



**MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE
A.B. WON PAT INTERNATIONAL AIRPORT AUTHORITY, GUAM**

Friday, November 8, 2024, 3:00 p.m.

GIAA CONFERENCE ROOMS 1 & 2

1. CALL TO ORDER AND ATTENDANCE

The November 8, 2024, special meeting of the Board of Directors of the A.B. Won Pat International Airport Authority, Guam ("GIAA" or the "Authority") was called to order by Chairwoman Rosie R. Tainatongo at 3:07 p.m. at the GIAA Terminal Conference Rooms 1 & 2, 355 Chalan Pasaheru, Tamuning, Guam, 96913.

Directors Present:

Lucy M. Alcorn
Rosie R. Tainatongo
Doyon A. Morato
Jesse G. Garcia

Offices or positions:

Directors Absent:

Brian J. Bamba (Excused)
Gurvinder S. Sobti (Excused)
Donald I. Weakley (Excused)

Chairman
Vice Chairman
Board Secretary

GIAA Officials:

John M. Quinata
Artemio R. Hernandez, Ph.D.
Jean M. Arriola
Audie Artero
Ken McDonald
Rolenda Faasuamalie
Joseph Javellana
Danielle Camacho
Debbie N'gata

Executive Manager
Deputy Executive Manager
Airport Services Manager
Engineering Supervisor
Superintendent of Properties & Facilities
Airport Marketing Administrator
Property Management Office
General Accounting Supervisor
General Accounting Supervisor

William B. Brennan
Janalynn Damian
Frank R. Santos

Arriola Law Firm, GIAA Legal Counsel
Calvo Jacob & Pangelinan, GIAA Legal Counsel
TMG, GIAA Consultant

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

2. APPROVAL OF AGENDA

On motion duly made by Director Morato, seconded by Director Alcorn, the following resolution was unanimously passed:

Resolution No. 25-11

The Board hereby approves the agenda of the November 8, 2024, special meeting, as presented.

3. NEW BUSINESS

A. Approval of Ernst & Young Contract for Financial Audit Services

The first item discussed was the approval of Ernst & Young Contract for Financial Audit Services. Deputy Executive Manager Hernandez presented the contract award for the Independent Financial Auditing Services under RFP No. OPA-RFP-24-005 for the Board's consideration.

The Deputy Executive Manager advised the Board that in compliance with GIAA's bond covenants, enabling legislation, and federal grant requirements, GIAA is obligated to engage the professional services of a U.S. Certified Public Accounting (CPA) Firm to perform an independent audit of its financial operations and accordingly prepare financial audit reports. The RFP solicits proposals from a U.S. Certified CPA Firm to conduct an audit (to include the Single Audit Act Provision) for GIAA's financial operations for fiscal years ended September 30, 2024, September 30, 2025, and September 30, 2026, with an option to renew for one additional year for fiscal year 2027. The Manager informed the Board that the entire RFP procurement process was managed by the Office of Public Accountability (OPA).

One (1) firm responded by submitting their proposal before the submission deadline.

The term of the contract is for a period for fiscal years ending September 30, 2024, September 30, 2025, and September 30, 2026, with an option to renew for one additional year for fiscal year 2027. The Independent Financial Auditing Services contract will be funded under the Accounting Division's O&M Budget.

After further discussion, on motion dully made by Director Morato, seconded by Director Alcorn, the following RFP was unanimously approved:

Resolution No. 25-12

The Board hereby approves the Ernst & Young LLP (GUAM) Agreement for the Independent Financial Auditing Services contract – RFP No. OPA-RFP-24-005 for fiscal years 2024, 2025, and 2026, with an option to renew for one additional year, as presented.

B. Specialty Retail Concession Amendment

The next item requiring board action was the Specialty Retail Concession Amendment. Executive Manager Quinata presented, providing background information to the Board explaining that

GIAA and Lotte negotiated a 3-year contract extension as authorized by the Legislature, which commenced July 21, 2023, and expires July 20, 2026. The extension was necessary as a result of the impact and uncertainty caused by the COVID-19 pandemic, Typhoon Mawar in May 2023, and other geopolitical issues affecting overall travel to Guam.

At the time the concession extension was negotiated, GIAA had forecasted traffic recovery by FY2025 and FY2026 to pre-pandemic levels and required a minimum of \$2.5M investment (as amended) in an expanded retail boutique. As reported in a prior GIAA Board meeting, Guam's recovery has been much slower than forecasted and closed this FY2024 budget year at 45% below pre-pandemic enplanement levels further impacting Lotte's retail gross sales at the Airport and its ability to recover its investment in a short period.

Management recommends the Board approve proposed Resolution No. 25-13, authorizing GIAA to extend additional financial relief to Lotte. The referenced resolution includes a waiver of Lotte's obligations to pay GIAA's defense fees and costs for the Protest Litigation incurred for the period of July 21, 2024, to July 2026, provided the Protest Litigation is dismissed with prejudice through mutual agreement of parties and authorizes GIAA to enter into an amendment to the Concession Agreement in accordance with this Resolution.

Director Morato inquired that if there is no settlement on the pending litigation then this amendment would not be needed. Executive Manager Quinata replied that that is correct.

In summary, the Board of Directors discussed that it is in the best interests of the Authority to assist Lotte by providing relief as approved herein.

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

Resolution No. 25-13

WHEREAS, Lotte Duty Free Guam, LLC ("Lotte"), the Authority's specialty retail concessionaire, has been seeking financial relief from the Authority as it navigates the financial challenges associated with the prolonged recovery of Guam's tourism industry.

WHEREAS, the parties to the litigation relating to the Lotte concession (Superior Court Consolidated Case Nos. CV0943-14, CV0094-15, and CV0198-15) and related litigation (collectively "Protest Litigation") are engaged in settlement discussions that include dismissal of the Protest Litigation with prejudice.

WHEREAS, the Board of Directors finds that it is in the best interest of the Authority to assist Lotte by providing relief as approved herein.

WHEREAS, the Board of Directors finds that it is in the best interest of the Authority to assist Lotte by providing relief as approved herein.

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

Section 1. The Board hereby authorizes the Authority to extend financial relief to Lotte under its Concession Agreement, as amended, in accordance with the following terms: waiver of Lotte's obligation to pay the Authority's defense fees and costs for the Protest Litigation incurred for work performed during the period of July 21, 2024 to July 20, 2026 only, provided the Protest Litigation is dismissed with prejudice through agreement of the parties to the Protest Litigation,

Section 2. The Board hereby authorizes the Authority to enter into an amendment of the Concession Agreement that is in accordance with this resolution and the Executive Manager, and the Deputy Executive Manager are each singly hereby authorized and directed to execute such amendment.

Section 3. Management is authorized to do all things necessary and proper to implement this resolution.

Section 4. This resolution shall take effect from and after its adoption.

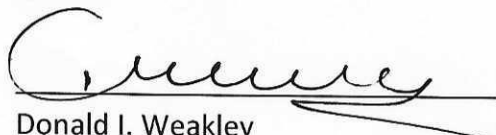
4. ADJOURNMENT

Motion to adjourn duly made by Director Alcron, seconded by Director Garcia; motion unanimously passed. The meeting adjourned at 3:22 p.m.

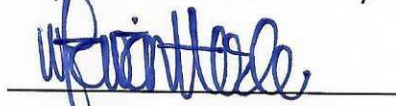
Dated this 27th, day of November, 2024.


Rosie R. Tainatongo
Acting Chairwoman

Attest:


Donald I. Weakley
Board Secretary

Prepared and Submitted By:


Wana Frances C. Wintterle
Corresponding Secretary

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

RESOLUTION NO. 25-13

RESOLUTION APPROVING FINANCIAL RELIEF FOR LOTTE DUTY FREE GUAM
CONCESSION

WHEREAS, Lotte Duty Free Guam, LLC (“Lotte”), the Authority’s specialty retail concessionaire, has been seeking financial relief from the Authority as it navigates the financial challenges associated with the prolonged recovery of Guam’s tourism industry;

WHEREAS, the parties to the litigation relating to the Lotte concession (Superior Court Consolidated Case Nos. CV0943-14, CV0094-15, and CV0198-15) and related litigation (collectively “Protest Litigation”) are engaged in settlement discussions that include dismissal of the Protest Litigation with prejudice;

WHEREAS, the Board of Directors finds that it is in the best interest of the Authority to assist Lotte by providing relief as approved herein.

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

Section 1. The Board hereby authorizes the Authority to extend financial relief to Lotte under its Concession Agreement, as amended, in accordance with the following terms: waiver of Lotte’s obligation to pay the Authority’s defense fees and costs for the Protest Litigation incurred for work performed during the period of July 21, 2024 to July 20, 2026 only, provided the Protest Litigation is dismissed with prejudice through agreement of the parties to the Protest Litigation,

Section 2. The Board hereby authorizes the Authority to enter into an amendment of the Concession Agreement that is in accordance with this resolution and the Executive Manager and the Deputy Executive Manager are each singly hereby authorized and directed to execute such amendment.

Section 3. Management is authorized to do all things necessary and proper to implement this resolution.

Section 4. This resolution shall take effect from and after its adoption.

[SIGNATURE PAGE FOLLOWS]

DULY AND REGULARLY ADOPTED BY THE BOARD OF DIRECTORS OF THE ANTONIO B. WON PAT INTERNATIONAL AIRPORT AUTHORITY, GUAM AT THE NOVEMBER 8, 2024 SPECIAL BOARD MEETING.


Absent
BRIAN J. BAMBA, Chairman

Absent
GURVINDER SOBTI

Absent
DONALD I. WEAKLEY


LUCY M. ALCORN


ROSIE TAINATANGO


DOYON A. MORATO


JESSE G. GARCIA



BOARD OF DIRECTORS SPECIAL MEETING

3:00 p.m., Friday, November 8, 2024

GIAA CONFERENCE ROOMS 1 & 2

Videoconference and Live Streamed via: <https://www.guamairport.com> or
<https://www.guamairport.com/corporate/about-our-airport/board-of-directors/airport-board-meeting>

Public Notice

First Notice:

The Guam Daily Post – October 31, 2024

Notice to Media – October 31, 2024

Second Notice:

The Guam Daily Post – November 6, 2024

Notice to Media – November 6, 2024

AGENDA

- 1.** Call to Order and Attendance
- 2.** Approval of Agenda
- 3.** New Business
 - A.** Approval of Ernst & Young Contract for Financial Audit Services
 - B.** Specialty Retail Concession Amendment
- 4.** Adjournment



A.B. WON PAT INTERNATIONAL AIRPORT AUTHORITY, GUAM
Board of Directors Special Meeting
3:00 p.m., Friday, November 8, 2024
GIAA Terminal Conference Rooms 1 & 2

SIGN-IN SHEET

	<u>PRINT NAME</u>	<u>COMPANY/AGENCY</u>
1.	Danielle Camacho	GIAA
2.	Debbie Ngata	GIAA
3.	Frank San Nicolas	Post Guam
4.	Letitia Law-Byrdy	Lotte D.F.
5.	Zoheda Faurme	GIAA Mktg
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LAW OFFICE OF FREDERICK J. HORECKY

643 Chalan San Antonio
Suite 102B
Tamuning, Guam 96913
Telephone: (671) 646-8274/75
Facsimile: (671) 646-8403
E-Mail: horeckylaw@teleguam.net
Attorney for Petitioner

IN THE SUPERIOR COURT OF GUAM
IN THE MATTER OF THE ESTATES
OF

HO NANG KWOK AND YUET BING
NANCY KWAN KWOK,
Decedents.

PROBATE CASE NO. PR0166-24

NOTICE TO CREDITORS

NOTICE IS HEREBY GIVEN by the undersigned, JANE Y. KWOK, Administratrix of the Estates of Ho Nang Kwok and Yuet Bing Nancy Kwan Kwok, decedents, to the creditors of, and all persons having claims against said decedents, that within sixty (60) days after the first publication of this notice, they either file these claims, with necessary vouchers in the Office of the Clerk of the Superior Court of Guam, or exhibit them, with necessary vouchers, to said Administratrix, JANE Y. KWOK at the LAW OFFICE OF FREDERICK J. HORECKY, 643 Chalan San Antonio, Suite 102B, Tamuning, Guam 96913, the same being the place for the transactions of the Estate.

Dated this 8th of November, 2024

/s/ JANE Y. KWOK
Administratrix of the Estates
of Ho Nang Kwok and
Yuet Bing Nancy Kwan Kwok

AIRPORT GUAM

BOARD OF
DIRECTORS
REGULAR MEETING

Wednesday, November 27, 2024 at 3:00 PM in
Terminal Conference Rooms 1 & 2 and by
Videoconference and Live Streamed via GIAA website:
www.guamairport.com or
<https://www.guamairport.com/corporate/about-our-airport/board-of-directors/airport-board-meeting>

AGENDA

1. Call to Order and Attendance
2. Approval of Agenda
3. Approval of Minutes
 - A. October 18, 2024 Regular Meeting
 - B. November 8, 2024 Special Meeting
4. Correspondence - None
5. Old Business - None
6. New Business - None
7. Report of Executive Manager
 - A. Airport Updates
 - B. Announcements
8. Report of Comptroller
9. Executive Session - None
10. Public Comments
11. Adjournment

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Office of the Attorney General
Douglas B. Moylan
Attorney General of Guam
 Family Section
 590 S. Marine Corps Drive, ITC Bldg., Ste. 706
 Tamuning, Guam 96913 • USA
 (671) 475-2595 • (671) 475-3343 (fax)
familydivision@agguam.org
 Attorneys for the People of Guam

**IN THE SUPERIOR COURT OF GUAM
 IN THE INTEREST OF
 J.V.A (DOB: 11/05/2013),
 Minor.
 JUVENILE CASE NO. JP0109-23
 Summons**

To: **AMYLYN ROSE AGUERO**
 179 or 118 As Agüero St Yona Guam
 TEL: 671-456-7045

You are hereby summoned to appear before the **HONORABLE LINDA L. INGLES**, at the Judiciary of Guam, Superior Court of Guam, 120 West O' Brien Drive, Hagåtña, Guam, for a court hearing on:

MONDAY DECEMBER 2, 2024 AT 9:30 A.M.

"YOUR PARENTAL AND CUSTODIAL DUTIES AND RIGHTS CONCERNING THE CHILD WHO IS THE SUBJECT OF THE ABOVE MAY BE TERMINATED BY AWARD OF PERMANENT CUSTODY IF YOU FAIL TO APPEAR ON THE DATE THAT IS SET FORTH IN THIS SUMMONS."

YOU MAY BE HELD IN CONTEMPT IF YOU FAIL TO APPEAR ON THE DATE SET FORTH IN THIS SUMMONS.

Dated: October 31, 2024

CLERK, SUPERIOR COURT OF GUAM
 By: /s/ Alexis D. Tenorio
 Deputy Clerk

LAW OFFICE OF RICARDO D. BORDALLO

424 West O'Brien Drive, Suite 102
 Hagåtña, GU 96910
 Telephone: (671) 477-8613
rickbordallo@hotmail.com
 Attorney for Petitioner

**IN THE SUPERIOR COURT OF GUAM
 IN THE MATTER OF THE ESTATE
 OF
 BETTY SUR GUERRERO,
 Deceased.
 PROBATE CASE NO.: PR0132-24
 NOTICE TO CREDITORS**

NOTICE IS HEREBY GIVEN by the undersigned, STEPHEN JOSEPH GUERRERO, Executor of the Estate of Betty Sur Guerrero, deceased, to the creditors of, and all persons having claims against the deceased, that within sixty (60) calendar days after the date of the first publication of this notice, they either file their claims with the necessary vouchers in the office of the Clerk of the Superior Court of Guam, or present them with the necessary vouchers at the place of business of Ricardo D. Bordallo, Esq., 424 West O'Brien Drive, Suite 102, Hagåtña, Guam 96910.

Dated: November 13, 2024

By: /s/ STEPHEN JOSEPH GUERRERO
 Executor

THOMPSON THOMPSON & ALCANTARA, P.C.

238 Archbishop Flores Street, Suite 801
 Hagåtña, Guam 96910
 Telephone: (671) 472-2089
 Facsimile: (671) 477-5206
 Email: MThompson@ttlaw.net
 Alt. Email: Intake@ttlaw.net
 Attorneys for Petitioner Joel Joseph, DVM

**IN THE SUPERIOR COURT OF GUAM
 IN THE MATTER OF THE ESTATE
 OF
 SHIRA RINA SCHIFF,
 Deceased.
 PROBATE CASE NO. PR0145-24**

NOTICE TO CREDITORS

Notice is hereby given by the undersigned JOEL JOSEPH, DVM, Administrator of the Estate of SHIRA RINA SCHIFF, deceased, to the creditors of, and all persons having claims against said estate or against said deceased, that within sixty (60) days after the first publication of this notice, they either file them with the necessary vouchers in the office of the Clerk of the Superior Court of Guam, Hagåtña, Guam or exhibit them with the necessary vouchers to said administrator, or his attorneys THOMPSON THOMPSON & ALCANTARA, P.C, 238 Archbishop Flores Street, Suite 801, Hagåtña, Guam 96910, the same being the place for such transaction.

Dated this 9th day of OCT, 2024.

By: /s/ JOEL JOSEPH, DVM

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CAMACHO CALVO LAW GROUP LLC

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dcalvo@camachocalvo.law
SIYAN HU
shu@camachocalvo.law
 356 E. Marine Corps Drive, Suite 201
 Hagåtña, Guam 96910
 Telephone No. 671.472.6813
 Facsimile No. 671.477.4375
 Attorneys for Petitioner
 JAMES W. S. ADKINS

**IN THE SUPERIOR COURT OF GUAM
 IN THE MATTER OF THE ESTATE OF
 JAMES LARRY ADKINS,
 Deceased.**

**PROBATE CASE NO. PR0177-24
 NOTICE OF HEARING**

NOTICE IS HEREBY GIVEN that a hearing has been set before this Court before the Honorable Arthur R. Barcinas, Judge Superior Court of Guam:

TIME:	DATE:	PURPOSE OF HEARING:
11:00 AM	DEC 03 2024	Petition for Probate of Will and for Letters Testamentary

REMARKS:

Please see Zoom information below to appear for remote hearing:
 You may participate by using a smartphone or computer: go to <https://guamcourts.org.zoom.us>.
 Meeting ID: 752 425 5848 Passcode: JARB
 You may also call in for the hearing; you can call into the courtroom at 671-300-6703 at the designated hearing time.

DATED: Hagåtña, GU, October 11, 2024.

CAMACHO CALVO LAW GROUP LLC
 /s/ DONALD V. CALVO
 /s/ SIYAN HU
 Attorneys for Petitioner
 JAMES W. S. ADKINS



**BOARD OF
 DIRECTORS
 REGULAR MEETING**

Wednesday, November 27, 2024 at 3:00 PM in
 Terminal Conference Rooms 1 & 2 and by
 Videoconference and Live Streamed via GIAA website:
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<https://www.guamairport.com/corporate/about-our-airport/board-of-directors/airport-board-meeting>

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 A. Airport Updates
 B. Announcements
8. Report of Comptroller
9. Executive Session - None
10. Public Comments
11. Adjournment

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GHURA

Guam Housing and Urban Renewal Authority
 Aturidat Ginima' Yan Rinueban Siudad Guahan
 117 Bien Venida Avenue, Sinajana, GU 96910
 Phone: (671) 477-9851 • Fax: (671) 300-7565 • TTY: (671) 472-3701



Joshua F. Tenorio
 Lt. Governor of Guam

NOTICE TO THE PUBLIC

Available for Public Review & Comment

**Guam's Consolidated Annual Performance and Evaluation Report (CAPER)
 For the Program Year 2023**

The Guam Housing and Urban Renewal Authority (GHURA) announces the availability of Guam's Program Year 2023 Consolidated Annual Performance and Evaluation Report (CAPER) for public review and comment. In accordance with 24 C.F.R. § 91.520 this performance report includes the performance activities described in the Program Year 2023 (PY2023) Annual Action Plan (AAP) or other concurrent activities with Guam's 2020-2024 Consolidated Plan.

The PY2023 CAPER describes the resources made available, the investment of available resources, the geographic distribution and location of investments, the families and persons assisted, the actions taken to affirmatively further fair housing, and other actions indicated in the AAP during this reporting period. For the period covering October 01, 2023 to September 30, 2024 this report highlights efforts and program activities funded from the U.S. Department of Housing and Urban Development, Office of Community Planning and Development - Community Development Block Grant (CDBG), HOME Investment Partnerships Grant (HOME), the Emergency Solutions Grant (ESG), the Housing Trust Fund (HTF), and other programs such as the Continuum of Care Program Grant, Section 108, and LIHTC.

The CAPER will be available electronically on GHURA's website at www.ghura.org.

GHURA is inviting the public to review and comment on the PY2023 CAPER until December 12, 2024. A public hearing will be held on Tuesday November 26, 2024 at 10:30am at GHURA's Board of Commissioners Conference Room at the GHURA office at 117 Bien Venida Ave. Sinajana, Guam. Individuals or organizations wishing to comment on the CAPER are encouraged to do so by attending the public briefing or submitting written comments to GHURA drop box with notation of ATTN: RP&E Division, Senior Planner Alicia P. Aguon or by email to apaguon@ghura.org or via facsimile at 671-300- 7565. **All comments must be received no later than Thursday, December 12, 2024.**

GHURA does not discriminate against persons with disabilities. GHURA will make necessary arrangements for persons with disabilities or special accommodations. If you should require any special accommodations, please contact the Section 504 Coordinator at 475-9851 or 472-3701 (TTY/TDD) via email at fbsteves@ghura.org.

/s/ Elizabeth F. Napoli
 Executive Director

This advertisement is paid with GHURA CPD funds.



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

EXECUTIVE SUMMARY

REQUEST FOR PROPOSAL RFP NO.: OPA-RFP-24-005

INDEPENDENT FINANCIAL AUDITING SERVICES

November 8, 2024

Purpose

Board action is requested to approve the contract award for Request for Proposal RFP NO.: OPA-RFP-24-005 for Independent Financial Auditing Services.

Background

In compliance with GIAA's bond covenants, enabling legislation, and Federal Grant Requirements, GIAA is obligated to engage the professional services of a U.S. Certified Public Accounting (CPA) Firm to perform an independent audit of its financial operations and accordingly prepare financial audit reports. The RFP solicits proposals from a U.S. Certified CPA Firm to conduct an audit (to include the Single Audit Act Provision) for GIAA's financial operations for fiscal years ended September 30, 2024, September 30, 2025, and September 30, 2026, with an option to renew for one additional year for fiscal year 2027.

The Firm is required to be licensed to conduct said professional auditing services in Guam at the time of contract signing.

Procurement Background

The Office of Public Accountability (OPA) managed the entire RFP procurement process. Advertisements appeared in the local newspapers on August 8, 16, and 23, 2024. Proposals were due by August 28, 2024, at 3p.m. ChST, and negotiations were conducted by the OPA.

One (1) firm responded by submitting their proposal before the submission deadline.

Legal Review

Upon Board approval, a contract will be forwarded to Legal Counsel for review and approval as to form. The term of the contract is for a period for fiscal years ended

September 30, 2024, September 30, 2025, and September 30, 2026, with an option to renew for one additional year for fiscal year 2027.

Financial Review

The Independent Financial Auditing Services contract will be funded under the Accounting Division's O&M Budget.

Recommendation

I recommend the Board approve the Ernst & Young LLP (GUAM) Agreement for the Independent Financial Auditing Services contract for fiscal years 2024, 2025, and 2026, with an option to renew for one additional year.

**Independent Audit for Professional Services Agreement
Involving
The Office of Public Accountability of Guam,
The Antonio B. Won Pat International Airport Authority, Guam
and
Ernst & Young LLP**

In accordance with Title 1 of the Guam Code Annotated (GCA) §§ 1908 and 1909 and 12 GCA §1111, this AGREEMENT is made by the Office of Public Accountability of Guam (“OPA”), whose address is Suite 401 DNA Building, 238 Archbishop Flores Street, Hagåtña, Guam 96910, the Antonio B. Won Pat International Airport Authority, Guam (“GIAA”), a public corporation and autonomous instrumentality of the Government of Guam (“GovGuam”), whose address is 355 Chalan Pasaheru, Tamuning, Guam 96913, and Ernst & Young LLP (“EY”, “Contractor”) whose address is 231 Ypao Road, Suite 201, Ernst & Young Building, Tamuning, Guam 96913.

1. This agreement shall be effective as of the date of execution below and is at all times subject to the availability of funds.
2. OPA is required by law to annually audit or cause to be conducted post audits for all transactions and accounts of all departments, offices, corporations, authorities, and agencies in all branches of GovGuam. With respect to corporations, authorities or agencies, including autonomous agencies and instrumentalities, which obtain independent audits, the OPA shall make the selection of the auditing firm or organization and the scope of the audit, and the audits of such autonomous agencies or instrumentalities to be at the cost of the agencies or instrumentalities under 1 GCA § 1908. In accordance with Public Law 37-42, Chapter IX, Part I, Section 2, autonomous agencies or instrumentalities of the government of Guam shall deposit an amount equal to the cost of their respective audit into an account created by the Department of Administration (DOA) for the purpose of funding the annual audit pursuant to date(s) set forth by the Public Auditor. The Public Auditor shall administer said funds and shall oversee the annual audit. It is understood and agreed by the parties that the conduct of the audit will at all times be subject to the oversight and direction of the Public Auditor of Guam and that all reports and management letters will

be issued only upon the specific written approval of the Public Auditor of Guam.

3. The Contractor is a certified public accounting firm, holding Permit F-008-2025 issued by the Guam Board of Accountancy, and the Contractor warrants that all auditing personnel of the Contractor employed in the carrying out of this agreement are supervised by the certified public accountants licensed and certified by the Guam Board of Accountancy. A copy of Permit F-008-2025 is attached hereto (Attachment A).
4. The Contractor, in response to Request for Proposal No. OPA-RFP-24-005 (RFP) issued by the OPA on August 8, 2024 to provide professional services, the RFP having been issued pursuant to the provisions of 5 GCA § 5216 and Title 2 of the Guam Administrative Rules and Regulations 4-§ 3114, submitted a proposal that, after evaluation, has been determined to be the best qualified to provide the required services, the OPA, GIAA and Contractor were thereafter able to negotiate the price and other details of this Agreement necessary to the formulation of this Agreement. A copy of the RFP and certifications numbered A through J are attached hereto and incorporated by reference as a part of this Agreement (Attachment B). To the degree that any provision of the attachments contradicts or is inconsistent with the terms of this Agreement, the terms of this Agreement shall control.
5. The Contractor is independent and not an employee of the OPA, GIAA, or GovGuam. The Contractor is entitled to only such compensation as is provided for in this Agreement and neither the OPA, GIAA, or GovGuam shall provide the Contractor or any of its employees sick leave, retirement pay, workers' compensation, annual leave, or health or life insurance.
6. The Contractor shall audit the financial records, accounts, and basic financial statements of GIAA as of and for the fiscal years ended September 30, 2024, September 30, 2025, and September 30, 2026.
7. The audit shall be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the Office of Management and Budget (OMB) Circular A-133; replaced by the Uniform Guidance codified at Title 2 of the Code of Federal Regulations (CFR) 200, subpart F; generally accepted auditing standards and Audits of State and Local Government Units as set out by the American Institute of Certified Public Accountants (AICPA) and the Governmental

Accounting Standards Board (GASB); and the Single Audit Act of 1996 as amended.

8. The audit will include a statement of assurance from the Contractor that the annual audit shall satisfy the specific requirements of the General Revenue Bonds 2019 Series B, 2021 Series A, and 2023 Series A and any bond indenture financing that GIAA might issue should one be issued during the fiscal years to be audited; and the audit of Passenger Facility Charges in accordance with the latest draft Audit Guide for Passenger Facility Charges.
9. The audit will include examining, on a test basis, evidence in support of the amounts and disclosures; assessing the accounting principles used and estimates made by management evaluating the overall financial statements presentation, and other such audit procedures as necessary to express an independent opinion on respective financial statements that collectively comprise GIAA's basic financial statements. The audit will also include tests of internal control over GIAA's compliance with certain provisions of laws, regulations, contracts, grant agreements, and other compliance matters.
10. The Contractor will plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatements or disclose any material misstatements discovered by the Contractor in the course of its work. Under the concept of reasonable assurance, the Contractor will exercise its judgment about the number of transactions to be examined and the areas to be tested. There is, therefore, a risk that material errors, irregularities or illegal acts, including fraud or defalcations, may exist and not be detected. The Contractor shall, however, immediately advise OPA and GIAA of any material errors, irregularities or illegal acts, including fraud or defalcations that come to its attention. The Contractor shall notify OPA and GIAA of any other significant and/or reportable conditions noted during the course of the audit. The Contractor's responsibility is limited to the period covered by the audit and does not extend to matters that might arise during any later periods.
11. The Contractor understands that it has the responsibility: a) to prepare the audit reports in accordance with the requirements of *Government Auditing Standards*, OMB Circular A-133, replaced by the Uniform Guidance codified at 2 CFR 200, Part 200, subpart F; b) to prepare and electronically submit a Summary Report Form on Noncompliance with Laws

and Regulations, Questioned Costs and Reportable Conditions; and c) to notify OPA within five (5) business days of its termination or cessation of services to the recipient.

12. The Contractor shall continue to provide guidance and assistance in the implementation of GASB 74, GASB 75, and other GASB pronouncements, as appropriate.
13. Entrance and exit conferences will be held with the OPA, GIAA, and the Contractor's representatives.
14. GIAA's responses to draft audit findings and management letter comments will be delivered to the Contractor for inclusion in the final reports, where practical.
15. Time is of the essence of this Agreement. Financial Audits are to be completed with preliminary financial statements and auditor reports submitted for review by GIAA and OPA no later than the following:

AUDIT REPORT FOR	DRAFT	FINAL
Fiscal Year 2024	January 31 st	February 28 th
Fiscal Year 2025	January 31 st	February 28 th
Fiscal Year 2026	January 31 st	February 28 th

Should the option to renew for one (1) additional year be exercised, fiscal year 2027 issuance should be no later than February 28th of the subsequent year. The OPA, with the approval of the Public Auditor of Guam and consultation with GIAA, retains the option to renew the contract for one (1) additional year. The Contractor will provide to the OPA and GIAA copies of the draft audit reports, draft single audit reports and draft management letters no later than the date specified above for each fiscal year; and five (5) bound copies to the OPA and five (5) bound copies to GIAA of the final audit reports and financial management letters no later than the date specified above for each fiscal year. In the event that the Contractor is unable to meet the deadlines, the Contractor shall request an extension in writing from the OPA, who shall have the sole discretion to grant such extension or impose liquidated damages for the failure of the Contractor to complete its work according to the schedule setout herein. The OPA shall not unreasonably withhold a requested extension of time if reasonable justification for the extension is submitted by the Contractor. For each of the fiscal years, the Contractor shall provide all final audit reports

in prescribed Adobe Acrobat portable document format (.pdf) to the OPA and GIAA for publication of these reports online, where necessary.

16. Audit working papers will be prepared in accordance with *Government Auditing Standards*, and will be retained by the Contractor for at least five (5) years from the date of the final audit report. The working papers will be available for examination upon request by the OPA. The audit working papers may be subject to a Quality Assurance Review.
17. In consideration for the services to be performed, GIAA, shall fund the Contractor's compensation at the hourly billing rates set out in the Contractor's proposal. GIAA will transfer funds to DOA to pay the Contractor as directed by the procedure to be established in writing by the OPA. A copy of the hourly billing rates is attached hereto (Attachment C) and incorporated by reference. Nonetheless, total compensation to the Contractor under this agreement shall not exceed \$115,000 for the Final Audit Reports for fiscal year 2024, \$123,000 for the Final Audit Reports for fiscal year 2025, and \$130,000 for the Final Audit Reports for fiscal year 2026 as per agreed upon Cost Proposal for OPA-RFP-24-005 and attached hereto (Attachment D). In the event the fourth year option is exercised, the compensation shall be negotiated by the parties and agreed to in writing by GIAA, OPA and the Contractor. OPA, on its own initiative or in response to a request by GIAA, may request additional audit work to be performed by the Contractor. GIAA or OPA will advise the Contractor on or before December 31st for fiscal years 2024, 2025, and 2026 if any additional services are to be included and compensated. Should the option to renew for one (1) additional year be exercised, GIAA or OPA will advise the Contractor upon completion of fiscal year 2026 audit report. Should there be no additional audit work to be performed as stated above, the total compensation to the Contractor under this agreement shall not exceed the amounts stated above for each of the fiscal years 2024, 2025, and 2026, as well as 2027 should the option to renew for one (1) additional year be exercised. Compensation for other additional work not herein described shall be mutually agreed upon in writing by OPA, GIAA, and the Contractor.
18. Although it is contemplated that this Agreement is for three fiscal years, the Contractor understands and agrees that work in fiscal years 2024, 2025, and 2026 shall be compensated subject to the availability of funds therefore. If funds are not available for the

purpose of performing the audits for those fiscal years, GIAA or OPA shall cancel the contract and the Contractor shall be reimbursed for the reasonable value of any non-recurring cost incurred but not amortized in the price of supplies or services delivered under the contract.

19. Progress payments will be made on the basis of hours of work completed during the course of the engagement and out-of-pocket expenses incurred in accordance with the firm's dollar cost bid proposal. Interim billings shall cover a period of not less than one calendar month. Ten percent (10%) will be withheld from each billing pending delivery of the final audit reports. Each detailed invoice of expenses and hourly services submitted must be accompanied by a progress report.
20. This Agreement shall terminate automatically on the happening of any of the following: a) attempted assignment of this agreement by the Contractor; b) failure of the Contractor or its employees engaged in carrying out this agreement to maintain appropriate government licenses; c) failure of Contractor to pay all applicable federal and Guam taxes when due; or d) bankruptcy or insolvency of the Contractor. In the event of such termination, the Contractor shall be paid for its services up to the date of termination.
21. The OPA, regardless of cause, has the right to terminate this Agreement at any time by giving written notice by certified mail or personal delivery to the Contractor at its address set out in the Preamble – *Supra*. The effective date of termination will be the date the notice is received by the Contractor.
22. Upon completion of the draft audit, the Contractor shall give an oral presentation of its audit report to the OPA and GIAA. The Contractor is also required to conform to the requirements imposed by the law establishing OPA and must allow OPA to have access to the work papers and draft reports and acknowledges that final audit reports cannot be issued without approval of the Public Auditor of Guam. The Contractor may be requested to provide an oral presentation to the Governor of Guam or their representatives and to the Speaker of the Guam Legislature or their representatives, in which event the Contractor shall comply.
23. It is agreed that in the event of a breach of contract of this Agreement by the Contractor, it would be impracticable or extremely difficult to fix the actual damage and therefore, the

Contractor agrees that on breach of this Agreement that it will pay the OPA as liquidated damages, and not as a penalty, the sum of FIVE HUNDRED DOLLARS (\$500) per calendar day the breach continues, which sum represents a reasonable compensation for the loss incurred because of such breach. The total amount of liquidated damages payable to OPA under the contract shall not exceed the sum of ten percent (10%) of the total compensation amount for the applicable year stated in Paragraph 17.

24. It is also mutually agreed that the Contractor warrants that no person in its employment who has been convicted of a sex offense under the provision of Chapter 25 of Title 9 of the GCA, or of an offense defined in Article 2 of Chapter 28 of Title 9 of the GCA, or who has been convicted of an offense with the same elements as heretofore defined in any other jurisdiction, or who is listed on the Sex Offenders registry shall provide services on behalf of the Contractor while on GovGuam property, with the exception of public highways. If any employee of the Contractor is providing services on government property and is convicted subsequent to an award of a contract, then the Contractor warrants that it will notify the Government of the conviction within twenty-four (24) hours of the conviction and will remove immediately such convicted person from providing services on government property. If the Contractor is found to be in violation of any provisions of this paragraph, then the OPA will give notice to the Contractor to take corrective action. The Contractor shall take corrective action within twenty-four (24) hours of notice from the Government, then the Government in its sole discretion may suspend temporarily any contract for services until corrective action has been taken.
25. The terms of the Agreement may be modified only in writing, signed by duly authorized representatives of the OPA, GIAA, and the Contractor.
26. If any provision of this Agreement or any provision of any document incorporated by reference shall be held invalid, such invalidity shall not affect the other provision of this Agreement, which can be given effect without the invalid provision, and to this end the provisions of this contract are declared to be servable.
27. This Agreement, which included the matter specifically incorporated by reference, constituted the entire contract among the parties. No other understandings, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or to

bind any of the parties hereto.

28. This Agreement has been made and shall be construed in accordance with the laws of Guam. Any legal action arising out of the performance of this agreement shall be filed in the Superior Court of Guam.

Executed on this _____ day of _____ 2024 for the parties by their duly authorized representatives relative to the contract under RFP NO. OPA-RFP-24-005.

ERNST & YOUNG LLP (GUAM):

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

JOHN R. ONEDERA
Country Managing Partner

JOHN M. QUINATA
Executive Manager

Date: _____

Date: _____

OFFICE OF PUBLIC ACCOUNTABILITY:

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

BENJAMIN J.F. CRUZ
Public Auditor of Guam

BRIAN J. BAMBA
Chairman

Date: _____

Date: _____

APPROVED AS TO LEGALITY AND FORM:

**CERTIFIED FUNDS AVAILABLE:
ANTONIO B. WON PAT INTERNATIONAL
AIRPORT AUTHORITY, GUAM**



For ANITA P. ARRIOLA
GIAA Legal Counsel

DAFNE MANSAPIT-SHIMIZU
Certifying Officer

Date: November 6, 2024

Date: _____

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

RESOLUTION NO. 25-13

RESOLUTION APPROVING FINANCIAL RELIEF FOR LOTTE DUTY FREE GUAM
CONCESSION

WHEREAS, Lotte Duty Free Guam, LLC (“Lotte”), the Authority’s specialty retail concessionaire, has been seeking financial relief from the Authority as it navigates the financial challenges associated with the prolonged recovery of Guam’s tourism industry;

WHEREAS, the parties to the litigation relating to the Lotte concession (Superior Court Consolidated Case Nos. CV0943-14, CV0094-15, and CV0198-15) and related litigation (collectively “Protest Litigation”) are engaged in settlement discussions that include dismissal of the Protest Litigation with prejudice;

WHEREAS, the Board of Directors finds that it is in the best interest of the Authority to assist Lotte by providing relief as approved herein.

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

Section 1. The Board hereby authorizes the Authority to extend financial relief to Lotte under its Concession Agreement, as amended, in accordance with the following terms: waiver of Lotte’s obligation to pay the Authority’s defense fees and costs for the Protest Litigation incurred for work performed during the period of July 21, 2024 to July 20, 2026 only, provided the Protest Litigation is dismissed with prejudice through agreement of the parties to the Protest Litigation,

Section 2. The Board hereby authorizes the Authority to enter into an amendment of the Concession Agreement that is in accordance with this resolution and the Executive Manager and the Deputy Executive Manager are each singly hereby authorized and directed to execute such amendment.

Section 3. Management is authorized to do all things necessary and proper to implement this resolution.

Section 4. This resolution shall take effect from and after its adoption.

[SIGNATURE PAGE FOLLOWS]

DULY AND REGULARLY ADOPTED BY THE BOARD OF DIRECTORS OF THE ANTONIO B. WON PAT INTERNATIONAL AIRPORT AUTHORITY, GUAM AT THE NOVEMBER 8, 2024 SPECIAL BOARD MEETING.

BRIAN J. BAMBA, Chairman

GURVINDER SOBTI

DONALD I. WEAKLEY

LUCY M. ALCORN

ROSIE TAINATANGO

DOYON A. MORATO

JESSE G. GARCIA