions are by, and all profit is for, that same individual, with principal place of business street address being: \_\_\_\_\_

☐ The Bidder/Offeror/Prospective Contractor is a business or artificial person (as defined in 1 GCA § 715 or 5 GCA §§ 5030(n) or 5233(b)), and is a sole proprietorship owned entirely (100%) by \_\_\_\_\_, with principal place of business street address being: \_\_\_\_\_

☒ The Bidder/Offeror/Prospective Contractor is a business or artificial person (as defined in 1 GCA § 715 or 5 GCA §§ 5030(n) or 5233(b)), and is owned by the following multiple individuals. Note: owners of more than 10% are statutorily required to be listed below, but other owners of smaller percentage are encouraged to be listed as well.

Name of Owner	Principal Place of Business Street Address	% of Interest
<u>Core Tech Trust</u>	<u>388 South Marine Corps Drive,</u>	<u>100%</u>
<u></u>	<u>Suite 400 Tamuning,</u>	<u></u>
<u></u>	<u>Guam 96913</u>	<u></u>
<u></u>	<u></u>	<u></u>



- [ ] One or more of the more-than-10% owners listed above is a business or artificial person. Any more-than-25% owners of such business or artificial person are listed below per 5 GCA § 5233. Note: any less-than-25% owners of such a business or artificial person IS encouraged to also be listed below.

**Name of >10% Owner Business or Artificial Person:**

N/A

Names of owners of the >10% Owner Business or Artificial Person ("Second Tier Owner")	Owner's Principal Place of Business Street Address	% of Interest
N/A		

**Name of other >10% Owner Business or Artificial Person:**

N/A

Names of owners of the >10% Owner Business or Artificial Person ("Second Tier Owner")	Owner's Principal Place of Business Street Address	% of Interest
N/A		

- B. If any Second Tier Owner identified above is an artificial person, the natural or artificial owners of such Second Tier Owner who have held more than 49% of the shares or interest in the Bidder/Offeror/Prospective Contractor (Third Tier Owners) are as follows [if none, please so state]:

**Second Tier Owner Name** N/A

Name of Owner	Principal Place of Business Street Address	% of Interest

- C. If the name of no natural person has been identified as an owner, or a Second or Third Tier Owner of the Bidder/Offeror/Prospective Contractor, please identify the name, position, address, and contact information of the natural person having the authority and responsibility for the Bid/Offer/Proposal/Prospective Contract, and the name of any natural person who has the authority and power to remove and replace the designated responsible person:

Name of Natural Person	Position	Street Address of Principal Place of Business	Phone Number, Email Address, and other Contact Information
Ho S. Eun	Sole Trustee of Core Tech Trust	388 S. Marine Corps Dr. Ste 400, Tamuning, GU 96913	(671) 473-5000 ho.eun@coretechintl.com

- D. Further, I say that the persons who have received or are entitled to receive a commission, gratuity, contingent fee or other compensation to solicit, secure, or assist in obtaining business related to the Bid/Offer/Proposal/Prospective Contract for which this Affidavit is submitted are as follows (if none, please so state):

Name	Principal Place of Business Street Address	Amount of Compensation
N/A		

- E. Further, I say that the persons who have directly or indirectly participated in this solicitation and who are also employees of the government of Guam or the government of the United States, if federal funds are to be used in the payment of the contract related to the Bid/Offer/Proposal/Prospective Contract for which this Affidavit is submitted, are as follows (if none, please so state):

Name	Principal Place of Business Street Address
N/A	

- F. Regardless of any ownership interest, the following individuals have the power to control the performance of the contract or to control the Bidder/Offeror/Prospective Contractor, directly or indirectly:

Name	Principal Place of Business Street Address
N/A	

- G. Until award of the contract, and throughout the term of any contract awarded to the Bidder/Offeror/Prospective Contractor represented herein, I agree to promptly make any disclosures not made previously and update changes in ownership, identities of owners and other required information, interests, compensation or conflicts of the persons required to be disclosed. I understand that failure to comply with this requirement shall constitute a material breach of contract.
- H. I hereby declare under penalty of perjury under the laws of Guam that the foregoing is true and correct.

Executed on: July 02, 2024  
(date)



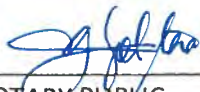
Conchita D. Bathan, CEO

Signature of one of the following:  
Bidder/Offeror/Prospective Contractor, if a  
licensed individual Owner of sole proprietorship  
Bidder/Offeror/Prospective Contractor Partner,  
if the Bidder/Offeror/Prospective Contractor is a  
partnership  
Officer, if the Bidder/Offeror/Prospective  
Contractor is a corporation



Subscribed and sworn to before me

This 2nd day of July, 20 2024.



NOTARY PUBLIC

My commission expires: Oct 14, 2025

**CHRISTAL G. SOLITANA**  
**NOTARY PUBLIC**  
In and for the Territory of Guam, U.S.A.  
My Commission Expires: **OCT. 14, 2025**  
388 S Marine Corps Dr Suite 400 Tamuning, GU 96913

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

CITY OF \_\_\_\_\_ )  
 ) SS.  
ISLAND OF GUAM )

Name of Owner	Principal Place of Business Street Address	% of Interest

- [ ] One or more of the more-than-10% owners listed above is a business or artificial person. Any more-than-25% owners of such business or artificial person are listed below per 5 GCA § 5233. Note: any less-than-25% owners of such a business or artificial person IS encouraged to also be listed below.

**Name of >10% Owner Business or Artificial Person:**

Names of owners of the >10% Owner Business or Artificial Person ("Second Tier Owner")	Owner's Principal Place of Business Street Address	% of Interest

**Name of other >10% Owner Business or Artificial Person:**

Names of owners of the >10% Owner Business or Artificial Person ("Second Tier Owner")	Owner's Principal Place of Business Street Address	% of Interest

- B. If any Second Tier Owner identified above is an artificial person, the natural or artificial owners of such Second Tier Owner who have held more than 49% of the shares or interest in the Bidder/Offeror/Prospective Contractor (Third Tier Owners) are as follows [if none, please so state]:

Second Tier Owner Name none

Name of Owner	Principal Place of Business Street Address	% of Interest



- C. If the name of no natural person has been identified as an owner, or a Second or Third Tier Owner of the Bidder/Offeror/Prospective Contractor, please identify the name, position, address, and contact information of the natural person having the authority and responsibility for the Bid/Offer/Proposal/Prospective Contract, and the name of any natural person who has the authority and power to remove and replace the designated responsible person:

Name of Natural Person	Position	Street Address of Principal Place of Business	Phone Number, Email Address, and other Contact Information
Robert Salas II	President	202 Hilton Road Unit 7 Tumon Guam 96913	(671) 989-8542 rob.salas@pfmgum.com

- D. Further, I say that the persons who have received or are entitled to receive a commission, gratuity, contingent fee or other compensation to solicit, secure, or assist in obtaining business related to the Bid/Offer/Proposal/Prospective Contract for which this Affidavit is submitted are as follows (if none, please so state):

Name	Principal Place of Business Street Address	Amount of Compensation
none		

- E. Further, I say that the persons who have directly or indirectly participated in this solicitation and who are also employees of the government of Guam or the government of the United States, if federal funds are to be used in the payment of the contract related to the Bid/Offer/Proposal/Prospective Contract for which this Affidavit is submitted, are as follows (if none, please so state):

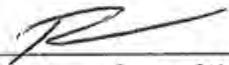
Name	Principal Place of Business Street Address
none	

- F. Regardless of any ownership interest, the following individuals have the power to control the performance of the contract or to control the Bidder/Offeror/Prospective Contractor, directly or indirectly:

Name	Principal Place of Business Street Address


- G. Until award of the contract, and throughout the term of any contract awarded to the Bidder/Offeror/Prospective Contractor represented herein, I agree to promptly make any disclosures not made previously and update changes in ownership, identities of owners and other required information, interests, compensation or conflicts of the persons required to be disclosed. I understand that failure to comply with this requirement shall constitute a material breach of contract.
- H. I hereby declare under penalty of perjury under the laws of Guam that the foregoing is true and correct.

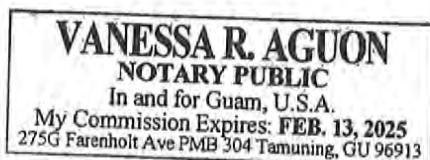
Executed on: \_\_\_\_\_  
(date)

  
\_\_\_\_\_  
Signature of one of the following:  
Bidder/Offeror/Prospective Contractor, if a  
licensed individual Owner of sole proprietorship  
Bidder/Offeror/Prospective Contractor Partner,  
if the Bidder/Offeror/Prospective Contractor is a  
partnership  
Officer, if the Bidder/Offeror/Prospective  
Contractor is a corporation

Subscribed and sworn to before me

This 5<sup>th</sup> day of July, 2024

  
\_\_\_\_\_  
NOTARY PUBLIC  
My commission expires: FEB 13, 2025



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



**ANTONIO B. WON PAT INTERNATIONAL AIRPORT AUTHORITY, GUAM  
BOARD OF DIRECTORS**

**EXECUTIVE SUMMARY**

**INVITATION FOR BID**

**IFB NO. GIAA-003-FY24**

**PREVENTIVE MAINTENANCE AND REPAIR SERVICES FOR GIAA GENERATORS**

**August 16, 2024**

**Purpose**

Board action is requested to approve the award for Invitation for Bid (“IFB”) No. GIAA-003-FY24 for the Preventive Maintenance and Repair Services for GIAA Generators.

**Background**

Bids were solicited for the Preventive Maintenance and Repair Services for Antonio B. Won Pat International Airport Authority, Guam (“GIAA”), a total of four (4) 1800 KW Generators supporting GIAA’s main terminal building and other generators supporting various GIAA properties. The scope includes full-service preventive maintenance and safety inspections, bi-weekly pre-start and monthly load tests, annual services, generator repairs, and emergency services requested on an as-needed basis. Preventive maintenance and repair services for these generators are imperative to ensure continuity of operations at GIAA, especially in times of outages or emergencies.

The contract will be awarded to the responsive and responsible bidder with the lowest total estimated annual cost and provided the bid is reasonable and is in the best interest of GIAA to accept. The contract term is for three (3) years from the effective date of the contract and may be renewed at GIAA’s sole discretion for two (2) additional up to one (1) year terms, not to exceed a total term of five (5) years, subject to the availability of funding.

**Procurement Background**

The above referenced IFB was publicly announced in a local newspaper on June 7, 11, 18, July 2, and 11, 2024. The bid submission deadline was extended to July 25, 2024, 2:00 p.m. and bid opening took place on the same day at 2:15 p.m.

Eleven (11) firms and/or individuals downloaded the IFB package, and three (3) firms submitted a bid prior to the bid submission deadline. The bids were opened publicly and read aloud by the Buyer Supervisor I and recorded by a member of the Procurement staff.

The result of the submitted bids are as follows in the order that they were received and opened:

<b>Bidder</b>	<b>Total Estimated Annual Cost</b>
Hawthorne Pacific Corp.	\$89,506.20
Pacific Unlimited Inc.	\$155,323.00
<b>SE Construction Corporation</b>	<b>\$137,140.00</b>

The government estimate for these services is \$140,000.00 per annum.



#### **Executive Summary**

Invitation for Bid No. GIAA-003-FY24;

Preventive Maintenance and Repair Services for GIAA Generators

Page 2 of 2

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**Hawthorne Pacific Corp:** The bidder submitted a total estimated annual cost of \$89,506.20 or 36.07% below the government estimate. The bidder's submittal was reviewed to determine its responsiveness and responsibility as set forth in the Procurement Law and Regulations. Pursuant to Addendum D of the IFB Package, Revised Special Reminder to Prospective Bidders, a copy of a valid Contractor's License (Classification C-13 Electrical) must be included in the bid. **Hawthorne Pacific Corp did not submit a Contractor's License with their bid submission.** Furthermore, GIAA has confirmed with the Contractors Licensing Board that the Bidder does not hold the required C-13 classification. The bid was found to be nonresponsive due to the failure to submit the required Contractor's License classifications and will therefore be rejected, pursuant to 2 GAR, §3115 (e)(3)(A)(ii).

**Pacific Unlimited, Inc.:** The bidder submitted a total estimated annual cost of \$155,323.00 or 10.95% above the government estimate. The bidder's submittal was reviewed and deemed responsive through the submission of all required documents, completed and in conformance with the IFB, including a copy of its Contractor's License(s): #C-0724-1124 and #C-0724-11739 (Inclusive of C-13 Electrical). The bid was found to be responsive and bidder meets the standards of responsibility as set forth in the Procurement Law and Regulations.

**SE Construction Corporation:** The bidder submitted a total estimated annual cost of \$137,140.00 or 2.04% below the government estimate. The bidder's submittal was deemed responsive through the submission of all required documents, completed and in conformance with the IFB, including a copy of its Contractor's License(s): #C-0724-1114 (Inclusive of C-13 Electrical). The bid was found to be responsive and bidder meets the standards of responsibility as set forth in the Procurement Law and Regulations.

#### **Legal Review**

Upon Board approval, the award will be processed through the issuance of a contract in conformance with the Guam Procurement Law and Regulations, subject to legal review.

#### **Financial Review**

The total estimated award for this bid is \$137,140.00 per year, for an initial term of three (3) years from the effective date of the contract and may be renewed at GIAA's sole discretion for two (2) additional up to one (1) year terms, not to exceed a total term of five (5) years, subject to the availability of funding. Funding for this contract is available under the Properties & Facilities O&M Budget.

#### **Recommendation**

Management recommends the contract award in the amount of \$137,140.00 per year for the Preventive Maintenance and Repair Services for GIAA Generators to SE Construction Corporation, who has been determined to have met the standards of responsibility and responsiveness outlined in the Guam Procurement Law and Regulations.

August 14, 2024

**MEMORANDUM**

TO: John M. Quinata  
**Executive Manager**

FROM: Jenielle Meno  
**Buyer Supervisor I**

SUBJECT: Bid Evaluation and Recommendation – Invitation For Bid (“IFB”)  
Preventive Maintenance and Repair Services for GIAA Generators  
IFB No. GIAA-003-FY24

**Background:**

The IFB is for Preventive Maintenance and Repair Services for Antonio B. Won Pat International Airport Authority, Guam (“GIAA”), a total of four (4) 1800 KW Generators supporting GIAA’s main terminal building and other generators supporting various GIAA properties. The scope includes preventive maintenance and safety inspections, bi-weekly pre-start and monthly load tests, annual services, generator repairs, and emergency services requested on an as-needed basis. Preventive maintenance and repair services for these generators are imperative to ensure continuity of operations at GIAA, especially in times of outages or emergencies.

**Procurement Background:**

The IFB was publicly announced in a local newspaper on June 7, 11, 18, July 2, and 11, 2024. The bid submission deadline was extended to July 25, 2024, 2:00 p.m. and bid opening took place on the same day at 2:15 p.m.

Eleven (11) firms and/or individuals downloaded the IFB package and three (3) firms submitted a bid prior to the bid submission deadline. The bids were opened publicly and read aloud by the Buyer Supervisor I and recorded by a member of the Procurement staff.

The result of the submitted bids are as follows in the order that they were received and opened:

Bidder	Total Estimated Annual Cost
Hawthorne Pacific Corp	\$89,506.20
Pacific Unlimited Inc.	\$155,323.00
<b>SE Construction Corporation</b>	<b>\$137,140.00</b>

**Bid Analysis and Evaluation:**

Pursuant to Section 12 of the Instructions to Bidders of the IFB, the contract will be awarded, if it is to be awarded, as soon as possible to the responsive and responsible bidder with the lowest Total Estimated Annual Cost within the available funding for the services, and provided the bid is reasonable and is in the best interest of GIAA to accept. To determine the responsiveness of bidders, the bid package specified the required documents that bidders must submit with their bid package. The abstract illustrates the list of required documents and each bidder’s submittal (*see Attachment 1*). The government estimate for these services was \$140,000.00 per annum.

**Hawthorne Pacific Corp:** The bidder submitted a total estimated annual cost of \$89,506.20 or 36.07% below the government estimate. The bidder’s submittal was reviewed to determine its responsiveness and responsibility as set forth in the Procurement Law and Regulations. Pursuant to Addendum D of the IFB Package, Revised

## Evaluation and Recommendation

Terminal Building Roof Replacement and Renewable Energy System – Phase I

IFB No. GIAA-003-FY24,

Page 2 of 2

Special Reminder to Prospective Bidders, a copy of a valid Contractor's License (Classification C-13 Electrical) must be included in the bid. **Hawthorne Pacific Corp did not submit a Contractor's License with their bid submission.** Furthermore, GIAA has confirmed with the Contractors Licensing Board that the Bidder does not hold the required C-13 classification. The bid was found to be nonresponsive due to the failure to submit the required Contractor's License classifications and will therefore be rejected, pursuant to 2 GAR, §3115 (e)(3)(A)(ii).

**Pacific Unlimited, Inc.:** The bidder submitted a total estimated annual cost of \$155,323.00 or 10.95% above the government estimate. The bidder's submittal was reviewed and deemed responsive through the submission of all required documents, completed and in conformance with the IFB, including a copy of its Contractor's License(s): #C-0724-1124 and #C-0724-11739 (Inclusive of C-13 Electrical). The bid was found to be responsive and bidder meets the standards of responsibility as set forth in the Procurement Law and Regulations.

**SE Construction Corporation:** The bidder submitted a total estimated annual cost of \$137,140.00, as corrected pursuant to 2 GAR § 3109(m)(4) or 2.04% below the government estimate. The bidder's submittal was deemed responsive through the submission of all required documents, completed and in conformance with the IFB, including a copy of its Contractor's License(s): #C-0724-1114 (Inclusive of C-13 Electrical). The bid was found to be responsive and bidder meets the standards of responsibility as set forth in the Procurement Law and Regulations.

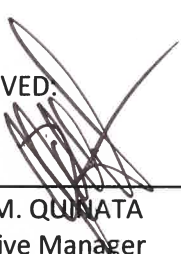
### Recommendation:

Pursuant to IFB, Instructions to Bidder, Section 12, the contract will be awarded to the responsive and responsible bidder with the lowest total estimated annual cost, **SE Construction Corporation** in the amount of **\$137,140.00 per year**. The contract term is for three (3) years from the effective date of the contract and may be renewed at GIAA's sole discretion for two (2) additional up to one (1) year terms, not to exceed a total term of five (5) years, subject to the availability of funding.




Should you have any questions, we are available at your request.


  
JENIELLE MENO


APPROVED:

  
\_\_\_\_\_  
JOHN M. QUINATA  
Executive Manager

Attachments

<b>Invitation for Bid No.:</b> GIAA-003-FY24			 <div style="text-align: center;"> <b>Antonio B. Won Pat International Airport Authority, Guam</b>  <b>Abstract for Invitation for Bid</b>  <b>DETERMINATION FOR BIDDER'S RESPONSIVENESS</b> </div>																		<b>Issuance Date:</b> 6/7/2024		
<b>Name of Procurement:</b> Preventive Maintenance and Repair Services for GIAA Generators																					<b>Submission Deadline:</b> July 25, 2024, 2:00PM		
																					<b>No. of Packages Issued:</b> 11	<b>No. of Bids Received:</b> 3	
#	Name of Bidder	Date & Time of Submission	Required Forms/Documents																		Bid Security	Bid Form/Bid Amount (See page 2)	
			A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R			S
1	Hawthorne Pacific Corp.	07/16/24 9:35am	✓		✓ A-C	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		15% of Total - Bid Bond -	[✓] Bid Form Attached
2	Pacific Unlimited Inc.	07/25/24 1:38 PM	✓	✓	✓ A-D	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	\$23,298.45 - Letter of Credit -	[✓] Bid Form Attached
3	SE Construction Corporation	07/25/24 1:40 PM	✓	✓	✓ A-D	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	15% of Total - Bid Bond -	[✓] Bid Form Attached
4																							[ ] Bid Form Attached
5																							[ ] Bid Form Attached
6																							[ ] Bid Form Attached
I hereby certify that all bids received in response to this solicitation were opened and that the names of all bidders have been entered hereon.   <div style="float: right;">  </div>			<b>LEGEND - REQUIRED FORMS/DOCUMENTS</b>  (A) Special Reminder to Prospective Bidders (B) Acknowledgement of Receipt Form for receipt of IFB (C) Acknowledgement of Receipt Form for all issued Addenda for this IFB (D) Affidavit Disclosing Ownership, Influence, Commissions and Conflicts of Interest (E) Affidavit Regarding Non-Collusion (F) Affidavit Regarding No Gratuities or Kickbacks (G) Affidavit Regarding Contingent Fees (H) Affidavit Regarding Ethical Standards (I) Declaration Regarding Compliance with U.S. DOL Wage and Benefits Determination (J) Designation of Subcontractors  (K) Bidder's Qualification Statement (L) Bidder's Financial Statement (M) Title VI Solicitation Notice (N) Local Procurement Preference Application (O) Service-Disabled Veteran Owned Business Application (P) Women-Owned Business Application (Q) Confidential Data Designation Request Form (R) Contract. The Form Contract provided must be signed by the Bidder (S) Other Requirements. Copy of valid Contractor's license - Classification C-13																				
<b>JENIELLE MENO</b> BUYER SUPERVISOR I  Attested By: <b>KATHRINA BAYSON</b> SUPPLY MANAGEMENT ADMINISTRATOR			DATE 7/25/24  DATE 7-25-2024																				

<b>Invitation for Bid No.:</b> GIAA-003-FY24		 <div style="text-align: right;"> <b>Antonio B. Won Pat International Airport Authority, Guam</b>  <b>Abstract for Invitation for Bid</b>   <b>BID FORM / BID AMOUNT</b> </div>								
<b>Name of Procurement:</b> Preventive Maintenance and Repair Services for GIAA Generators										
Item No.	Name of Bidder	Repairs: Straight Time (Hourly Rate)	Repairs: Overtime (Hourly Rate)	Repairs: Emergency Call-out (Hourly Rate)	Total Monthly Cost 1. Caterpillar SR4B 2ED01588	Total Monthly Cost 2. Caterpillar SR4B 2ED01588	Total Monthly Cost 3. Caterpillar SR4B 2ED01590	Total Monthly Cost 4. Caterpillar SR4B 2ED01591	Bidder's Percentage Mark-up Parts & Materials	Grand Total Estimated Annual Cost
1	Hawthorne Pacific Corp	\$139.00	\$180.00	\$180.00	\$291.90	\$291.90	\$291.90	\$291.90	0%	\$89,506.20
2	Pacific Unlimited Inc.	\$155.00	\$201.50	\$155.00	\$1,550.00	\$1,550.00	\$1,550.00	\$1,550.00	10%	\$155,323.00
3	SE Construction Corporation	\$60.00	\$80.00	\$108.00	\$1,660.00	\$1,660.00	\$1,660.00	\$1,660.00	7%	\$120,820.00
4										
5										
6										


 7/25/24  
**JENILLE MENO**  
 BUYER SUPERVISOR I

Attested By:  

 7.25.2024  
**KATHRINA BAYSON**  
 SUPPLY MANAGEMENT ADMINISTRATOR

**AFFIDAVIT DISCLOSING OWNERSHIP, INFLUENCE, COMMISSIONS AND CONFLICTS OF INTEREST**  
**(Required by 5 GCA § 5233 as amended by P.L. 36-13 (4/9/2021))**

CITY OF \_\_\_\_\_ )  
 ) ss.  
ISLAND OF GUAM )

Preface. As a condition of submitting a Bid/Offer/Proposal or responding to any method of source selection under Guam's Procurement Law for the purpose of entering into a contract with the government of Guam, this Affidavit requires all Bidders/Offerors/Prospective Contractors to make disclosures of ownership, influence, commissions, gratuities, kickbacks, and conflicts of interest occurring **during the 365 calendar days preceding the publication of this solicitation and until award of a contract**. This includes the duty to disclose **any changes** to the facts disclosed herein throughout the solicitation process; and if the entity submitting this Affidavit is awarded a contract, the duty to disclose **any changes** to the facts disclosed herein **continues throughout the life of the contract, including any extensions or renewals**.

A. I, the undersigned, being first duly sworn, depose and say that I am an authorized representative of the Bidder/Offeror/Prospective Contractor and that (please check and fill out all that apply):

☐ The Bidder/Offeror/Prospective Contractor is an individual with a business license, and all decisions are by, and all profit is for, that same individual, with principal place of business street address being: \_\_\_\_\_

☐ The Bidder/Offeror/Prospective Contractor is a business or artificial person (as defined in 1 GCA § 715 or 5 GCA §§ 5030(n) or 5233(b)), and is a sole proprietorship owned entirely (100%) by \_\_\_\_\_, with principal place of business street address being: \_\_\_\_\_

☒ The Bidder/Offeror/Prospective Contractor is a business or artificial person (as defined in 1 GCA § 715 or 5 GCA §§ 5030(n) or 5233(b)), and is owned by the following multiple individuals. Note: owners of more than 10% are statutorily required to be listed below, but other owners of smaller percentage are encouraged to be listed as well.

Name of Owner	Principal Place of Business Street Address	% of Interest
Hawthorne Machinery Co.	16945 Camino San Bernardo	100
_____	_____	_____
_____	_____	_____
_____	_____	_____

**PREVENTIVE MAINTENANCE AND REPAIR SERVICES  
FOR GIAA GENERATORS**

**IFB NO. GIAA-003-FY24**

- ☒ One or more of the more-than-10% owners listed above is a business or artificial person. Any more-than-25% owners of such business or artificial person are listed below per 5 GCA § 5233. Note: any less-than-25% owners of such a business or artificial person IS encouraged to also be listed below.

**Name of >10% Owner Business or Artificial Person:**

<b>Names of owners of the &gt;10% Owner Business or Artificial Person ("Second Tier Owner")</b>	<b>Owner's Principal Place of Business Street Address</b>	<b>% of Interest</b>
David Ness	16945 Camino San Bernardo San Diego CA 92127	50.4%

**Name of other >10% Owner Business or Artificial Person:**

<b>Names of owners of the &gt;10% Owner Business or Artificial Person ("Second Tier Owner")</b>	<b>Owner's Principal Place of Business Street Address</b>	<b>% of Interest</b>

- B. If any Second Tier Owner identified above is an artificial person, the natural or artificial owners of such Second Tier Owner who have held more than 49% of the shares or interest in the Bidder/Offeror/Prospective Contractor (Third Tier Owners) are as follows [if none, please so state]:

**Second Tier Owner Name** \_\_\_\_\_

<b>Name of Owner</b>	<b>Principal Place of Business Street Address</b>	<b>% of Interest</b>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

- C. If the name of no natural person has been identified as an owner, or a Second or Third Tier Owner

**PREVENTIVE MAINTENANCE AND REPAIR SERVICES  
FOR GIAA GENERATORS**

**IFB NO. GIAA-003-FY24**

of the Bidder/Offeror/Prospective Contractor, please identify the name, position, address, and contact information of the natural person having the authority and responsibility for the Bid/Offer/Proposal/Prospective Contract, and the name of any natural person who has the authority and power to remove and replace the designated responsible person:

Name of Natural Person	Position	Street Address of Principal Place of Business	Phone Number, Email Address, and other Contact Information

- D. Further, I say that the persons who have received or are entitled to receive a commission, gratuity, contingent fee or other compensation to solicit, secure, or assist in obtaining business related to the Bid/Offer/Proposal/Prospective Contract for which this Affidavit is submitted are as follows (if none, please so state):

Name	Principal Place of Business Street Address	Amount of Compensation
_____	_____	_____
_____	_____	_____

- E. Further, I say that the persons who have directly or indirectly participated in this solicitation and who are also employees of the government of Guam or the government of the United States, if federal funds are to be used in the payment of the contract related to the Bid/Offer/Proposal/Prospective Contract for which this Affidavit is submitted, are as follows (if none, please so state):

Name	Principal Place of Business Street Address
_____	_____
_____	_____

- F. Regardless of any ownership interest, the following individuals have the power to control the performance of the contract or to control the Bidder/Offeror/Prospective Contractor, directly or indirectly:

Name	Principal Place of Business Street Address
David Ness	16945 Camino San Bernardo, San Diego CA 92127
_____	_____




PREVENTIVE MAINTENANCE AND REPAIR SERVICES  
FOR GIAA GENERATORS

IFB NO. GIAA-003-FY24

- G. Until award of the contract, and throughout the term of any contract awarded to the Bidder/Offeror/Prospective Contractor represented herein, I agree to promptly make any disclosures not made previously and update changes in ownership, identities of owners and other required information, interests, compensation or conflicts of the persons required to be disclosed. I understand that failure to comply with this requirement shall constitute a material breach of contract.
- H. I hereby declare under penalty of perjury under the laws of Guam that the foregoing is true and correct.

Executed on: 7/31/24  
(date)

  
Signature of one of the following:  
Bidder/Offeror/Prospective Contractor, if a  
licensed individual Owner of sole proprietorship  
Bidder/Offeror/Prospective Contractor Partner,  
if the Bidder/Offeror/Prospective Contractor is a  
partnership  
Officer, if the Bidder/Offeror/Prospective  
Contractor is a corporation

Subscribed and sworn to before me

This 2<sup>nd</sup> day of July, 2024.

Mark E. Seeman  
NOTARY PUBLIC  
My commission expires: 4-23-28

\* See Attached

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

**AFFIDAVIT DISCLOSING OWNERSHIP, INFLUENCE, COMMISSIONS AND CONFLICTS OF INTEREST**  
**(Required by 5 GCA § 5233 as amended by P.L. 36-13 (4/9/2021))**

CITY OF Hagatna )  
 ) ss.  
ISLAND OF GUAM )

Preface. As a condition of submitting a Bid/Offer/Proposal or responding to any method of source selection under Guam's Procurement Law for the purpose of entering into a contract with the government of Guam, this Affidavit requires all Bidders/Offerors/Prospective Contractors to make disclosures of ownership, influence, commissions, gratuities, kickbacks, and conflicts of interest occurring **during the 365 calendar days preceding the publication of this solicitation and until award of a contract**. This includes the duty to disclose **any changes** to the facts disclosed herein throughout the solicitation process; and if the entity submitting this Affidavit is awarded a contract, the duty to disclose **any changes** to the facts disclosed herein **continues throughout the life of the contract, including any extensions or renewals**.

A. I, the undersigned, being first duly sworn, depose and say that I am an authorized representative of the Bidder/Offeror/Prospective Contractor and that (please check and fill out all that apply):

☐ The Bidder/Offeror/Prospective Contractor is an individual with a business license, and all decisions are by, and all profit is for, that same individual, with principal place of business street address being: \_\_\_\_\_

☐ The Bidder/Offeror/Prospective Contractor is a business or artificial person (as defined in 1 GCA § 715 or 5 GCA §§ 5030(n) or 5233(b)), and is a sole proprietorship owned entirely (100%) by \_\_\_\_\_, with principal place of business street address being: \_\_\_\_\_

☒ The Bidder/Offeror/Prospective Contractor is a business or artificial person (as defined in 1 GCA § 715 or 5 GCA §§ 5030(n) or 5233(b)), and is owned by the following multiple individuals. Note: owners of more than 10% are statutorily required to be listed below, but other owners of smaller percentage are encouraged to be listed as well.

Name of Owner	Principal Place of Business Street Address	% of Interest
<u>John Alexius Limtiaco Jr.</u>	<u>P.O. Box 10838 Tamuning, Guam 96931</u>	<u>35.50</u>
<u>Lawrence V. Limtiaco</u>	<u>P.O. Box 10838 Tamuning, Guam 96931</u>	<u>32.00</u>
<u>Michael Limtiaco</u>	<u>P.O. Box 10838 Tamuning, Guam 96931</u>	<u>22.50</u>
<u>Selita Limtiaco</u>	<u>P.O. Box 10838 Tamuning, Guam 96931</u>	<u>10.00</u>

- [ ] One or more of the more-than-10% owners listed above is a business or artificial person. Any more-than-25% owners of such business or artificial person are listed below per 5 GCA § 5233. Note: any less-than-25% owners of such a business or artificial person IS encouraged to also be listed below.

**Name of >10% Owner Business or Artificial Person:**

<b>Names of owners of the &gt;10% Owner Business or Artificial Person ("Second Tier Owner")</b>	<b>Owner's Principal Place of Business Street Address</b>	<b>% of Interest</b>

**Name of other >10% Owner Business or Artificial Person:**

<b>Names of owners of the &gt;10% Owner Business or Artificial Person ("Second Tier Owner")</b>	<b>Owner's Principal Place of Business Street Address</b>	<b>% of Interest</b>

- B. If any Second Tier Owner identified above is an artificial person, the natural or artificial owners of such Second Tier Owner who have held more than 49% of the shares or interest in the Bidder/Offeror/Prospective Contractor (Third Tier Owners) are as follows [if none, please so state]:

**Second Tier Owner Name** \_\_\_\_\_

<b>Name of Owner</b>	<b>Principal Place of Business Street Address</b>	<b>% of Interest</b>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

- C. If the name of no natural person has been identified as an owner, or a Second or Third Tier Owner

of the Bidder/Offeror/Prospective Contractor, please identify the name, position, address, and contact information of the natural person having the authority and responsibility for the Bid/Offer/Proposal/Prospective Contract, and the name of any natural person who has the authority and power to remove and replace the designated responsible person:

Name of Natural Person	Position	Street Address of Principal Place of Business	Phone Number, Email Address, and other Contact Information
John Alexius Limtiaco Jr.	President	17-3311 Corsair Rd Tiyan Barridada, GU 96913	(671) 473-4378/888-6270 jlimtiaco@pacificunlimitedguam.com
Lawrence V. Limtiaco	Vice President	17-3311 Corsair Rd Tiyan Barridada, GU 96913	(671) 888-6273/473-4375 llimtiaco@pacificunlimitedguam.com
Michael Limtiaco	Vice President	17-3311 Corsair Rd Tiyan Barridada, GU 96913	(671) 888-6280/475-1060 mlimtiaco@pacificunlimitedguam.com
Selita Limtiaco	Board Member	17-3311 Corsair Rd Tiyan Barridada, GU 96913	(671) 473-4374

- D. Further, I say that the persons who have received or are entitled to receive a commission, gratuity, contingent fee or other compensation to solicit, secure, or assist in obtaining business related to the Bid/Offer/Proposal/Prospective Contract for which this Affidavit is submitted are as follows (if none, please so state):

Name	Principal Place of Business Street Address	Amount of Compensation
_____	_____	_____
_____	_____	_____

- E. Further, I say that the persons who have directly or indirectly participated in this solicitation and who are also employees of the government of Guam or the government of the United States, if federal funds are to be used in the payment of the contract related to the Bid/Offer/Proposal/Prospective Contract for which this Affidavit is submitted, are as follows (if none, please so state):

Name	Principal Place of Business Street Address
_____	_____
_____	_____

- F. Regardless of any ownership interest, the following individuals have the power to control the performance of the contract or to control the Bidder/Offeror/Prospective Contractor, directly or indirectly:

Name	Principal Place of Business Street Address
_____	_____
_____	_____

- G. Until award of the contract, and throughout the term of any contract awarded to the Bidder/Offeror/Prospective Contractor represented herein, I agree to promptly make any disclosures not made previously and update changes in ownership, identities of owners and other required information, interests, compensation or conflicts of the persons required to be disclosed. I understand that failure to comply with this requirement shall constitute a material breach of contract.
- H. I hereby declare under penalty of perjury under the laws of Guam that the foregoing is true and correct.

Executed on: \_\_\_\_\_

7/8/2024  
(date)



Signature of one of the following:  
Bidder/Offeror/Prospective Contractor, if a  
licensed individual Owner of sole proprietorship  
Bidder/Offeror/Prospective Contractor Partner,  
if the Bidder/Offeror/Prospective Contractor is a  
partnership  
Officer, if the Bidder/Offeror/Prospective  
Contractor is a corporation

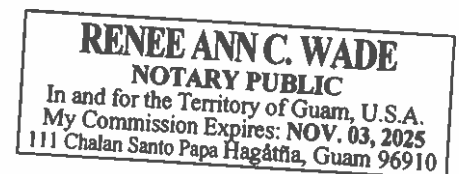
Subscribed and sworn to before me

This 8th day of July, 2024.



NOTARY PUBLIC

My commission expires: 11-3-2025



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

**AFFIDAVIT DISCLOSING OWNERSHIP, INFLUENCE, COMMISSIONS AND CONFLICTS OF INTEREST**  
**(Required by 5 GCA § 5233 as amended by P.L. 36-13 (4/9/2021))**

CITY OF Tamuning )  
 ) ss.  
ISLAND OF GUAM )

Preface. As a condition of submitting a Bid/Offer/Proposal or responding to any method of source selection under Guam's Procurement Law for the purpose of entering into a contract with the government of Guam, this Affidavit requires all Bidders/Offerors/Prospective Contractors to make disclosures of ownership, influence, commissions, gratuities, kickbacks, and conflicts of interest occurring **during the 365 calendar days preceding the publication of this solicitation and until award of a contract**. This includes the duty to disclose **any changes** to the facts disclosed herein throughout the solicitation process; and if the entity submitting this Affidavit is awarded a contract, the duty to disclose **any changes** to the facts disclosed herein **continues throughout the life of the contract, including any extensions or renewals**.

A. I, the undersigned, being first duly sworn, depose and say that I am an authorized representative of the Bidder/Offeror/Prospective Contractor and that (please check and fill out all that apply):

☐ The Bidder/Offeror/Prospective Contractor is an individual with a business license, and all decisions are by, and all profit is for, that same individual, with principal place of business street address being: \_\_\_\_\_

☐ The Bidder/Offeror/Prospective Contractor is a business or artificial person (as defined in 1 GCA § 715 or 5 GCA §§ 5030(n) or 5233(b)), and is a sole proprietorship owned entirely (100%) by \_\_\_\_\_, with principal place of business street address being: \_\_\_\_\_

☒ The Bidder/Offeror/Prospective Contractor is a business or artificial person (as defined in 1 GCA § 715 or 5 GCA §§ 5030(n) or 5233(b)), and is owned by the following multiple individuals. Note: owners of more than 10% are statutorily required to be listed below, but other owners of smaller percentage are encouraged to be listed as well.

Name of Owner	Principal Place of Business Street Address	% of Interest
<u>Sergio R. Llarena</u>	<u>P.O. Box 11293 Tamuning</u>	<u>51%</u>
<u>Eduardo R. Ilao</u>	<u>Guam 96931</u>	<u>49%</u>
_____	_____	_____
_____	_____	_____

- [ ] One or more of the more-than-10% owners listed above is a business or artificial person. Any more-than-25% owners of such business or artificial person are listed below per 5 GCA § 5233. Note: any less-than-25% owners of such a business or artificial person IS encouraged to also be listed below.

Name of >10% Owner Business or Artificial Person:

Names of owners of the >10% Owner Business or Artificial Person ("Second Tier Owner")	Owner's Principal Place of Business Street Address	% of Interest
N/A		

Name of other >10% Owner Business or Artificial Person:

Names of owners of the >10% Owner Business or Artificial Person ("Second Tier Owner")	Owner's Principal Place of Business Street Address	% of Interest
N/A		

- B. If any Second Tier Owner identified above is an artificial person, the natural or artificial owners of such Second Tier Owner who have held more than 49% of the shares or interest in the Bidder/Offeror/Prospective Contractor (Third Tier Owners) are as follows [if none, please so state]:

Second Tier Owner Name \_\_\_\_\_

Name of Owner	Principal Place of Business Street Address	% of Interest
N/A		

- C. If the name of no natural person has been identified as an owner, or a Second or Third Tier Owner

of the Bidder/Offeror/Prospective Contractor, please identify the name, position, address, and contact information of the natural person having the authority and responsibility for the Bid/Offer/Proposal/Prospective Contract, and the name of any natural person who has the authority and power to remove and replace the designated responsible person:

Name of Natural Person	Position	Street Address of Principal Place of Business	Phone Number, Email Address, and other Contact Information
N/A			

- D. Further, I say that the persons who have received or are entitled to receive a commission, gratuity, contingent fee or other compensation to solicit, secure, or assist in obtaining business related to the Bid/Offer/Proposal/Prospective Contract for which this Affidavit is submitted are as follows (if none, please so state):

Name	Principal Place of Business Street Address	Amount of Compensation
N/A		

- E. Further, I say that the persons who have directly or indirectly participated in this solicitation and who are also employees of the government of Guam or the government of the United States, if federal funds are to be used in the payment of the contract related to the Bid/Offer/Proposal/Prospective Contract for which this Affidavit is submitted, are as follows (if none, please so state):

Name	Principal Place of Business Street Address
N/A	

- F. Regardless of any ownership interest, the following individuals have the power to control the performance of the contract or to control the Bidder/Offeror/Prospective Contractor, directly or indirectly:

Name	Principal Place of Business Street Address
N/A	



G. Until award of the contract, and throughout the term of any contract awarded to the Bidder/Offeror/Prospective Contractor represented herein, I agree to promptly make any disclosures not made previously and update changes in ownership, identities of owners and other required information, interests, compensation or conflicts of the persons required to be disclosed. I understand that failure to comply with this requirement shall constitute a material breach of contract.

H. I hereby declare under penalty of perjury under the laws of Guam that the foregoing is true and correct.

Executed on: 3 July 2024  
(date)



Signature of one of the following:  
Bidder/Offeror/Prospective Contractor, if a  
licensed individual Owner of sole proprietorship  
Bidder/Offeror/Prospective Contractor Partner,  
if the Bidder/Offeror/Prospective Contractor is a  
partnership  
Officer, if the Bidder/Offeror/Prospective  
Contractor is a corporation

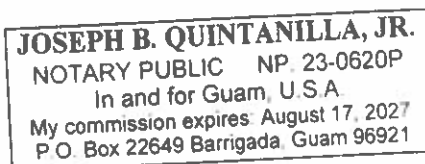
Subscribed and sworn to before me

This 3 day of July, 2024.



NOTARY PUBLIC

My commission expires: \_\_\_\_\_



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

**Executive Summary**  
**RECOGNITION OF DAVID D. TUNCAP**  
**First Airport Executive Manager**  
**August 16, 2024**

**Purpose**

Board action is requested to approve dedicating an area of Airport property and facilities in recognition of David D. Tuncap, the first Airport Executive Manager, for his significant contribution to the aviation and tourism industry on Guam.

**Background**

We recognize members of our community who served to develop the Airport and surrounding areas, and Guam tourism in the most unique of times while the Airport was a Government of Guam facility operating under a Joint Use Agreement with the US Navy for use of what was then NAS airfield, and while Guam was in its infancy stage of tourism.

David D. Tuncap was an island visionary who was instrumental in the development of the aviation and tourism industry on Guam which are now the mainstay and key driver of Guam's economy. Spanning over four decades of noteworthy public service and leadership in the government and the private sector, Mr. Tuncap began his career in the airline industry with Pan American World Airways, Inc. in 1959, as a Passenger Services Representative, and was promoted to various positions within the airline culminating as the Manager of Controls. Following his airline career, Mr. Tuncap took his experience to the Government of Guam, serving as the Director of the Department of Commerce from 1975 to 1976, in which all responsibility for operations related to the Guam International Air Terminal was then delegated. He saw through the birth of the "Guam Airport Authority" agency, working with island leaders for the passage of P.L. 13-57, and in January 1976, he was appointed and served as the first Executive Manager of the Guam Airport Authority from 1976 to 1978. With foresight and vision of developing aviation and growing Guam's tourism and the symbiotic relationship between the two, Mr. Tuncap lent his dynamic airport management and airline operations experience to the Guam Visitors Bureau Board of Directors where he served as Chairman of the Board from 1976 to 1978 and from 1981 to 1996. While serving as the GVB Board Chairman, he held several senior management positions in the private sector within Guam's aviation industry, culminating as Resident Manager of Lockheed Air Terminal, Inc. – Aviation Services Division Guam, where he managed the operations and maintenance of all fueling facilities for all commercial carriers at the Guam International Airport from 1985 to 2005, and retiring from Lockheed after 25 years of service.


**Recommendation**

Management recommends approval to dedicate an area of the Airport's property and facilities in recognition of David D. Tuncap, for his contribution to Guam's aviation and tourism industry on Guam.

**RECOMMENDATION OF COUNSEL**

**TO:** Board of Directors  
**ANTONIO B. WON PAT INTERNATIONAL**  
**AIRPORT AUTHORITY, GUAM**

**CC:** Mr. John M. Quinata  
Executive Manager  
**ANTONIO B. WON PAT INTERNATIONAL**  
**AIRPORT AUTHORITY, GUAM**

**FROM:** Janalynn Cruz Damian   
**CALVO JACOB & PANGELINAN LLP**

**DATE:** August 6, 2024

**SUBJECT:** **Executive Session**

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Pursuant to 5 GCA § 8111(c), I hereby recommend that the Board of Directors of GIAA conduct an Executive Session at the next scheduled Board meeting to discuss DFS Guam L.P. related litigation to which GIAA is or may be a party.

August 5, 2024

**VIA BOARD SECRETARY**

Mr. Brian J. Bamba, Chairman  
Members of the Board of Directors  
A.B. Won Pat International Airport Guam  
355 Chalan Pasaheru  
Tamuning, Guam 96913

***RE: Recommendation to go into Executive Session at  
Special Board Meeting for August 16, 2024***


Dear Mr. Chairman and Members of the GIAA Board of Directors,

This is to recommend and advise, pursuant to 5 G.C.A. § 8111(c)(1), of the need to go into executive session at the regular board meeting for the GIAA Board of Directors on August 16, 2024 to discuss the following litigation matters to which GIAA is currently a Party:

1. Civil Service Commission Case No. 20-AA05T, in the Matter of P. Kim

This recommendation is subject to approval by an affirmative vote of a majority of the members of the GIAA Board of Directors.

Very truly yours,

  
**WILLIAM B. BRENNAN**

cc: Mr. John M. Quinata  
Executive Manager

Mr. Ricky Hernandez  
Deputy Executive Manager