

BOARD OF DIRECTORS

Francisco G. Santos, Chairman

Oscar A. Calvo, Vice Chairman

Melanie R. Mendiola, Board Secretary

Maria D.R. Taitano, Member

Nathan T. Taimanglo, Member



Resolution No. 2018-01

RELATIVE TO DETERMINING TO ISSUE AND SELL PORT REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$72,600,000.00 AND APPROVING AND AUTHORIZING RELATED DOCUMENTS, AGREEMENTS AND ACTIONS

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE PORT AUTHORITY OF GUAM:

WHEREAS, pursuant to Article 2 of Chapter 10 of Title 12 of the Guam Code Annotated (as amended, the "Act"), the Port Authority of Guam, a public corporation and autonomous instrumentality of the Government of Guam, also known as the Jose D. Leon Guerrero Commercial Port (the "Authority"), is authorized, subject to the approval of the Guam Economic Development Authority ("GEDA") pursuant to Section 50103(k) of Division 2 of Title 12 of the Guam Code Annotated and further subject to the approval of the Guam Public Utilities Commission (the "PUC") pursuant to the Act, to issue and sell revenue bonds for the purpose of acquiring, constructing, improving, equipping, maintaining, repairing, renewing, replacing, reconstructing or insuring the port system, or any part thereof (the "Port"), and for the purpose of refunding any such bonds or other prior obligations of the Authority, subject to the requirements and limitations set forth in the Act; and

WHEREAS, the Authority proposes to enter into an indenture, expected to be dated as of June 1, 2018 (the "General Indenture") by and among the Authority, the Bank of Guam, as trustee (the "Trustee") and U.S. Bank National Association, as co-trustee (the "Co-Trustee"), providing for the issuance from time to time of Port Authority of Guam Port Revenue Bonds (the "Bonds"); and

WHEREAS, pursuant to a First Supplemental Indenture, expected to be dated as of June 1, 2018 (the "First Supplemental Indenture"), by and among the Authority, the Trustee and the Co-Trustee, supplementing the General Indenture, the Authority has proposed to issue and sell one or more series of revenue bonds (the "2018 Bonds") for the purposes of financing and/or refinancing the acquisition, construction, improvement, equipping, maintenance, repair, renewal and/or replacement of certain Port property, facilities and equipment, refunding certain prior obligations of the Authority, paying related costs of issuance and funding a debt service reserve fund for the 2018 Bonds, and for such other lawful purposes under the Act (the "Project"); and

WHEREAS, pursuant to Section 50103(k) of Division 2 of Title 12 of the Guam Code Annotated, agencies and instrumentalities of the Government of Guam, including the Authority, shall issue bonds and other obligations only by means of and through the agency of GEDA; and

WHEREAS, as required by the Act and said Section 50103(k), the Legislature has provided its approval of the 2018 Bonds in an original aggregate principal amount not to exceed \$72,600,000 by the enactment of Public Law 34-70 (the "Bond Act"), and the Board of Directors of GEDA has provided its approval by the adoption of its Resolution No. 18-002; and

WHEREAS, this Board of Directors (the "Board") has determined that it is in the best interests of the Authority to issue the 2018 Bonds pursuant to the Act for the purposes described in this resolution; and

WHEREAS, this Board desires to authorize the appropriate officers and employees of the Authority to determine the terms of the 2018 Bonds to be issued and to proceed with arrangements for the sale of the 2018 Bonds; and

WHEREAS, the Authority has paid or may pay certain expenditures (the "Reimbursement Expenditures") in connection with the Project and prior to the issuance of the 2018 Bonds, for the purpose of financing costs associated with the Project on a long-term basis; and

WHEREAS, the Authority wishes to authorize the issuance of 2018 Bonds for the purpose of financing costs of the Project (including reimbursement of any Reimbursement Expenditures) in an aggregate principal amount not to exceed the maximum principal amount authorized to be issued by the Bond Act; and

WHEREAS, as required by the Act, the authorization provided by this resolution to sell and issue the 2018 Bonds is subject to the approval by the PUC of the terms and conditions of the 2018 Bonds;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Port Authority of Guam, as follows:

Resolution No. 2018-01 - Port Revenue Bonds

Section 1. The form of General Indenture is hereby approved, with such additions, changes and modifications as the Chair of this Board, the General Manager of the Authority or members of the Authority staff designated in writing by said Chair or General Manager (said Chair, General Manager and designated staff, whether acting individually or collectively, are referred to herein as "Authorized Officers") may approve upon consultation with legal counsel, such approval to be conclusively evidenced by the form of such General Indenture executed by the Authorized Officers, who are hereby authorized and directed to execute the same.

Section 2. The form of First Supplemental Indenture supplementing the General Indenture and providing for the issuance of the 2018 Bonds is hereby approved, with such additions, changes and modifications as the Authorized Officers may approve upon consultation with legal counsel, such approval to be conclusively evidenced by the form of such First Supplemental Indenture executed by the Authorized Officers, who are hereby authorized and directed to execute the same. The final First Supplemental Indenture shall specify the denomination or denominations and series designations in which the 2018 Bonds shall be issued.

Section 3. The form of Continuing Disclosure Agreement (the "Continuing Disclosure Agreement"), between the Authority and an initial dissemination agent to be appointed and named therein (the "Dissemination Agent") is hereby approved, with such additions, changes and modifications as the Authorized Officers may approve upon consultation with legal counsel, such approval to be conclusively evidenced by the form of such Continuing Disclosure Agreement executed by the Authorized Officers, who are hereby authorized and directed to execute the same.

Section 4. The form of Bond Purchase Agreement (the "Bond Purchase Agreement"), to be executed by the Authority, GEDA and Citigroup Global Markets Inc., as representative of the underwriters of the 2018 Bonds named therein (the "Underwriters") is hereby approved, with such additions, changes and modifications as the Authorized Officers may approve upon consultation with legal counsel, such approval to be conclusively evidenced by the form of such Bond Purchase Agreement executed by the Authorized Officers, who are hereby authorized and directed to execute the same.

Section 5. The form of preliminary official statement ("Preliminary Official Statement") is hereby approved, with such additions, changes and modifications as the Authorized Officers may approve upon consultation with legal counsel, such approval to be conclusively evidenced by the execution of a certificate deeming final the Preliminary Official Statement for purposes of Rule 15c2-12 of the U.S. Securities and Exchange Commission by the Authorized Officers. Each of the Authorized Officers is hereby authorized to execute and deliver such certificate, to authorize the Underwriters to distribute such Preliminary Official Statement to potential purchasers of the 2018 Bonds and other interested parties, and to execute and cause to be delivered a final official statement (the "Official Statement") to purchasers of the 2018 Bonds and other interested parties, with such additions, changes and modifications from the Preliminary Official Statement as the Authorized Officers may approve upon consultation with staff and legal counsel, such approval to be conclusively evidenced by the execution and delivery of such final Official Statement by one or more of the Authorized Officers. The Underwriters are hereby authorized to cause the Official Statement to be delivered to the purchasers of the 2018 Bonds and to be distributed in preliminary form in connection with the marketing and sale of the 2018 Bonds.

Section 6. The sale, issuance and delivery of the 2018 Bonds, pursuant to the Bond Act and the General Indenture as supplemented by the First Supplemental Indenture (as so supplemented, the "Indenture"), in one or more tax-exempt or taxable series and in an aggregate principal amount not to exceed \$72,600,000, is hereby approved, subject to the approval of the PUC. The Bond Purchase Agreement shall specify the aggregate principal amount of 2018 Bonds to be issued (not to exceed \$72,600,000), the number of series of such 2018 Bonds, the maturity or maturities (not later than 2048), and the interest rate or rates of the 2018 Bonds) and the price or prices at which the 2018 Bonds are sold.

Section 7. The Authorized Officers of the Authority are hereby authorized and directed to do any and all things and to execute and deliver any and all certificates, agreements and documents which they may deem necessary or advisable in order to effectuate the purposes of this resolution. Such actions may include, but are not limited to, the distribution of information and material relating to the 2018 Bonds and the execution and delivery of a letter of representations regarding book-entry provisions to The Depository Trust Company, the publication of any notices and consummation of any proceedings necessary to comply with the Act and the Internal Revenue Code of 1986 (the "Code"), including requirements of the Tax Equity and Fiscal Responsibility Act of 1982, execution of any agreements, amendments, terminations, notices, consents or directions in connection with the refunding of the prior loans to be repaid in whole or in part from proceeds of the 2018 Bonds, or the investment of any funds on deposit under the Indenture, execution and delivery of any tax certificate or other closing certificates to be delivered in connection with the issuance, sale and delivery of the 2018 Bonds and any amendments thereto. Said Authorized Officers are hereby also expressly authorized to arrange for any bond insurance, reserve fund surety bond or other supplemental security arrangements for all or such portion of the 2018 Bonds as they may deem in the public interest, and to enter into any other agreements or amendments deemed by them to be necessary or appropriate in connection therewith and as shall be permitted by the Act and the Indenture.

Resolution No. 2018-01 - Port Revenue Bonds

Section 8. The Authority hereby confirms its official intent to use proceeds of indebtedness to reimburse the Reimbursement Expenditures.

Section 9. All actions heretofore taken by the officers, representatives or agents of the Authority in connection with the issuance and sale of the 2018 Bonds are hereby ratified, confirmed and approved.

Section 10. This resolution shall take effect from and after its adoption.

RESOLVED, the Chairman certifies and the Secretary attest to, the adoption hereof and that a copy of this resolution be sent to the Public Utilities Commission and the Guam Economic Development Authority.

PASSED AND ADOPTED UNANIMOUSLY BY THE BOARD OF DIRECTORS THIS 19th DAY OF APRIL, 2018.


FRANCISCO G. SANTOS
CHAIRMAN, BOARD OF DIRECTORS
PORT AUTHORITY OF GUAM


MELANIE R. MENDIOLA
SECRETARY, BOARD OF DIRECTORS
PORT AUTHORITY OF GUAM

