

Government of Guam

Market Interest Rates as of July 12, 1994

TRANS Rates

Term Years	Unrated Unenhanced	Rated Unenhanced	Rated Enhanced	U.S. Treasury Security
1	5.00%	4.75%	3.90%	5.51%
2	5.50	5.25	4.40	6.20
3	5.75	5.50	4.50	6.54
4	5.625	5.65	4.75	6.85
5	6.00	5.75	4.90	7.03

Other Market Rates

3-Month Treasury Bill	4.53%
6-Month Treasury Bill	5.05
3-Month LIBOR	4.9375
Prime	7.25

ORRICK, HERRINGTON
& SUTCLIFFE

August 8, 1994

Direct Dial

(415) 773-5733

Senator Vicente C. Pangelinan
130 Aspinall Avenue, Suite 101
Agana, Guam 96910

Re: Government of Guam Proposed
General Obligation Bonds

Dear Senator Pangelinan:

Set forth below are responses to the questions in your letter dated August 4, 1994, relating to the proposed general obligation bond issue.

Response to Question No. 1: Current obligations of the Government of Guam such as payments to vendors should not be considered to be public debt and therefore not subject to the debt limitation contained in Section 11 of the Organic Act.

Response to Question No. 2: We are not financial advisors and try not to give financial advice, but it seems that the proposed general obligation bond issue will affect the Government's existing short-term and long-term obligations only to the extent that the Government will need to make debt service payments on the proposed general obligation bonds, together with debt service on existing general obligation bonds, from the same source of funds that is used to satisfy any existing short-term and long-term obligations of the Government, namely the General Fund.

With respect to additional bonds for capital improvement projects, the Government will still be able to issue additional general obligation bonds for such purpose to the extent it has sufficient general fund revenues to pay debt service on those future bonds and to the extent the limit in Section 11 of the Organic Act is not exceeded. The proposed bonds would, of course, be included in that limit.

The issuance of the proposed general obligation bonds will not affect debt and obligations of autonomous agencies to the extent bonds issued by such agencies are not guaranteed by the Government or otherwise secured by the General Fund, as the proposed general obligation bond issue would be. Typically,

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bonds issued by autonomous agencies are secured by an entirely separate source of funds consisting of revenues of a particular enterprise or project of the autonomous agency, and are not ordinarily guaranteed by the Government.

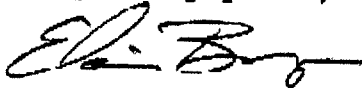
Again, we are not financial advisors and could not speculate whether a rating agency or investors or others might take into account any of this indebtedness in analyzing other debt.

Response to Question No. 3: Your general obligation bond issues do not typically contain a covenant on debt service coverage ratios, although your revenue bond issues typically do contain such a covenant. Issues that include both elements would contain the covenant. Since the proposed bond issue is a general obligation bond issue, there would ordinarily be no debt service coverage ratio. It is proposed that, in addition to the General Fund, these bonds would also be payable from Section 30 revenues. Certain outstanding obligations of the Government are also payable from Section 30 revenues, and with respect to those obligations the debt service coverage ratio requirement for parity debt is 2 to 1. However, these bonds would have only a subordinate claim on those revenues and would not be included in the coverage test.

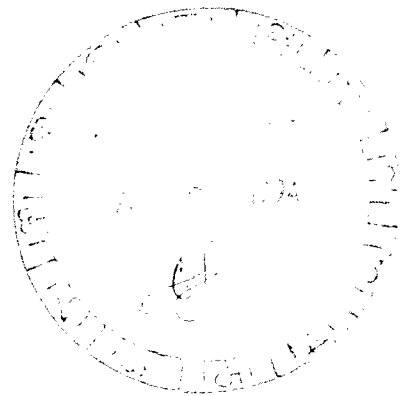
Response to Question No. 4: We are not aware of any call provisions of any existing Government of Guam bond issues that would be triggered by the issuance of unrated, unenhanced bonds.

We would be pleased to answer any further questions you may have.

Very truly yours,



Elaine R. Bayus



Lowell D. Lacy

P.O. Box 8190 • 254 Tomas Rivera St. • Agat, Guam 96928-8190

Phone/Fax: 671-585-5188

Internet: ldlacy@Kuentos.Guam.Net

August 9, 1994

Senator Vicente Pangelinan
Guam Legislature
Agana, Guam

Dear Senator Pangelinan:

This letter is in reference to your Bill 1121 and that of the Governor Bill 1098. As it stands right now, from what I have gotten from news sources, I can not support your bill. The only way I could support Bill 1121 is if the bond issuance was at the discretion of the taxpayer.

In the past my wife and I have owed taxes at the end of the tax year. Therefore, I have for several years had extra money withheld each pay period to insure I would get a refund vice having to pay additional taxes at the end of the tax year. I am sure there are many taxpayers who have taxes withheld like I do and for the same reason. I am also sure there are many tax payers who like me want their refunds in a manner that allows them to spend it when and where they desire. Therefore, your bill should be an option for the taxpayer, not a mandate!

At present, my wife and I give our support to Bill 1098, that gives us our refund in something we can spend when and where we want.

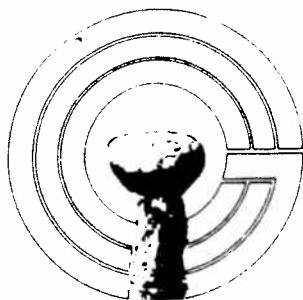
We are not able to attend the public hearing on these bills, but trust you will include our comments in the hearing.

Sincerely,



Lowell D. Lacy

Guam, Where America's Day Begins



GUAM CHAMBER OF COMMERCE
PARTNERS IN PROGRESS

173 Aspinall Avenue, Ada Plaza Center, Suite 102 • P.O. Box 283 Agana, GU 96910 • TEL: 472-6311/8001 • FAX: 472-6202

July 13, 1994

Senator Carl T.C. Gutierrez
Chairman
Committee on Ways & Means
22nd Guam Legislature
155 Hesler Street
Agana, Guam 96910

Senator John Perez Aguon
Chairman
Committee on Tourism and Transportation
22nd Guam Legislature
155 Hesler Street
Agana, Guam 96910

Dear Chairman Gutierrez, Chairman Aguon and Members of the Committees:

This morning, the Board of Directors of the Guam Chamber of Commerce reviewed Bill Nos. 1097 and 1098 and arrived at the following conclusions for purposes of today's public hearing:

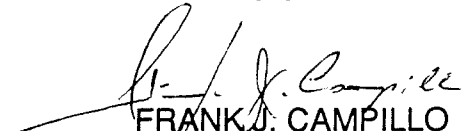
1. With respect to Bill No. 1097, we do not have enough information regarding the proposed Fiscal Year 1995 Budget to provide the committees with our recommendations. We will submit our testimony on this bill at a later date.
2. In regards to Bill No. 1098, the Guam Chamber of Commerce takes the following positions:
 - a. We oppose the issuance of general obligation notes for the purpose of repaying tax refunds as the cost of issuance and the interest payable on the notes outweigh the 6-7% interest due on the tax refunds. While it is true that these refunds belong to the people, it is also true that these notes will be paid by the very same people.

Testimony on Bill Nos. 1097 & 1098
July 13, 1994
page 2

- b. We are opposed to using moneys from the Tourist Attraction Fund (TAF) and the Territorial Highway Fund (THF) to cover current expenses of the Government. Our opposition is based on the fact that there is not a suggested mechanism to trim down government expenditures neither one to fully repay these unencumbered balanced of the TAF and the THF. We must learn to live within available financial resources and trim down expenditures. Let's not mortgage the future of our children who will ultimately pay for these loans and rampant expenditures.

- c. We will forward our views regarding the proposed fees of the Guam Police Department and the Department of Agriculture at a later date.

Sincerely yours,


FRANK J. CAMPILLO
Chairman of the Board

TERRITORY OF GUAM
Special Revenue Funds
Combining Balance Sheet
June 30, 1994

Tourist Attraction Fund	Territorial Highway Fund	Territorial Educational Facilities Fund
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Cash & equivalents	\$319,080	\$0	\$0
Investments	13,586,936	0	0
Tax receivables, net	257,886	959,524	9,103,269
Interfund receivables	0	16,944,045	3,221,536
A/R federal agencies	0	0	0
Other receivables, net	0	0	0
Inventories	0	0	0
Prepayments	0	0	0
Deposits & other assets	0	0	0

TOTAL ASSETS	\$14,163,902	\$17,903,570	\$12,324,805
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LIABILITIES:			
Cash overdraft	\$0	\$0	\$0
Current portion of debt & related interest	0	0	0
Accounts payable	0	69,693	0
Accrued payroll & other	0	0	0
Interfund payables	1,507,383	2,310	0
A/P federal agencies	0	0	0
Deferred revenue	253,988	959,524	9,103,269
Estimated tax refunds	0	1,886,920	0
Deposits & other liabilities	0	0	0
TOTAL LIABILITIES	1,761,370.87	2,918,447.27	9,103,268.73

FUND BALANCE:			
Reserved for:			
Debt service	0	0	0
Related assets	0	0	0
Encumbrances	1,161,589	1,688,852	0
Continuing appropriations	10,475,411	6,775,279	0
Unreserved	765,531	6,520,991	3,221,536
TOTAL FUND EQUITY (DEFICIT)	12,402,531	14,985,122	3,221,536

TOTAL LIABILITIES & FUND EQUITY	\$14,163,902	\$17,903,570	\$12,324,805
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TERRITORY OF GUAM

TAF, THF & TEF

**Combining Statement of Revenues,
Expenditures & Changes in Fund Balance**
June 30, 1994

Tourist Attraction Fund	Territorial Highway Fund	Territorial Educational Facilities Fund
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REVENUES:
Taxes
Licenses, fees & permits
Use of money & property
Federal contributions
Other
TOTAL REVENUES

\$7,764,699	\$8,206,329	\$10,015,213
0	2,694,981	0
0	0	0
0	0	0
0	0	0
7,764,699	10,901,309	10,015,213

EXPENDITURES:
General government
Protection of life & property
Public health
Community services
Recreation
Individual & collective rights
Transportation
Education
Protection of environment & resources
Economic development
Transfers to persons
Capital projects
Interest
Principal
TOTAL EXPENDITURES

56,906	23,753	0
0	0	0
0	0	0
0	0	0
565,964	0	0
11,935	0	0
0	4,072,459	0
3,377	0	0
0	0	0
32,732	0	0
0	0	0
0	597,830	0
0	0	0
0	0	0
670,914	4,694,042	0

TOTAL REVENUE OVER (UNDER) EXPENDITURES

7,093,785	6,207,267	10,015,213
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OTHER SOURCES (USES):
Addition to long-term debt
Transfers in
Transfers out
Other sources
Other uses
Other financing uses— early extinguishment of debt
TOTAL SOURCES (USES)

0	0	0
2,757,018	15,311,105	0
(16,753,543)	(10,846,074)	(7,198,141)
0	0	0
0	0	0
0	0	0
(13,996,525)	4,465,031	(7,198,141)

EXCESS (DEFICIENCY) OF REVENUES & OTHER SOURCES OVER EXPENDITURES & OTHER USES

(6,902,740)	10,672,298	2,817,073
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BEGINNING FUND BALANCE (DEFICIT)

19,305,270	4,312,825	404,464
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EQUITY TRANSFERS IN
EQUITY TRANSFERS OUT

0	0	0
0	0	0

ENDING FUND BALANCE (DEFICIT)

\$12,402,531	\$14,985,122	\$3,221,536
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TERRITORY OF GUAM
Debt Service Funds
Combining Balance Sheet
June 30, 1994

	Limited Obligation Highway Bonds 1992 Series A Fund	General Obligation Bonds 1986 Series A Fund	Limited Obligation Infrastructure Improvement Bonds 1989 Series A Fund	Water System Revenue Bonds Series 1989 Fund	General Obligation Bond 1993, Series A Fund	1994 Total (Memorandum Only)	1993 Total (Memorandum Only)
Cash & equivalents	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Investments	22,514,003	174,249	5,912,849	3,865,330	8,178,151	40,644,581	87,974,944
Tax receivables, net	0	0	0	0	0	0	0
Interfund receivables	0	76,784	3,098,618	59,391	0	3,234,793	59,392
A/R federal agencies	0	0	0	0	0	0	0
Other receivables, net	0	0	0	0	0	0	0
Inventories	0	0	0	0	0	0	55,990
Prepayments	0	0	0	0	0	0	0
Deposits & other assets	0	0	0	0	0	0	0
TOTAL ASSETS	\$22,514,003	\$251,032	\$9,011,467	\$3,924,721	\$8,178,151	\$43,879,374	\$88,090,326
LIABILITIES:							
Cash overdraft	0	0	0	0	0	0	0
Current portion of debt & related interest	0	0	0	0	0	0	0
Accounts payable	0	0	0	0	0	0	0
Accrued payroll & other	0	0	0	0	0	0	0
Interfund payables	17,058,975	0	0	0	0	0	0
A/P federal agencies	0	0	0	0	5,888,550	22,947,524	54,136,377
Deferred revenue	0	0	0	0	0	0	0
Estimated tax refunds	0	0	0	0	0	0	0
Deposits & other liabilities	0	0	0	0	0	0	0
TOTAL LIABILITIES	17,058,975	0	0	0	5,888,550	22,947,524	54,136,377
FUND BALANCE:							
Reserved for:							
Debt service	5,455,029	251,032	9,011,467	3,924,721	2,289,601	20,931,850	33,953,949
Related assets	0	0	0	0	0	0	0
Encumbrances	0	0	0	0	0	0	0
Continuing appropriations	0	0	0	0	0	0	0
Unreserved	0	0	0	0	0	0	0
TOTAL FUND EQUITY	5,455,029	251,032	9,011,467	3,924,721	2,289,601	20,931,850	33,953,949
TOTAL LIABILITIES & FUND EQUITY	\$22,514,003	\$251,032	\$9,011,467	\$3,924,721	\$8,178,151	\$43,879,374	\$88,090,326

TERRITORY OF GUAM
Debt Service Funds
Combining Statement of Revenues,
Expenditures & Changes in Fund Balance
June 30, 1994

	Limited Obligation Highway Bonds 1992, Series A Fund	General Obligation Bonds 1986, Series A Fund	Limited Obligation Infrastructure Improvement Bonds 1989, Series A Fund	Water System Revenue Bonds Series 1989 Fund	General Obligation Bond 1993, Series A Fund	1994 Total (Memorandum Only)	1993 Total (Memorandum Only)
REVENUES:							
Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Licenses, fees & permits	0	0	0	0	0	0	0
Use of money & property	936,248	179,970	395,171	90,851	77,067	1,679,307	1,980,009
Federal contributions	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0
TOTAL REVENUES	936,248	179,970	395,171	90,851	77,067	1,679,307	1,980,009

EXPENDITURES:							
General government	0	0	0	0	0	0	0
Protection of life & property	0	0	0	0	0	0	20,569
Public health	0	0	0	0	0	0	0
Community services	0	0	0	0	0	0	0
Recreation	0	0	0	0	0	0	0
Individual & collective rights	0	0	0	0	0	0	0
Transportation	0	0	0	0	0	0	0
Education	0	0	0	0	0	0	0
Protection of environment & resources	0	0	0	0	0	0	0
Economic development	0	0	0	0	0	0	0
Transfers to persons	0	0	0	0	0	0	0
Capital Projects	0	0	0	0	0	0	0
Interest	3,985,569	1,173,912	1,758,766	1,509,145	5,397,837	13,825,229	9,695,581
Principal	2,080,000	5,165,000	800,000	1,509,145	0	8,045,000	8,955,000
	6,065,569	6,338,912	2,558,766	1,509,145	5,397,837	21,870,229	18,671,151
TOTAL EXPENDITURES							
TOTAL REVENUE OVER (UNDER) EXPENDITURES	(5,129,320)	(6,158,941)	(2,163,595)	(1,418,294)	(5,320,771)	(20,190,922)	(16,691,142)

OTHER SOURCES (USES):							
Addition to long-term debt	0	0	0	0	0	0	0
Transfers in	10,846,074	0	7,712,643	0	7,610,372	26,169,090	54,359,032
Transfers out	(15,311,105)	0	(3,676,024)	0	0	(18,987,129)	(27,165,809)
Other sources	0	0	0	0	0	0	0
Other uses	0	0	0	(13,137)	0	(13,137)	(94,005)
Other financing uses - early extinguishment of debt	0	0	0	0	0	0	0
TOTAL SOURCES (USES)	(4,465,031)	0	4,036,619	(13,137)	7,610,372	7,168,823	27,099,219

EXCESS (DEFICIENCY) OF REVENUES & OTHER SOURCES OVER EXPENDITURES & OTHER USES	(9,594,351)	(6,158,941)	1,873,024	(1,431,432)	2,289,601	(13,022,099)	10,408,077
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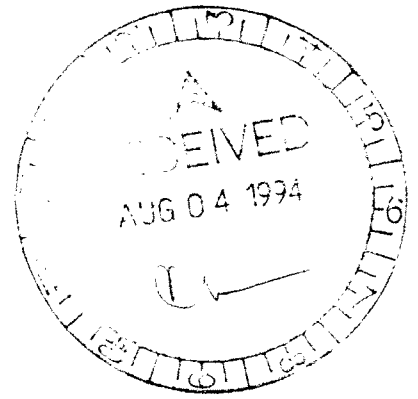
BEGINNING FUND BALANCE (DEFICIT)	15,049,380	6,409,974	7,138,443	5,356,153	0	33,953,949	23,545,872
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EQUITY TRANSFERS IN	0	0	0	0	0	0	0
EQUITY TRANSFERS OUT	0	0	0	0	0	0	0

ENDING FUND BALANCE (DEFICIT)	\$5,455,029	\$251,032	\$9,011,467	\$3,924,721	\$2,289,601	\$20,931,850	\$33,953,949
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GOVERNMENT OF GUAM
AGANA, GUAM 96910
DEPARTMENT OF ADMINISTRATION
(DIPATTAMENTON ATMENESTRASION)
DIRECTOR'S OFFICE
(UFISINAN DIREKTOT)
Post Office Box 884 * Agana, Guam 96910
TEL: (671) 472-8481/2 - FAX: (671) 477-6788



August 2, 1994

The Honorable Joseph F. Ada
Territory of Guam
Office of the Governor
P.O. Box 2950
Agana, Guam 96910

Dear Governor Ada:

We have accompanying this letter the following financial statements and reports for the Capital Projects Fund, Debt Service Fund and Related Special Revenue Fund Components:

1. Special Revenue Funds. Balance Sheets and Statements of Revenues, Expenditures and Changes in Fund Balance for the Tourist Attraction Fund, Territorial Highway Fund and the Territorial Educational Fund, June 30, 1994, and for the nine months ended June 30, 1994.
2. Debt Service Funds. Combining Balance Sheets and Statement of Revenues, Expenditures and Changes in Fund Balance, June 30, 1994, and for the nine months ended June 30, 1994.
3. Capital Projects Funds. Combining Balance Sheets, Statements of Revenues, Expenditures, and changes in Fund Balance, June 30, 1994, and for the nine months ended June 30, 1994.
4. Special Report. Project Accounting Status Report, Limited Obligation Highway Bonds 1992 Series A, Limited Obligation Infrastructure Improvement Bonds 1989 Series A, Water System Revenue Bonds 1989 and the General Obligation Bonds 1993 Series A June 30, 1994.



Commonwealth Now!

Letter to Governor Joseph F. Ada
Ref.: Capital Projects, Debt Service Fund
and Related Special Revenue Fund
Page 2

5. Special Report. Contract Status Report, Limited Obligation Highway Bonds 1992 Series A, Limited Obligation Infrastructure Improvement Bonds 1989 Series A, Water System Revenue Bonds 1989 and the General Obligation Bonds 1993 Series A, June 30, 1994.

Should you have any questions regarding the information provided, please contact Mr. John P. DeNorcey at 475-1169/1221.

Sincerely,

WILFRED G. AFLAGUE
Director

cc: Senator Thomas C. Ada
Senator John Aguon
Speaker Joe T. San Agustin
Senator Carl T.C. Gutierrez
Senator Vicente Pangelinan
Senator Antonio R. Unpingco

TERRITORY OF GUAM
Special Revenue Funds
Balance Sheet
June 30, 1994

Tourist Attraction Fund	Territorial Highway Fund	Territorial Educational Facilities Fund
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Cash & equivalents	\$359,678	\$0	\$0
Investments	13,586,936	0	0
Tax receivables, net	257,886	959,524	9,103,269
Interfund receivables	1,573,206	16,504,565	4,341,503
A/R federal agencies	0	0	0
Other receivables, net	0	0	0
Inventories	0	0	0
Prepayments	0	0	0
Deposits & other assets	0	0	0

TOTAL ASSETS	\$15,777,705	\$17,464,089	\$13,444,771
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LIABILITIES:			
Cash overdraft	\$0	\$0	\$0
Current portion of debt & related interest	0	0	0
Accounts payable	0	69,693	0
Accrued payroll & other	0	0	0
Interfund payables	0	0	0
A/P federal agencies	0	0	0
Deferred revenue	257,886	959,524	9,103,269
Estimated tax refunds	0	1,886,920	0
Deposits & other liabilities	0	0	0
TOTAL LIABILITIES	257,885.98	2,916,137.60	9,103,268.73

FUND BALANCE:			
Reserved for:			
Debt service	0	0	0
Related assets	0	0	0
Encumbrances	1,161,589	1,688,852	0
Continuing appropriations	9,556,405	6,775,279	0
Unreserved	4,801,825	6,083,820	4,341,503
TOTAL FUND EQUITY (DEFICIT)	15,519,819	14,547,952	4,341,503

TOTAL LIABILITIES & FUND EQUITY	\$15,777,705	\$17,464,089	\$13,444,771
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TERRITORY OF GUAM

Tourist Attraction, Territorial Highway and Territorial Educational Fund

Statement of Revenues,

Expenditures & Changes in Fund Balance

Nine Months Ended June 30, 1994

	Tourist Attraction Fund	Territorial Highway Fund	Territorial Educational Facilities Fund
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REVENUES:

Taxes	\$8,769,337	\$9,603,897	\$10,341,167
Licenses, fees & permits	0	2,694,981	0
Use of money & property	0	0	0
Federal contributions	0	0	0
Other	0	0	0
TOTAL REVENUES	8,769,337	12,298,878	10,341,167

EXPENDITURES:

General government	56,906	23,753	0
Protection of life & property	0	0	0
Public health	0	0	0
Community services	0	0	0
Recreation	565,964	0	0
Individual & collective rights	11,935	0	0
Transportation	0	4,072,459	0
Education	3,377	0	0
Protection of environment & resources	0	0	0
Economic development	32,732	0	0
Transfers to persons	0	0	0
Capital projects	0	597,830	0
Interest	0	0	0
Principal	0	0	0
TOTAL EXPENDITURES	670,914	4,694,042	0

TOTAL REVENUE OVER (UNDER) EXPENDITURES

	8,098,423	7,604,836	10,341,167
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OTHER SOURCES (USES):

Addition to long-term debt	0	0	0
Transfers in	6,854,729	15,311,105	0
Transfers out	(18,738,603)	(12,680,814)	(6,404,128)
Other sources	0	0	0
Other uses	0	0	0
Other financing uses - early extinguishment of debt	0	0	0
TOTAL SOURCES (USES)	(11,883,875)	2,630,291	(6,404,128)

EXCESS (DEFICIENCY) OF REVENUES & OTHER SOURCES OVER EXPENDITURES & OTHER USES

	(3,785,451)	10,235,127	3,937,039
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BEGINNING FUND BALANCE (DEFICIT)

	19,305,270	4,312,825	404,464
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EQUITY TRANSFERS IN

	0	0	0
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EQUITY TRANSFERS OUT

	0	0	0
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ENDING FUND BALANCE (DEFICIT)

	\$15,519,819	\$14,547,952	\$4,341,503
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TERRITORY OF GUAM
Debt Service Funds
Combining Statement of Revenues,
Expenditures & Changes in Fund Balance
Nine Months Ended June 30, 1994

	Limited Obligation Highway Bonds 1992, Series A Fund	General Obligation Bonds 1986, Series A Fund	Limited Obligation Infrastructure Improvement Bonds 1989, Series A Fund	Water System Revenue Bonds Series 1989 Fund	General Obligation Bond 1993, Series A Fund	1994 Total (Memorandum Only)	1993 Total (Memorandum Only)
REVENUES:							
Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Licenses, fees & permits	0	0	0	0	0	0	0
Use of money & property	936,248	179,970	395,171	132,359	77,067	1,720,815	1,980,009
Federal contributions	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0
TOTAL REVENUES	936,248	179,970	395,171	132,359	77,067	1,720,815	1,980,009
EXPENDITURES:							
General government	0	0	0	0	0	0	20,569
Protection of life & property	0	0	0	0	0	0	0
Public health	0	0	0	0	0	0	0
Community services	0	0	0	0	0	0	0
Recreation	0	0	0	0	0	0	0
Individual & collective rights	0	0	0	0	0	0	0
Transportation	0	0	0	0	0	0	0
Education	0	0	0	0	0	0	0
Protection of environment & resources	0	0	0	0	0	0	0
Economic development	0	0	0	0	0	0	0
Transfers to persons	0	0	0	0	0	0	0
Capital Projects	0	0	0	0	0	0	0
Interest	3,951,611	1,165,038	1,672,865	3,018,290	5,397,837	15,205,641	9,695,581
Principal	2,080,000	5,165,000	800,000	1,595,000	0	9,640,000	8,955,000
TOTAL EXPENDITURES	6,031,611	6,330,038	2,472,865	4,613,290	5,397,837	24,145,641	18,671,151
TOTAL REVENUE OVER (UNDER) EXPENDITURES	(5,095,363)	(6,150,067)	(2,077,694)	(4,480,931)	(5,320,771)	(23,424,825)	(16,691,142)
	566,852						
OTHER SOURCES (USES):	15,877,958		3,178,704.56				
Addition to long-term debt	0	0	0	0	0	0	0
Transfers in	12,680,814	0	8,778,697	0	8,553,941	30,113,452	54,359,032
Transfers out	(15,311,105)	0	(6,854,729)	0	0	(22,165,834)	(27,165,808)
Other sources	0	0	0	0	0	0	0
Other uses	(33,958)	(8,874)	(85,901)	(19,378)	0	(48,111)	(94,005)
Other financing uses - early extinguishment of debt	0	0	0	0	0	0	0
TOTAL SOURCES (USES)	(2,664,249)	(8,874)	1,838,068	(19,378)	8,553,941	7,999,507	27,099,219
EXCESS (DEFICIENCY) OF REVENUES & OTHER SOURCES OVER EXPENDITURES & OTHER USES	(7,759,612)	(6,158,941)	(239,626)	(4,500,309)	3,233,170	(15,425,318)	10,408,077
BEGINNING FUND BALANCE (DEFICIT)	15,049,380	6,409,974	7,138,443	5,356,153	0	33,953,944	23,545,872
EQUITY TRANSFERS IN	0	0	0	0	0	0	0
EQUITY TRANSFERS OUT	0	0	0	0	0	0	0
ENDING FUND BALANCE (DEFICIT)	\$7,289,768	\$251,032	\$6,898,816	\$855,844	\$3,233,170	\$18,528,626	\$33,953,949

TERRITORY OF GUAM
Capital Projects Funds
Combining Balance Sheet
June 30, 1994

	Limited Obligation Highway Bonds 1992 Series A Fund	Limited Obligation Infrastructure Improvement Bonds 1989 Series A Fund	Water System Revenue Bonds Series 1989 Fund	PUAG Capital Projects Fund	General Obligation Bonds 1993, Series A Fund	1994 Total (Memorandum Only)	1993 Total (Memorandum Only)
Cash & equivalents	\$0	\$0	\$0	\$0	\$0	\$0	\$792,856
Investments	35,972,574	8,338,042	30,753,170	0	165,380,640	240,444,426	87,885,994
Accounts receivables, net	0	0	0	0	0	0	0
Interfund receivables	467,436	0	655,165	1,389,963	5,955,326	8,467,890	2,016,305
A/R federal agencies	0	0	0	0	0	0	0
Other receivables, net	528,571	0	0	0	0	528,571	165,697
Inventories	0	0	0	0	0	0	0
Prepayments	0	0	0	0	0	0	0
Deposits & other assets	0	0	1,000	0	0	1,000	0
TOTAL ASSETS	\$36,968,581	\$8,338,042	\$31,409,335	\$1,389,963	\$171,335,966	\$249,441,887	\$90,860,852
LIABILITIES:							
Cash overdraft	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Current portion of debt & related interest	0	0	0	0	0	0	0
Accounts payable	426,927	297,677	359,171	0	306,019	1,389,794	394,865
Accrued payroll & other	0	0	0	0	0	0	99,416
Interfund payables	0	663,244	59,391	0	0	722,635	28,096
A/P federal agencies	0	0	0	0	0	0	0
Deferred revenue	0	0	0	0	0	0	0
Estimated tax refunds	0	0	0	0	0	0	0
Deposits & other liabilities	0	0	0	0	0	0	0
TOTAL LIABILITIES	426,927	960,921	418,563	0	306,019	2,112,433	514,061
FUND BALANCE:							
Reserved for:							
Debt service	0	0	0	0	0	0	0
Related assets	0	0	0	0	0	0	0
Encumbrances	2,098,896	1,258,539	5,542,461	0	64,983,042	73,882,938	12,254,294
Continuing appropriations	32,320,914	6,347,627	24,189,621	0	107,958,701	170,816,863	76,120,910
Unreserved	2,121,844	(229,045)	1,258,691	1,389,963	(1,911,797)	2,029,653	1,963,270
TOTAL FUND EQUITY (DEFICIT)	36,541,654	7,377,121	30,990,773	1,389,963	171,029,947	247,029,458	90,338,475
TOTAL LIABILITIES & FUND EQUITY	\$36,968,581	\$8,338,042	\$31,409,335	\$1,389,963	\$171,335,966	\$249,441,887	\$90,860,852

TERRITORY OF GUAM
Capital Projects Funds
Combining Statement of Revenues,
Expenditures & Changes in Fund Balance
Nine Months Ended June 30, 1994

Limited Obligation Highway Bonds 1992, Series A Fund	Limited Obligation Infrastructure Improvement Bonds 1989, Series A Fund	Water System Revenue Bonds Series 1989 Fund	PUAG Capital Projects Fund	General Obligation Bonds 1993, Series A Fund	1994 Total (Memorandum Only)	1993 Total (Memorandum Only)
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REVENUES:						
Taxes	\$0	\$0	\$0	\$0	\$0	\$0
Licenses, fees & permits	0	0	0	0	0	0
Use of money & property	631,907	155,811	603,168	0	4,151,278	5,522,164
Federal contributions	0	0	0	160,650	0	3,703,813
Other	0	0	0	0	0	662,507
TOTAL REVENUES	631,907	155,811	603,168	160,650	4,151,278	4,366,320

EXPENDITURES:						
General government	0	0	0	0	0	0
Protection of life & property	0	0	0	0	0	0
Public health	0	0	0	0	0	0
Community services	0	0	0	0	0	0
Recreation	0	0	0	0	0	0
Individual & collective rights	0	0	0	0	0	0
Transportation	0	0	0	0	0	0
Education	0	0	0	0	0	0
Protection of environment & resources	0	0	0	0	0	0
Economic development	0	0	0	0	0	0
Transfers to persons	0	0	0	0	0	0
Capital Projects	5,136,385	2,807,389	7,470,059	171,614	4,858,256	20,443,703
Interest	0	0	0	0	0	19,898,038
Principal	0	0	0	0	0	0
TOTAL EXPENDITURES	5,136,385	2,807,389	7,470,059	171,614	4,858,256	19,898,038

TOTAL REVENUE OVER (UNDER) EXPENDITURES	(4,504,477)	(2,651,578)	(6,866,891)	(10,964)	(706,979)	(14,743,889)	(15,531,718)
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OTHER SOURCES (USES):						
Addition to long-term debt	0	0	0	0	173,651,313	173,651,313
Transfers in	0	0	0	0	0	0
Transfers out	0	0	0	0	0	0
Other sources	0	0	549	0	0	0
Other uses	0	(5,602)	0	0	0	549
Other financing uses - early extinguishment of debt	0	0	0	0	(1,914,388)	(1,914,388)
TOTAL SOURCES (USES)	0	(5,602)	549	0	171,736,926	171,736,873

EXCESS (DEFICIENCY) OF REVENUES & OTHER SOURCES OVER EXPENDITURES & OTHER USES	(4,504,477)	(2,657,180)	(6,866,342)	(10,964)	171,029,947	156,991,984	(15,549,628)
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BEGINNING FUND BALANCE (DEFICIT)	41,046,131	10,034,301	37,857,115	1,400,927	0	90,333,474	105,888,103
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EQUITY TRANSFERS IN	0	0	0	0	0	0	0
EQUITY TRANSFERS OUT	0	0	0	0	0	0	0

ENDING FUND BALANCE (DEFICIT)	\$36,541,654	\$7,37	\$30,990,773	\$1,389,963	\$171,029,947	\$247,324,458	\$338,475
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**TERRITORY OF GUAM
LIMITED OBLIGATION HIGHWAY
BONDS, 1992 SERIES A
CAPITAL PROJECTS FUND
PROJECT ACCOUNTING REPORT
JUNE 30, 1994**

Project Title	Account Number	Budget	Current Year Expenditures	Cumulative Expenditures	Outstanding Encumbrances	Continuing Appropriations
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**1985 SERIES A CONSTRUCTION FUND PROJECTS
FUND - 224 / APPROP - D5 / DEPT - 1090**

Rte 1 Y - Sengsong to Gayinero Road	HC002	\$8,200,000	\$72,429	\$5,958,425	\$0	\$241,575
Rte 2A Agat to Umatac Road	HC003	12,100,000	0	11,805,831	82,842	211,327
Rte 8 Phase I road widening	HC004	4,000,000	0	3,802,963	0	197,037
Aspinall Avenue and Rte 1 to Rte 6 and Rte 7A	HC005	8,482,219	9,180	7,398,566	46,366	1,028,107
Reconstruction Rte 1 to Rte 4	HC006	888,503	0	706,129	0	182,374
Reconstruction Rte 1 to Rte 11	HC007	529,278	0	451,016	0	78,262
Canton Tutujan Extension	HC008	600,000	0	0	0	600,000
Sub-Total		32,800,000	81,609	30,122,930	129,208	2,538,632

**1992 SERIES A CONSTRUCTION FUND PROJECTS
FUND - 224 / APPROP - D2 / DEPT - 1090**

Reconstruction Rte 2 from Polaris Intersection to Rte 2A	HC001	6,006,712	1,339,647	1,371,748	1,348,570	3,286,395
Reconstruction Rte 2 from Commisary Junction to Nana River	HC002	4,000,000	6,625	20,097	2,026	3,977,677
Design and reconstruction of three (3) lane highway from intersection of Rte 30 and Rte 1 to GMH	HC003	10,000,000	278,481	280,070	377,631	9,342,219
Design and construction of Harmon access road including lead acquisition	HC004	3,000,000	3,133	3,340	100,522	2,896,138
Land acquisition for Agat - Umatac Project and unacquired land on Rte 1, Rte 6, Macheche Road, Bello Road and Alegeta Street	HC005	4,000,000	369,517	889,909	0	3,110,091
Resurfacing of approximately five (5) miles of Rte 4 through Merizo	HC006	3,000,000	693,773	1,936,882	0	1,063,118
Design and construction of San Ramon Hill roadway network covering Rte 7	HC007	2,000,000	2,893	2,893	0	1,997,107
Sidwalk six (6) feet in width on the South side of San Vitores Road from JFK High School	HC008	500,000	0	0	0	500,000
Umatac Guardrail	HC009	2,500,000	0	1,975,264	140,939	383,797
Reconstruction Harmon Loop	HC010	2,000,000	466	25,142	0	1,974,858
Planning, design and initial construction of bike / jogging paths island wide	HC011	1,000,000	0	0	0	1,000,000
Sub-Total		38,006,712	2,894,535	6,505,345	1,969,688	29,531,679

**TYPHOON OMAR HOMELESS FEMA PROJECT
1993 SERIES A CONSTRUCTION FUND PROJECTS
FUND - 224 / APPROP - D3 / DEPT - 1090**

Roadways Improvement - Dededo Subdivision	GA001	2,999,999	2,160,239	2,749,448	0	250,551
Roadways Improvement - Ija, Inaraian Subdivision	HA002	1	0	0	0	1
Sub-Total		3,000,000	2,160,239	2,749,448	0	250,552

TOTAL		\$73,806,712	\$5,136,384	\$39,377,723	\$2,098,896	\$32,209,933
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TERRITORY OF GUAM
 LIMITED OBLIGATION HIGHWAY
 BONDS, 1992 SERIES A
 CAPITAL PROJECTS FUND
 CONTRACT STATUS REPORT
 JUNE 30, 1994

Vendor Name	Account Number	Contract				Project Duration	Percent Completed	Contract Status	
		Number	Amount	Payment	Balance			Description of work	

1985 SERIES A CONSTRUCTION FUND PROJECTS
 FUND-224 / APPROP-D5 / DEPT-1090

Project Title: Route 1 Y - Sengsong to Gayinero Road

Emilia Perez Hara	5 224 D 5 1090 HC 002		\$72,429.00	\$72,429.00	\$0.00			Land Acquisition	Payment
			72,429.00	72,429.00	0.00				

Project Title: Route 2A (Agat to Umatac Road)

Geo-Engineering & Testing Inc	5 224 D 5 1090 HC 003	C30660005	50,000.00	3,691.00	46,309.00	180 days	3.58%	Reconstruction of Route 2	Q.C. Testing
Darlene R Moore Archaeological Consultant	5 224 D 5 1090 HC 003	C90660007	15,398.00	3,096.11	12,301.89	180 days	21%	Arch. Survey	
Hanil Development Co Ltd	5 224 D 5 1090 HC 003	C20660070	1,418,120.00	1,393,888.46	24,231.54	360 days	99.44%	Reconstruction of Route 2	Phase II
Paulu Kumangal	5 224 D 5 1090 HC 003	D31010026	696.00	696.00	0.00			Mileage reimbursement	
			1,484,214.00	1,401,371.57	82,842.43				

Project Title: Aspinall Avenue and Route 1 to Route 8 and Route 7A

Geo-Engineering & Testing Inc	5 224 D 5 1090 HC 005	C10660006	25,000.00	6,532.00	18,468.00	180 days	40%	Q.C. Testing	
Darlene R Moore Archaeological Consultant	5 224 D 5 1090 HC 005	C10660403	78,000.00	74,604.78	3,395.24	3 years	60%	Arch. Survey	
Darlene R Moore Archaeological Consultant	5 224 D 5 1090 HC 005	C80660226	49,526.00	35,843.26	13,682.74	3 years	80%	Arch. Survey	
Darlene R Moore Archaeological Consultant	5 224 D 5 1090 HC 005	C40660284	20,000.00	9,180.00	10,820.00	3 years	80%	Arch. Survey	
			172,526.00	126,160.02	46,365.98				

Contracts completed during the period FY '85 - FY '92

			28,522,969.41	28,522,969.41	0.00				
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Sub-Total

			30,252,138.41	30,122,930.00	129,208.41				
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1992 SERIES A CONSTRUCTION FUND PROJECTS
 FUND-224 / APPROP-D2 / DEPT-1090

Project Title: Reconstruction Route 2 (Polaris Intersection to Route 2A)

D P W	5 224 D 2 1090 HC 001		311.10	311.10	0.00			Payroll / PPE: 12/25/93	
D P W	5 224 D 2 1090 HC 001		1,306.62	1,306.62	0.00			Payroll / PPE: 01/18/94	
D P W	5 224 D 2 1090 HC 001		645.12	645.12	0.00			Payroll / PPE: 03/05/94	
D P W	5 224 D 2 1090 HC 001		188.16	188.16	0.00			Payroll / PPE: 03/18/94	
D P W	5 224 D 2 1090 HC 001		4,965.72	4,965.72	0.00			Payroll / PPE: 04/30/94	
D P W	5 224 D 2 1090 HC 001		311.10	311.10	0.00			Payroll / PPE: 05/14/94	
Maeda Pacific Corp/Maeda Road Const Ltd	5 224 D 2 1090 HC 001	C30660529	2,629,000.00	1,284,960.41	1,344,039.59	3 years	69.82%	Reconstruction of Route 2 to Route 2A	
Guam Publication (PDN)	5 224 D 2 1090 HC 001	P36P01790	445.50	445.50	0.00			Advertisement	
Guam Publication (PDN)	5 224 D 2 1090 HC 001	P46P00011	445.50	445.50	0.00			Advertisement	
Guam Publication (PDN)	5 224 D 2 1090 HC 001	P46P00379	258.40	258.40	0.00			Advertisement	
Triple J Enterprises	5 224 D 2 1090 HC 001	P46P01470	37,680.00	37,680.00	0.00			Purchase 4 - Mitsubishi Pickup (Regular Cab)	
Dimension Systems	5 224 D 2 1090 HC 001	P36P02701	4,430.00	4,430.00	0.00			80486DX2-66 Vesa local computer system	
General Service Agency (DOA)	5 224 D 2 1090 HC 001	Q31010165	4,530.00	0.00	4,530.00			Requisition	
Dimension Systems	5 224 D 2 1090 HC 001	P36P02593	3,700.00	3,700.00	0.00			Hewlett packard LaserJet V printer	
			2,688,217.22	1,339,647.63	1,348,569.59				

TERRITORY OF GUAM
LIMITED OBLIGATION HIGHWAY
BONDS, 1982 SERIES A
CAPITAL PROJECTS FUND
CONTRACT STATUS REPORT
JUNE 30, 1984

Page 2 of 3

Vendor Name	Account Number	Number	Amount	Contract Payment	Balance	Project Duration	Percent Completed	Contract Status	Description of Work
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Project Title: Reconstruction Route 2 (Commissionary Junction to Naana River)									
D P W		5 224 D 2 1090 HC 002	753.95	753.95	0.00			Payroll / PPE: 11/13/83	
D P W		5 224 D 2 1090 HC 002	528.88	528.88	0.00			Payroll / PPE: 03/05/84	
D P W		5 224 D 2 1090 HC 002	684.43	684.43	0.00			Payroll / PPE: 03/19/84	
D P W		5 224 D 2 1090 HC 002	1,289.01	1,289.01	0.00			Payroll / PPE: 05/14/84	
SPECS Inc		5 224 D 2 1090 HC 002	4,900.00	3,358.80	1,541.40			Reproduction of original construction drawings	
		5 224 D 2 1090 HC 002	484.50	0.00	484.50			Reproduction of original construction drawings	
			8,950.77	6,824.87	2,025.90				

Project Title: Design and reconstruction of three (3) lane Highway from Intersection of Route 30 and Route 1 to GMH									
D P W		5 224 D 2 1090 HC 003	363.01	363.01	0.00			Payroll / PPE: 12/25/83	
D P W		5 224 D 2 1090 HC 003	580.82	580.82	0.00			Payroll / PPE: 01/08/84	
D P W		5 224 D 2 1090 HC 003	611.88	611.88	0.00			Payroll / PPE: 02/05/84	
D P W		5 224 D 2 1090 HC 003	228.58	228.58	0.00			Payroll / PPE: 04/02/84	
D P W		5 224 D 2 1090 HC 003	218.06	218.06	0.00			Payroll / PPE: 05/14/84	
D P W		5 224 D 2 1090 HC 003	471.84	471.84	0.00			Advertisement	
Guam Publication (PDN)		5 224 D 2 1090 HC 003	445.50	445.50	0.00			Advertisement	
Guam Publication (PDN)		5 224 D 2 1090 HC 003	445.50	445.50	0.00			Advertisement	
EMSSCO Engineers Consultant		5 224 D 2 1090 HC 003	652,303.00	274,672.00	377,631.00	180 days	80%	Recon of Govoccam	Chd Road & Farenholt Ave
			656,111.70	276,490.70	377,631.00				

Project Title: Design and construction of Hamon access road including land acquisition									
D P W		5 224 D 2 1090 HC 004	539.85	539.85	0.00			Payroll / PPE: 02/05/84	
D P W		5 224 D 2 1090 HC 004	1,448.40	1,448.40	0.00			Payroll / PPE: 02/19/84	
D P W		5 224 D 2 1090 HC 004	134.40	134.40	0.00			Payroll / PPE: 03/05/84	
D P W		5 224 D 2 1090 HC 004	382.54	382.54	0.00			Payroll / PPE: 03/19/84	
D P W		5 224 D 2 1090 HC 004	173.22	173.22	0.00			Payroll / PPE: 04/02/84	
Guam Publication (PDN)		5 224 D 2 1090 HC 004	445.50	445.50	0.00			Advertisement	
Geo-Engineering & Testing Inc		5 224 D 2 1090 HC 004	3,541.78	0.00	3,541.78			Material testing	
Dev and Associates		5 224 D 2 1090 HC 004	96,880.00	0.00	96,880.00	180 days	0%	Construction of Hamon	1 Access Road
			103,655.49	3,133.71	100,521.78				

Project Title: Land acquisition for Agat - Umatac Project									
Pedro Cruz Estaban		5 224 D 2 1090 HC 005	56,700.00	56,700.00	0.00			Land acquisition pay ment	
Maria D. Matras		5 224 D 2 1090 HC 005	9,295.00	9,295.00	0.00			Land acquisition pay ment	
Roman G.B. & Eloise T. Castro		5 224 D 2 1090 HC 005	137,482.00	137,482.00	0.00			Land acquisition pay ment	
Clerk, District Court of Guam		5 224 D 2 1090 HC 005	166,030.00	166,030.00	0.00			Land acquisition pay ment	
			369,517.00	369,517.00	0.00				

Project Title: Resurfacing of approximately five (5) miles of Route 4 through Matro									
D P W		5 224 D 2 1090 HC 006	373.32	373.32	0.00			Payroll / PPE: 01/08/84	
D P W		5 224 D 2 1090 HC 006	528.88	528.88	0.00			Payroll / PPE: 02/05/84	
D P W		5 224 D 2 1090 HC 006	296.88	296.88	0.00			Payroll / PPE: 02/19/84	
Pacific Soils Engineering & Testing		5 224 D 2 1090 HC 006	4,500.00	4,500.00	0.00			Material soil testing of the soil	skid resurfing
International Safety Equipment		5 224 D 2 1090 HC 006	180.00	180.00	0.00			Surveyor safety vest # 1448	
Hawaiian Rock Products		5 224 D 2 1090 HC 006	1,914,222.39	1,914,222.39	0.00	180 days	100%	Surveyor safety vest # 1446	
			1,920,061.25	1,920,061.25	0.00				

TERRITORY OF GUAM
 LIMITED OBLIGATION HIGHWAY
 BONDS, 1992 SERIES A
 CAPITAL PROJECTS FUND
 CONTRACT STATUS REPORT
 JUNE 30, 1994

Vendor Name	Account Number	Contract				Project Duration	Percent Completed	Contract Status	
		Number	Amount	Payment	Balance			Description of work	
Project Title: Design and construction of San Ramon Hill roadway network covering Route 7									
D P W	5 224 D 2 1090 HC 007		1,672.30	1,672.30	0.00			Payroll / PPE: 0	08/94
D P W	5 224 D 2 1090 HC 007		140.02	140.02	0.00			Payroll / PPE: 0	05/94
D P W	5 224 D 2 1090 HC 007		1,080.29	1,080.29	0.00			Payroll / PPE: 0	14/94
			2,892.61	2,892.61	0.00				
Project Title: Umatac Guardrail									
Hawaiian Rock Products	5 224 D 2 1090 HC 009	C20660456	2,073,245.00	1,932,305.63	140,939.37	180 days	90%	Overlay anti-skid	
			2,073,245.00	1,932,305.63	140,939.37				
Project Title: Reconstruction Harmon Loop									
Dimension System	5 224 D 2 1090 HC 010	P36P01549	446.00	446.00	0.00			Materials and supplies	
			446.00	446.00	0.00				
Contracts completed during the period FY '85 - FY '92			652,235.91	652,235.91	0.00				
Sub-Total			8,475,032.95	6,505,345.31	1,969,687.64				
TYPHOON OMAR HOMELLES FEMA PROJECT									
1993 SERIES A CONSTRUCTION FUND PROJECTS									
FUND-224 / APPROP-D3 / DEPT-1090									
Project Title: Roadways Improvement - Dededo Subdivision									
Sumitomo Construction Co Ltd	5 224 D 3 1090 GA 001	C40710156	1,900,000.00	1,900,000.00	0.00	3 years	100%	Roadway Improvement	
JFP International Inc	5 224 D 3 1090 GA 001		849,447.80	849,447.80	0.00			Roadway Improvement	
			2,749,447.80	2,749,447.80	0.00				
Sub-Total			2,749,447.80	2,749,447.80	0.00				
TOTAL			\$41,476,619.16	\$39,377,723.11	\$2,098,896.05				

**TERRITORY OF GUAM
LIMITED OBLIGATION INFRASTRUCTURE
IMPROVEMENT BONDS, 1989 SERIES A
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Project Title	Account Number	Budget	Current Year Expenditures	Cumulative Expenditures	Outstanding Encumbrances	Continuing Appropriations
1989 SERIES A CONSTRUCTION FUND PROJECTS						
FUND - 251 / APPROP - DO / DEPT - 0698						
Public Market Project	AA024	\$2,174,827	\$361,409	\$1,448,940	\$317,438	\$408,449
Astumbo Subdivision Infrastructure	GA022	3,500,000	0	3,500,000	0	0
Inarajan Boat Launching Ramp	HA027	250,000	0	185	0	249,815
Inarajan Community Center Upgrade	HG034	400,000	0	379,149	0	20,327
Malolo Baseball Field	HG035	520,000	0	62,504	524	457,496
Merizo Flood Control	KA026	351,796	1,072	258,139	2,120	91,537
Merizo Pier Expansion	KA028	200,000	0	386	0	199,614
Mongmong Community Center upgrade	LG036	300,000	0	1,942	0	298,058
Extension of Chalan Kanton Tutujan to Route 7	PA038	1,491,968	0	358,689	15,953	1,117,326
Completion of San Vitores Road	RA020	1,031,206	0	851,739	172,309	7,159
Guam Memorial Hospital Authority Power System Design	RA023	800,000	0	0	0	800,000
Umatac Sea Wall	SA029	60,000	0	282	0	59,718
Yigo Community Center Upgrade	TG037	300,000	0	214	0	299,786
Sumon Sewage Reversal	ZA019	3,359,120	(147,657)	2,764,251	0	467,041
Agat - Umatac Highway Completion	ZA021	4,574,709	0	4,552,819	127,828	21,810
Umatac - Merizo Highway Design	ZA030	300,000	0	2,056	0	297,944
Merizo - Inarajan Highway Design	ZA031	300,000	0	1,680	0	298,320
Inarajan - Talofoto Highway Design	ZA032	400,000	0	2,328	0	389,056
Talofoto - Yona Highway Design	ZA033	500,513	111,977	463,776	24,740	11,997
Route 4 Poultry Farm to Lingit/Pauliuc Bridges, Inarajan	ZA039	250,000	0	206,405	0	43,595
Route 4 between Umatac and Merizo Village	ZA040	680,000	0	609,490	0	70,510
Route 17 between Santa Rita and Yona Along Cross Island Road	ZA041	570,000	0	535,113	0	34,887
Route 4A from Route 4 to Talofoto Village Proper	ZA042	400,000	0	315,253	49,384	35,363
Route 9, vicinity of Agafa Gumas, Yigo	ZA043	150,000	0	128,562	0	21,438
Route 12 installation of 400 linear feet of Guardrails in Santa Rita	ZA044	30,000	0	26,670	0	3,330

**TERRITORY OF GUAM
LIMITED OBLIGATION INFRASTRUCTURE
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Project Title	Account Number	Budget	Current Year Expenditures	Cumulative Expenditures	Outstanding Encumbrances	Continuing Appropriations
1989 SERIES A CONSTRUCTION FUND PROJECTS FUND-251 / APPROP-DO / DEPT-0698						
Macheche Road anti-skid and pavement markers, Latte Heights	ZA045	360,115	0	315,956	10,175	33,984
Gayinero Road installation of 800 feet of guardrail in Yigo	ZA046	50,000	0	43,500	0	6,500
Ypao Road, installation of guardrail, pavement markers, anti-skid	ZA047	70,000	0	0	0	70,000
Route 7 Agana Heights between Route 1 and Naval Hospital	ZA048	550,000	249	18,365	509,373	22,262
Route 6 Asan/Piti and Nimitz Hill area	ZA049	500,000	0	488,358	0	11,642
Sub-Total		24,424,254	327,051	17,336,751	1,238,539	5,848,964

TYPHOON OMAR HOMELESS FEMA PROJECTS CONSTRUCTION FUND PROJECTS FUND-251 / APPROP-D3 / DEPT-1090						
Power Lines - Dededo Subdivision (FEMA/GHC)	GA005	2,999,000	2,480,338	2,480,338	20,000	498,662
Power Lines - Ija, Inarajan Subdivision	HA004	1	0	0	0	1
Sub-Total		2,999,001	2,480,338	2,480,338	20,000	498,663
TOTAL		\$27,423,255	\$2,807,389	\$19,817,089	\$1,258,539	\$6,347,627

**TERRITORY OF GUAM
LIMITED OBLIGATION INFRASTRUCTURE
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Vendor Name	Account Number	Contract				Contract Status		
		Number	Amount	Payment	Balance	Project Duration	Percent Completed	Description of work
1989 SERIES A CONSTRUCTION FUND PROJECTS FUND-251 / APPROP-DO / DEPT-0698								
Project Title: Public Market Project								
Misamis Construction Limited	5 251 D O 0698 AA 024	C10660275	\$209,437.00	\$209,409.50	\$27.50	128 days	100%	Renovation of Srgan Dinara
B Jones Architects AIA, Inc	5 251 D O 0698 AA 024	C30660167	159,725.00	135,119.83	24,605.17	23 months	85%	Public Market Redevelopment
B Jones Architects AIA, Inc	5 251 D O 0698 AA 024	C40660350	185,100.00	35,550.00	149,550.00	23 months	35%	Public Market Redevelopment (Phase 3)
Department of Public Works	5 251 D O 0698 AA 024	W21400008	385,265.00	259,030.42	126,234.58			Payment & Construction New Pub Mkt
Department of Public Works	5 251 D O 0698 AA 024	W41400001	17,020.00	0.00	17,020.00			Construction change order Pub Mkt
			956,547.00	639,109.75	317,437.25			
Project Title: Inarajan Community Center Upgrade								
Specs Inc	5 251 D O 0698 HG 034	P36P00108	100.00	75.60	24.40	12 months	75%	Reproduction of original drawings
Computerland of Guam	5 251 D O 0698 HG 034	P26P02366	500.00	0.00	500.00	12 months	0%	Purchase of supplies & materials
			600.00	75.60	524.40			
Project Title: Merizo Flood Control								
Gem Travel Service (Guam) Inc	5 251 D O 0698 KA 026	T306T0824	1,072.45	1,072.45	0.00			Training for Novel Certified Engineer
W B Flores & Associates	5 251 D O 0698 KA 026	C20660010	224,604.37	222,484.37	2,120.00	65 days	98%	Barcinas Cruz Flood Control Project
			225,676.82	223,556.82	2,120.00			
Project Title: Extension of Chalan Kanton Tutujan to Route 7								
EMPSCO Engineers Consultant	5 251 D O 0698 PA 038	C20660302	282,056.00	266,103.00	15,953.00	180 days	94.3%	Ext of Chalan Kanton Tutujan to Route 7
			282,056.00	266,103.00	15,953.00			
Project Title: Completion of San Vitores Road								
Hawaiian Rock Products	5 251 D O 0698 RA 020	C20660480	17,976.00	0.00	17,976.00	180 days	0%	Completion of San Vitores Road
Maeda Pacific Corp/Maeda Road Const Ltd	5 251 D O 0698 RA 020	C00660239	357,740.00	345,392.00	12,348.00	245 days	96%	Reconstruction of San Vitores Road
Hawaiian Rock Products	5 251 D O 0698 RA 020	C20660479	195,971.00	53,986.50	141,984.50	180 days	30%	Completion of San Vitores Road
			571,687.00	399,378.50	172,308.50			
Project Title: Tumon Sewage Reversal								
EMPSCO Engineers Consultant	5 251 D O 0698 ZA 019	A4-725565	151,102.00	151,102.00	0.00			Guam Beach/Fajal Waste Water System
Bank of Guam	5 251 D O 0698 ZA 019	D47800524	445.50	445.50	0.00			Deposit to PUA General Fund Account
Bank of Guam	5 251 D O 0698 ZA 019	D37800846	73,764.00	73,764.00	0.00			Deposit to PUA General Fund Account
EMPSCO Engineers Consultant	5 251 D O 0698 ZA 019	C10660271	504,370.00	453,306.00	51,064.00	3 years	90%	Guam Beach/Fajal Waste Water System
GMP & Associates, Inc	5 251 D O 0698 ZA 019	C10660493	72,012.00	72,012.00	0.00	n/a	100%	Reversal of Matajanao Pump Station
EMPSCO Engineers Consultant	5 251 D O 0698 ZA 019	C30660505	76,764.00	0.00	76,764.00	3 years	0%	Project Designer
			878,457.50	750,629.50	127,828.00			
Project Title: Agat-Umatac Highway Completion								
J V International Safety Equipment Co	5 251 D O 0698 ZA 021	P36P01826	481.50	481.50	0.00			Safety shoes for Inspector's
Specs Inc	5 251 D O 0698 ZA 021	P16P00444	1,000.00	920.20	79.80	12 months	90%	Reproduction of original drawings
			1,481.50	1,401.70	79.80			

**TERRITORY OF GUAM
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Vendor Name	Account Number	Contract				Contract Status		
		Number	Amount	Payment	Balance	Project Duration	Percent Completed	Description of work
1989 SERIES A CONSTRUCTION FUND PROJECTS FUND-251 / APPROP-DO / DEPT-0698								
Project Title: Inarajan-Talofofo Highway Design								
Duenas & Swavelly, Inc	5 251 D O 0698 ZA 032	C10660401	8,616.00	0.00	8,616.00	180 days	0%	Reconstruction of Route 4
			8,616.00	0.00	8,616.00			
Project Title: Talofofo-Yona Highway Design								
Duenas & Swavelly, Inc	5 251 D O 0698 ZA 033	C10660406	386,158.00	361,418.00	24,740.00	180 days	90%	Reconstruction of Route 4
			386,158.00	361,418.00	24,740.00			
Project Title: Route 4A (Route 4 to Talofofo Village Proper)								
Hawaiian Rock Products	5 251 D O 0698 ZA 042	C00660289	358,010.00	308,626.46	49,383.54	240 days	96%	Highway hazard elimination
			358,010.00	308,626.46	49,383.54			
Project Title: Macheche Road Anti-Skid & Pavement Markers, Latta Heights								
J C Concepcion	5 251 D O 0698 ZA 045	C20660396	10,000.00	0.00	10,000.00	60 days	0%	Reconstruction and widening
Golden Marketing	5 251 D O 0698 ZA 045	P16P00168	175.00	0.00	175.00	12 months	0%	Purchase of supplies & materials
			10,175.00	0.00	10,175.00			
Project Title: Route 7 Agana Heights (between Route 1 and Naval Hospital)								
P U A G	5 251 D O 0698 ZA 048		248.89	248.89	0.00			Payroll / PE: 0 /08/94
Hawaiian Rock Products	5 251 D O 0698 ZA 048	C30660544	509,373.00	0.00	509,373.00	180 days	0%	Construct the highway hazard elimination
			509,621.89	248.89	509,373.00			
Contracts completed during the period FY '90 - FY '92			14,386,202.53	14,386,202.53	0.00			
Sub-Total			18,575,289.24	17,336,750.75	1,238,538.49			
TYPHOON OMAR HOMELESS FEMA PROJECTS CONSTRUCTION FUND PROJECTS FUND-251 / APPROP-D3 / DEPT-1090								
Project Title: Power Lines - Dededo Subdivision (FEMA / GHC Project)								
Sumitomo Construction Co, Ltd	5 251 D 3 1090 GA 005	C40710183	1,886,000.00	1,886,000.00	0.00	3 years	100%	Power
Sumitomo Construction Co, Ltd	5 251 D 3 1090 GA 005	C30710272	344,310.00	324,310.00	20,000.00	3 years	75%	Cleaning grading services
J F P International, Inc	5 251 D 3 1090 GA 005		270,028.58	270,028.58	0.00			Cleaning grading services
			2,500,338.58	2,480,338.58	20,000.00			
Sub-Total			2,500,338.58	2,480,338.58	20,000.00			
TOTAL			\$21,075,627.82	\$19,817,089.33	\$1,258,538.49			

**TERRITORY OF GUAM
WATER SYSTEM REVENUE BONDS, SERIES 1989
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Project Title	Account Number	Budget	Current Year Expenditures	Cumulative Expenditures	Outstanding Encumbrances	Continuing Appropriations
1989 SERIES A - CONSTRUCTION FUND PROJECTS						
FUND - 252 / APPROP - D0 / DEPT - 0699						

Yigo / Dededo Water Source and Storage System Improvement	ZE002	\$13,553,000	\$1,298,235	\$3,127,737	\$2,282,376	\$8,142,887
Mangilao Reservoir	ZE003	1,513,000	553	1,459,839		53,161
Replacement of Water Distribution Lines in Agat / Sarta Rita	ZE004	5,272,000	1,646,126	4,319,278	806,905	145,817
Agat / Sarta Sewer System	ZE005	6,025,000	700	757,602		5,267,398
Barigada / Toto Waterline	ZE007	5,680,000	735,189	4,144,451	261,741	1,273,808
Tumon / Tamuning Waterline	ZE008	1,078,000	556,006	795,062	20,041	262,897
Agana / Asan / Piti Water System Improvement	ZE009	3,000,000	11,900	244,601	1,234	2,754,165
Agat / Urmac Water system Improvement	ZE010	6,040,000	423,251	2,462,959	1,852,925	1,724,112
Yigo / Mangilao Waterline	ZE011	2,549,000	893	276,549	3,250	2,269,201
Dededo Reservoir	ZE012	2,509,000	2,738	1,190,821		1,318,179
Macheche / Adacao Water Distribution	ZE013	3,558,000	390,745	3,287,762	178,577	91,661
	ZE014	2,223,000	25,362	1,762,898	135,407	324,695
Sub - Total		53,000,000	5,031,700	23,829,559	5,542,461	23,627,980

**TYPHOON OMAR HOMELESS FEMA PROJECT
1989 SERIES A - CONSTRUCTION FUND PROJECTS
FUND - 252 / APPROP - D3 / DEPT - 1090**

Water / Sewer lines - Dededo Subdivision	GA007	2,999,999	2,438,358	2,438,358		561,640
Water lines - Iia, Inarajan Subdivision	HA008	1	1	0		1
Sub - Total		3,000,000	2,438,359	2,438,358		561,641
TOTAL		\$56,000,000	\$7,470,060	\$26,267,918	\$5,542,461	\$24,189,621

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WATER SYSTEM REVENUE BONDS, SERIES 1989 A
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Vendor Name	Account Number	Contract				Contract Status		
		Number	Amount	Payment	Balance	Project Duration	Percent Completed	Description of work

**1989 SERIES A - CONSTRUCTION FUND PROJECTS
FUND-252 / APPROP-D0 / DEPT-0699**

Project Title: Yigo/Dededo Water Source & Storage System Improvement

PUAG	5 252 D O 0699 ZE 002	WB9400048	\$370.08	\$370.08	\$0.00			Payroll / PPE	02/05/94
PUAG	5 252 D O 0699 ZE 002	WB9400065	545.59	545.59	0.00			Payroll / PPE	03/05/94
PUAG	5 252 D O 0699 ZE 002	WB9400111	735.24	735.24	0.00			Payroll / PPE	05/14/94
PUAG	5 252 D O 0699 ZE 002	WB9400137	762.41	762.41	0.00			Payroll / PPE	06/11/94
Marianas Drilling Inc	5 252 D O 0699 ZE 002	C40660088	49,800.00	49,800.00	0.00	30 Days	100%	Drilling of Well	4A Rehabilitation
Pacific Drilling Inc	5 252 D O 0699 ZE 002	C30660503	428,350.00	163,192.50	265,157.50	300 Days	42.5%	Drilling of 20	Drilling Wells
Pacific Drilling Inc	5 252 D O 0699 ZE 002	C30660504	1,882,000.00	821,999.27	1,060,000.73	240 Days	48.52%	Constr & Dev of 6	deepwells
W B Flores & Barrett Consulting Group	5 252 D O 0699 ZE 002	C30660522	1,135,870.00	232,750.00	903,120.00	28 months	20%	Management &	inspection
Barrett Consulting Group	5 252 D O 0699 ZE 002	C20660175	300,000.00	298,000.00	2,000.00	20 months	99%	Construction &	design
Tudor Construction	5 252 D O 0699 ZE 002	C20660348	50,000.00	50,000.00	0.00	2 months	100%	Construction of	Sewage Tank
Pacific Drilling Inc	5 252 D O 0699 ZE 002	C20660482	220,200.00	218,380.00	1,820.00	185 days	100%	Construction &	exploratory well
GMP Associates Inc	5 252 D O 0699 ZE 002	C00660458	1,190,646.00	1,140,368.00	50,278.00	36 months	96%	Design &	construction
			5,259,279.32	2,976,903.09	2,282,376.23				

Project Title: Mangilao Reservoir

PUAG	5 252 D O 0699 ZE 003	WB9400055	84.22	84.22	0.00			Payroll / PPE	02/05/94
PUAG	5 252 D O 0699 ZE 003	WB9400136	468.77	468.77	0.00			Payroll / PPE	06/11/94
			552.99	552.99	0.00				

Project Title: Replacement of Water Distribution Lines in Agat/Santa Rita

PUAG	5 252 D O 0699 ZE 004	WB9400019	10,487.98	10,487.98	0.00			Payroll / PPE	01/11-25/92, 02/08/92, 03/21/92, 02/06/93 & 09/04/93
PUAG	5 252 D O 0699 ZE 004	WB9400047	676.40	676.40	0.00			Payroll / PPE	02/05/94
PUAG	5 252 D O 0699 ZE 004	WB9400059	259.28	259.28	0.00			Payroll / PPE	02/19/94
PUAG	5 252 D O 0699 ZE 004	WB9400064	724.80	724.80	0.00			Payroll / PPE	03/05/94
PUAG	5 252 D O 0699 ZE 004	WB9400110	64.82	64.82	0.00			Payroll / PPE	05/14/94
Bank of Guam	5 252 D O 0699 ZE 004	D47800532	1,834.20	1,834.20	0.00				
Asanuma Corporation	5 252 D O 0699 ZE 004	C30660104	4,177,711.47	3,505,235.89	672,475.58	420 days	91%	Replacement of	Waterline Distribution
A S P E, Inc	5 252 D O 0699 ZE 004	C20660283	529,940.02	395,511.00	134,429.02	36 months	92%	Construction	Consultant
			4,721,698.97	3,914,794.37	806,904.60				

Project Title: Agat/Santa Rita Sewer System

Bank of Guam	5 252 D O 0699 ZE 005	D47800446	700.00	700.00	0.00				
Duenas & Swavely Incorporated	5 252 D O 0699 ZE 005	C00660397	756,902.00	756,902.00	0.00	12 months	100%	Design Service /	Phase I
			757,602.00	757,602.00	0.00				

Project Title: Finegayan/Tumon Waterline

PUAG	5 252 D O 0699 ZE 007	WB9400049	232.92	232.92	0.00			Payroll / PPE	02/05/94
PUAG	5 252 D O 0699 ZE 007	WB9400112	440.88	440.88	0.00			Payroll / PPE	05/14/94
Barrett Consulting Group	5 252 D O 0699 ZE 007	C30660265	82,000.00	82,000.00	0.00	36 months	100%	Water transmission	line
EMPSCO Engineering Consultants	5 252 D O 0699 ZE 007	C20660252	620,623.28	617,356.78	3,266.50	13 months	98%	Engineering	
Pacific Drilling Inc	5 252 D O 0699 ZE 007	C20660285	3,019,775.37	2,761,300.54	258,474.83	15 months	96.25%	Construction of	transmission line
			3,723,072.45	3,461,331.12	261,741.33				

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Vendor Name	Account Number	Contract				Contract Status		
		Number	Amount	Payment	Balance	Project Duration	Percent Completed	Description of work
Project Title: Barrigada/Toto Waterline								
P U A G	5 252 D O 0699 ZE 008	WB9400050	580.80	580.80	0.00			Payroll / PPE: 02/05/94
P U A G	5 252 D O 0699 ZE 008	WB9400060	94.75	94.75	0.00			Payroll / PPE: 02/19/94
P U A G	5 252 D O 0699 ZE 008	WB9400066	876.95	876.95	0.00			Payroll / PPE: 03/05/94
P U A G	5 252 D O 0699 ZE 008	WB9400138	751.41	751.41	0.00			Payroll / PPE: 06/11/94
Sumitomo Construction Company Ltd	5 252 D O 0699 ZE 008	C30660309	358,700.00	358,700.00	0.00	240 days	100%	Construction on transmission line
Pacific Island Engineers, Inc	5 252 D O 0699 ZE 008	C30660521	294,148.14	274,106.59	20,041.55	8 months	90%	Design & Construction
C E Services Inc	5 252 D O 0699 ZE 008	C10660168	159,252.00	159,252.00	0.00	26 months	100%	Engineering Design
			814,404.05	771,362.50	20,041.55			
Project Title: Tumon/Tamuning Waterline								
P U A G	5 252 D O 0699 ZE 009	WB9400113	153.55	153.55	0.00			Payroll / PPE: 05/14/94
P U A G	5 252 D O 0699 ZE 009	WB9400139	637.89	637.89	0.00			Payroll / PPE: 06/11/94
Duenas & Swavely Incorporated	5 252 D O 0699 ZE 009	C20660176	123,343.00	122,108.70	1,234.30	36 months	99%	Construction Consultant
Juan C Tenorio & Associates Inc	5 252 D O 0699 ZE 009	C10660046	455,019.00	455,019.00	0.00	32 months	100%	Engineering Design
			579,153.44	577,919.14	1,234.30			
Project Title: Agana/Asan/Piti Water System Improvement								
P U A G	5 252 D O 0699 ZE 010	WB9400051	92.40	92.40	0.00			Payroll / PPE: 02/05/94
P U A G	5 252 D O 0699 ZE 010	WB9400067	356.68	356.68	0.00			Payroll / PPE: 03/05/94
P U A G	5 252 D O 0699 ZE 010	WB9400114	218.37	218.37	0.00			Payroll / PPE: 05/14/94
P U A G	5 252 D O 0699 ZE 010	WB9400140	205.82	205.82	0.00			Payroll / PPE: 06/11/94
Bank of Guam	5 252 D O 0699 ZE 010	D47800505	147.90	147.90	0.00			
Maeda Pacific Corporation	5 252 D O 0699 ZE 010	C40660165	1,981,000.00	352,746.97	1,628,253.03	365 days	35%	Construction for Agana, Asan, Piti
Duenas & Associates, Inc	5 252 D O 0699 ZE 010	C40660230	208,448.81	69,482.92	138,965.89	3 years	42%	Construction for Agana, Asan, Piti
Duenas & Swavely Incorporated	5 252 D O 0699 ZE 010	C20660152	135,897.90	50,187.74	85,710.16	36 months	40%	Consultant & Construction
Maeda Pacific Corporation	5 252 D O 0699 ZE 010	C10660425	1,391,922.22	1,391,922.22	0.00	300 days	100%	Construction Water system
			3,718,290.10	1,865,361.02	1,852,929.08			
Project Title: Agat/Umatac Water System Improvement								
P U A G	5 252 D O 0699 ZE 011	WB9400052	64.82	64.82	0.00			Payroll / PPE: 02/05/94
P U A G	5 252 D O 0699 ZE 011	WB9400115	485.13	485.13	0.00			Payroll / PPE: 05/14/94
P U A G	5 252 D O 0699 ZE 011	WB9400141	343.22	343.22	0.00			Payroll / PPE: 06/11/94
R R R & Associates Inc	5 252 D O 0699 ZE 011	C00660450	267,553.00	264,303.00	3,250.00	32 months	99%	Consultation
			268,446.17	265,196.17	3,250.00			
Project Title: Yigo/Mangilao Waterline								
P U A G	5 252 D O 0699 ZE 012	WB9400116	545.59	545.59	0.00			Payroll / PPE: 05/14/94
P U A G	5 252 D O 0699 ZE 012	WB9400142	2,192.64	2,192.64	0.00			Payroll / PPE: 06/11/94
Asanuma Corporation	5 252 D O 0699 ZE 012	C20660461	1,018,769.79	1,018,769.79	0.00	300 days	100%	Construction Yigo/Mangilao
			1,021,508.02	1,021,508.02	0.00			

**TERRITORY OF GUAM
WATER SYSTEM REVENUE BONDS, SERIES 1989 A
CAPITAL PROJECTS FUND
CONTRACT STATUS REPORT
JUNE 30, 1994**

Page 3 of 3

Vendor Name	Account Number	Contract				Contract Status		
		Number	Amount	Payment	Balance	Project Duration	Percent Completed	Description of work
Project Title: Dededo Reservoir								
P U A G	5 252 D O 0699 ZE 013	WB9400053	552.64	552.64	0.00			Payrol / PPE: 02/05/94
Asanuma Corporation	5 252 D O 0699 ZE 013	C20660017	1,500,000.00	1,500,000.00	0.00	405 days	100%	Construction of storage tank
Tudor Construction	5 252 D O 0699 ZE 013	C20660349	1,585,355.00	1,407,278.20	178,076.80	360 days	90%	Construction of storage tank
Dev & Associates	5 252 D O 0699 ZE 013	C10660302	130,817.00	130,317.00	500.00	45 days	99%	Consultant
			3,216,724.64	3,038,147.84	178,576.80			
Project Title: Macheche/Adacao Water Distribution								
P U A G	5 252 D O 0699 ZE 014	WB9400054	77.64	77.64	0.00			Payrol / PPE: 02/05/94
P U A G	5 252 D O 0699 ZE 014	WB9400061	289.90	289.90	0.00			Payrol / PPE: 02/19/94
Pacific Drilling Inc	5 252 D O 0699 ZE 014	C40660166	24,995.00	24,995.00	0.00	60 days	100%	East Lujan emergency waterline
Black Construction Corporation	5 252 D O 0699 ZE 014	C20660204	1,169,768.50	1,169,768.50	0.00	300 days	100%	Construction water distribution
Barrett Consulting Group	5 252 D O 0699 ZE 014	C20660284	351,901.80	345,917.90	5,983.90	10 months	90%	Construction consultant
Dev & Associates	5 252 D O 0699 ZE 014	C10660197	129,423.00	0.00	129,423.00	10 months	0%	Construction management
			1,676,455.84	1,541,048.94	135,406.90			
Contracts completed during the period FY '89 - FY '91			3,614,832.08	3,614,832.08	0.00			
Sub- Total			29,372,020.07	23,829,559.28	5,542,460.79			
TYPHOON OMAR HOMELESS FEMA PROJECT 1989 SERIES A - CONSTRUCTION FUND PROJECTS FUND-252 / APPROP-D3 / DEPT-1090								
Sumitomo Construction Co. Ltd.	5 252 D 3 1090 GA 007	C40710184	2,413,290.00	2,413,290.00	0.00	3 years	100%	Construction of water/sewer lines
J F P International Inc	5 252 D 3 1090 GA 007		25,068.62	25,068.62	0.00			Construction of water/sewer lines
			2,438,358.62	2,438,358.62	0.00			
Sub- Total			2,438,358.62	2,438,358.62	0.00			
TOTAL			\$31,810,378.69	\$26,267,917.90	\$5,542,460.79			

**TERRITORY OF GUAM
GENERAL OBLIGATION BONDS - 1993, SERIES A
CAPITAL PROJECTS FUND
PROJECT ACCOUNTING REPORT
JUNE 30, 1994**

Project Title	Account Number	Budget	Current Year Expenditures	Cumulative Expenditures	Outstanding Encumbrances	Continuing Appropriations
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**1993 SERIES A CONSTRUCTION FUND PROJECTS
FUND-253 / APPROP-D4 / DEPT-0660**

College of Arts and Science Building	CI601	15,311,315	2,609,126	2,609,126	722,560	11,979,629
Plant Maintenance Building	CI603	1,308,000	21,125	21,125	0	1,286,875
Building II - Agriculture & Life Science	CI604	7,980,685	21,125	21,125	0	7,959,560
College of Education	CI608	3,400,000	21,125	21,125	0	3,378,875
Sub-Total		28,000,000	2,672,501	2,672,501	722,560	24,604,939

**1993 SERIES A CONSTRUCTION FUND PROJECTS
FUND-253 / APPROP-D4 / DEPT-1010**

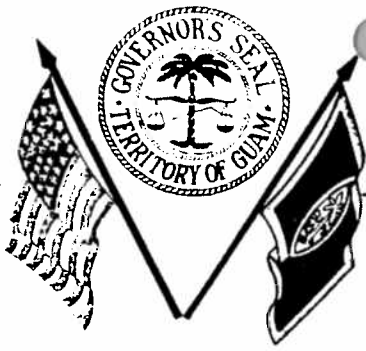
Santa Rita High School	CI601	76,000,000	55,976	55,976	62,284,635	13,659,389
Elementary School - Tamuning	CI602	15,000,000	1,212,448	1,212,448	1,231,374	12,556,178
Elementary School - Astumbo / Dededo	CI603	15,000,000	0	0	0	15,000,000
Elementary School - Asan	CI604	15,000,000	0	0	0	15,000,000
Elementary School - Inarajan	CI614	7,000,000	0	0	0	7,000,000
Elementary School - Ordot / Chalan Pago	CI615	6,000,000	0	0	0	6,000,000
Elementary School - U P I	CI616	8,000,000	0	0	0	8,000,000
Inarajan High School	CI617	3,500,000	116,353	116,353	27,263	3,356,384
1993 DOE Earthquake Repairs	CI618	1,600,000	800,979	800,979	717,210	81,811
Sub-Total		147,100,000	2,185,756	2,185,756	64,260,482	80,653,762

TOTAL		\$175,100,000	\$4,858,257	\$4,858,257	\$64,983,042	\$105,258,701
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Footnote: We included an additional \$300,000 to the DOE Earthquake repair appropriation account of which the language of the law has an indeterminate amount.

**TERRITORY OF GUAM
GENERAL OBLIGATION BONDS - 1993, SERIES A
CAPITAL PROJECTS FUND
CONTRACT STATUS REPORT
JUNE 30, 1994**

Vendor Name	Account Number	Contract / Document				Contract Status		
		Number	Amount	Payment	Balance	Project Duration	Percent Completed	Description of work
1993 SERIES A CONSTRUCTION FUND PROJECTS FUND - 253 / APPROP - D4 / DEPT - 0660								
Project Title: College of Arts and Science Building								
Harmon Corporation	5 253 D 4 0660 CI 601		2,425,919.82	2,425,919.82	0.00			UOG Building "B" expansion
Bascon Corporation	5 253 D 4 0660 CI 601		4,491.00	4,491.00	0.00			
Crump E & S of California Insurance Svc Inc	5 253 D 4 0660 CI 601		21,125.00	21,125.00	0.00			Dismantle old student center's frame work & relocate
Bascon Corporation	5 253 D 4 0660 CI 601	C46200024	24,950.00	19,960.00	4,990.00	3 years	90%	Risk of physical loss / damage / earthquake
Belanger & Associates	5 253 D 4 0660 CI 601	C40660349	855,200.00	137,630.00	717,570.00	3 years	16%	Dismantle old student center's frame work & relocate
			3,331,685.82	2,609,125.82	722,560.00			Construction management services
Project Title: Plant Maintenance Building								
Crump E & S of California Insurance Svc Inc	5 253 D 4 0660 CI 603		21,125.00	21,125.00	0.00			Risk of physical loss / damage / earthquake
			21,125.00	21,125.00	0.00			
Project Title: Building II - Agriculture & Life Science								
Crump E & S of California Insurance Svc Inc	5 253 D 4 0660 CI 604		21,125.00	21,125.00	0.00			Risk of physical loss / damage / earthquake
			21,125.00	21,125.00	0.00			
Project Title: College of Education								
Crump E & S of California Insurance Svc Inc	5 253 D 4 0660 CI 608		21,125.00	21,125.00	0.00			Risk of physical loss / damage / earthquake
			21,125.00	21,125.00	0.00			
Sub-Total			3,395,060.82	2,672,500.82	722,560.00			
1993 SERIES A CONSTRUCTION FUND PROJECTS FUND - 253 / APPROP - D4 / DEPT - 1010								
Project Title: Santa Rita High School								
SSangyong Construction Co. Ltd.	5 253 D 4 1010 CI 601	C40660239	57,987,548.00	0.00	57,987,548.00	850 days	0%	Construct the Southern High School
Juan C. Tenorio & Associates, Inc.	5 253 D 4 1010 CI 601	C40660288	3,850,000.00	55,975.80	3,794,024.20	900 days	15%	Construct the Southern High School
Albert H Tsutsui, A. I. A. Inc	5 253 D 4 1010 CI 601	C40660360	503,063.00	0.00	503,063.00	180 days	0%	Design of Northern & Southern High School
			62,340,611.00	55,975.80	62,284,635.20			
Project Title: Elementary School - Tamuning								
Martin Cristobal Laguana	5 253 D 4 1010 CI 602	C40660154	1,076,001.00	1,042,689.00	33,312.00	140 days	60%	Design of New Tamuning Elementary School
J & G Modular Homes	5 253 D 4 1010 CI 602	C40660331	1,322,284.00	169,759.00	1,152,525.00	90 days	31%	Construction of transportation classrooms & Adm Off
Affordable Home Builders	5 253 D 4 1010 CI 602	C40660342	45,537.00	0.00	45,537.00	90 days	0%	Demolition of classrooms at Tam Eiam School
			2,443,822.00	1,212,448.00	1,231,374.00			
Project Title: Inarajan High School								
Winzler & Kelly	5 253 D 4 1010 CI 617	C40660046	143,616.00	116,353.00	27,263.00	330 days	60%	Structural evaluations of various public schools
			143,616.00	116,353.00	27,263.00			
Project Title: Other Schools								
D P W	5 253 D 4 1010 CI 618	W31900065	321,464.75	321,464.75	0.00			Construction & repair of various public schools
Gillham & Associates GK2 Inc.	5 253 D 4 1010 CI 618	C40660289	363,500.00	0.00	363,500.00	225 days	0%	Structural evaluations of various public schools
EMPSCO - Engineering Consultant	5 253 D 4 1010 CI 618	C40660357	393,840.00	275,889.00	118,151.00	330 days	75%	Structural evaluations of various public schools
Winzler & Kelly	5 253 D 4 1010 CI 618	C40660378	439,384.00	203,825.00	235,559.00	330 days	60%	Structural evaluations of various public schools
			1,518,188.75	600,978.75	717,210.00			
Sub-Total			66,446,237.75	2,185,755.55	64,260,482.20			
TOTAL			\$69,841,298.57	\$3,256.37	\$64,983,042.20			



Territory of Guam
Territorio Guam

OFFICE OF THE GOVERNOR
UFISINAN I MAGA'LAHI
AGANA, GUAM 96910 U.S.A.

OLC

April 8, 1993

Honorable Vicente C. Pangelinan
Senator
Twenty-Second Guam Legislature
155 Hessler Street
Agana, Guam 96910

Dear Senator:

This is in response to your inquiry concerning bond issues.

Currently there are four issues which are payable from tax revenues of the Territory. They are the 1986 General Obligation Bond, the 1989 Infrastructure Bond, the 1989 Water Bond, and the 1992 Highway Bond. The debt service varies for the bonds by a small amount every year however they all pay essentially level debt service over the life of the bonds.

The payments are:

1986 General Obligation	\$6,330,000	} 16,470,000
1989 Water Bond	\$4,610,000	
1989 Infrastructure	\$2,500,000	
1992 Highway Bond	\$6,030,000	

They all have semi-annual interest payments and annual principal payments but the depositary requirements are different.

The Infrastructure and Highway bonds must deposit monthly 1/12th of the principal due at the next payment date and the accrued interest. Thus the Territory must put aside 1/12th of the annual debt service payment on the bond monthly.

The General Obligation Bond and the Water Bond have a specific pledge of Sec 30 funds. Since Sec 30 funds are paid once a year the annual debt service payment is taken at the time the funds are received. In addition the General Obligation Bond has a full faith and credit pledge of the Government and the Water Bond has also a pledge of water and sewer charges.



Commonwealth of the Northern Mariana Islands

Page 2
Senator Pangelinan

The Highway & Infrastructure Bonds are paid from special tax revenues (i.e. THF & TAF). The GO & Water Bonds are paid from General Fund Revenues as will be the proposed bond.

Enclosed are my numbers for the debt service payments and the Official Statements for the 4 bonds mentioned.

Sincerly,

A handwritten signature in black ink, appearing to read 'C. W. Taitano', with a long horizontal flourish extending to the right.

CARL W. TAITANO
Special Assistant
Financial Affairs

+ 175 million

		Debt Service Payments for the Public Indebtedness of Guam			
Bond 1986 GO		TAF		TAF - Highway	
Years	1986 GO	1989 Infrastructure	1989 Water	1992 Highway	Total
1986					
1987	\$6,593,977.50				\$0.00
1988	\$6,327,002.50				\$6,593,977.50
1989	\$6,327,902.50				\$6,327,002.50
1990	\$6,328,727.50	\$2,698,470.25	\$4,799,032.75		\$6,327,902.50
1991	\$6,327,377.50	\$2,514,327.50	\$4,611,650.00		\$13,826,230.50
1992	\$6,328,777.50	\$2,494,740.00	\$4,615,520.00		\$13,453,355.00
1993	\$6,325,437.50	\$2,497,865.00	\$4,612,790.00		\$13,439,037.50
1994	\$6,330,037.50	\$2,497,065.00	\$4,613,290.00	\$5,528,321.67	\$18,964,414.17
1995	\$6,329,147.50	\$2,512,240.00	\$4,616,210.00	\$6,031,610.00	\$19,472,002.50
1996	\$6,330,312.50	\$2,506,980.00	\$4,615,710.00	\$6,028,210.00	\$19,485,807.50
1997		\$2,512,142.50	\$4,611,250.00	\$6,027,955.00	\$19,484,457.50
1998		\$2,506,605.00	\$4,612,275.00	\$6,031,575.00	\$13,151,347.50
1999		\$2,511,680.00	\$4,612,535.00	\$6,028,810.00	\$13,150,455.00
2000		\$2,510,165.00	\$4,612,177.50	\$6,028,885.00	\$13,153,025.00
2001		\$2,511,265.00	\$4,614,200.00	\$6,028,205.00	\$13,151,227.50
2002		\$2,511,065.00	\$4,613,500.00	\$6,029,442.50	\$13,153,670.00
2003		\$2,509,215.00	\$4,615,550.00	\$6,031,247.50	\$13,154,007.50
2004		\$2,510,365.00	\$4,614,300.00	\$6,028,847.50	\$13,156,012.50
2005		\$2,508,815.00	\$4,614,050.00	\$6,031,035.00	\$13,153,512.50
2006		\$2,507,435.00	\$4,613,750.00	\$6,029,472.50	\$13,153,900.00
2007		\$2,512,180.00	\$4,612,350.00	\$6,028,535.00	\$13,150,657.50
2008		\$2,511,985.00	\$4,613,800.00	\$6,032,285.00	\$13,153,065.00
2009		\$2,511,495.00	\$4,611,700.00	\$6,032,250.00	\$13,158,070.00
2010				\$6,029,575.00	\$13,155,445.00
2011				\$6,028,315.00	\$6,029,575.00
2012				\$6,027,210.00	\$6,028,315.00
2013					\$6,027,210.00

what is covered by TAF

16,470,000

University of Guam share of the 1993 General Obligation issue			
Deposits to the Construction Fund			
total	\$169,576,313.25	Percentage	
UOG portion	\$26,873,493.80		15.85%
DOE portion	\$142,702,819.45		84.15%
Debt Service			
Initial payment interest to 11/15/93			
	\$1,005,960.63	UOG share	
		\$159,418.94	owed now
Annual Payments			
to			
11/15/94	\$11,322,825.00	\$1,794,377.18	owed in equal monthly installments starting Dec. through Nov.
11/15/95	\$12,793,125.00	\$2,027,382.00	
11/15/96	\$12,792,865.00	\$2,027,340.80	
11/15/97	\$12,794,845.00	\$2,027,654.58	
11/15/98	\$12,794,527.50	\$2,027,604.26	
11/15/99	\$12,792,690.00	\$2,027,313.07	
11/15/00	\$12,795,010.00	\$2,027,680.73	
11/15/01	\$12,793,160.00	\$2,027,387.55	
11/15/02	\$12,796,260.00	\$2,027,878.82	
11/15/03	\$12,792,930.00	\$2,027,351.10	
11/15/04	\$12,792,210.00	\$2,027,237.00	
11/15/05	\$12,792,620.00	\$2,027,301.97	
11/15/06	\$12,792,620.00	\$2,027,301.97	
11/15/07	\$12,795,610.00	\$2,027,775.81	
11/15/08	\$12,793,092.50	\$2,027,376.85	
11/15/09	\$12,793,952.50	\$2,027,513.14	
11/15/10	\$12,797,065.00	\$2,028,006.39	
11/15/11	\$12,793,140.00	\$2,027,384.38	
11/15/12	\$12,796,371.25	\$2,027,896.45	
11/15/13	\$12,795,146.25	\$2,027,702.32	
11/15/14	\$12,793,390.00	\$2,027,424.00	
11/15/15	\$12,797,300.00	\$2,028,043.63	
11/15/16	\$12,792,320.00	\$2,027,254.43	
11/15/17	\$12,792,370.00	\$2,027,262.35	
11/15/18	\$12,795,560.00	\$2,027,767.89	



UNIVERSITY OF GUAM RECEIPTS/ DRAWS

Date	Coupon	CUSIP	Principal Receipt	Interest Receipt	Drawdown	Balance
05-Oct-93				90.00		90.00
31-Oct-93				61,025.00		61,115.00
30-Nov-93				62,987.25		124,102.25
02-Dec-93	0.000%	912794G73	665,000.00			789,102.25
05-Dec-93					(785,000.00)	4,102.25
30-Dec-93	0.000%	912794H23	580,000.00			584,102.25
31-Dec-93				115,946.25		700,048.50
05-Jan-94					(700,000.00)	48.50
31-Jan-94				96,377.99		96,426.49
03-Feb-94	0.000%	912794H72	355,000.00			451,426.49
05-Feb-94					(449,000.00)	2,426.49
28-Feb-94				80,231.25		82,657.74
03-Mar-94	0.000%	912794J39	465,000.00			547,657.74
05-Mar-94					(543,000.00)	4,657.74
31-Mar-94	0.000%	912794J70	660,000.00	58,843.75		723,501.49
05-Apr-94					(723,000.00)	501.49
30-Apr-94				61,025.00		61,526.49
05-May-94	0.000%	912794K45	1,010,000.00		(1,070,000.00)	1,526.49
31-May-94				63,128.13		64,654.62
02-Jun-94	0.000%	912794K86	810,000.00			874,654.62
05-Jun-94					(873,000.00)	1,654.62
30-Jun-94	8.500%	912827ZA3	838,000.00	115,946.25		955,600.87
05-Jul-94					(955,000.00)	600.87
31-Jul-94	4.250%	912827G22	975,000.00	96,793.75		1,072,394.62
05-Aug-94					(1,070,000.00)	2,394.62
31-Aug-94	4.250%	912827G63	1,095,000.00	80,231.25		1,177,625.87
05-Sep-94					(1,176,000.00)	1,625.87
30-Sep-94	4.000%	912827G89	1,460,000.00	58,843.75		1,520,469.62
05-Oct-94					(1,517,000.00)	3,469.62
31-Oct-94	4.250%	912827H39	1,495,000.00	61,025.00		1,559,494.62
05-Nov-94					(1,556,000.00)	3,494.62
30-Nov-94	4.625%	912827H70	1,615,000.00	63,128.13		1,681,622.75
05-Dec-94					(1,679,000.00)	2,622.75
31-Dec-94	4.625%	912827H96	1,690,000.00	80,331.25		1,772,954.00
05-Jan-95					(1,769,000.00)	3,954.00
31-Jan-95	4.250%	912827J52	1,780,000.00	76,075.00		1,860,029.00
05-Feb-95					(1,859,000.00)	1,029.00
28-Feb-95	3.875%	912827J86	1,710,000.00	56,962.50		1,767,991.50
05-Mar-95					(1,763,000.00)	4,991.50
31-Mar-95	3.875%	912827K27	1,530,000.00	29,643.75		1,564,635.25
05-Apr-95					(1,561,000.00)	3,635.25
30-Apr-95	3.875%	912827K50	1,510,000.00	29,256.25		1,542,891.50
05-May-95					(1,540,000.00)	2,891.50
31-May-95	4.125%	912827K92	1,250,000.00	25,781.25		1,278,672.75
05-Jun-95					(1,278,000.00)	672.75
30-Jun-95	4.125%	912827L34	2,000,000.00	41,250.00		2,041,922.75
05-Jul-95					(2,037,000.00)	4,922.75
31-Jul-95	4.250%	912827L59	1,800,000.00	38,250.00		1,843,172.75
05-Aug-95					(1,841,000.00)	2,172.75
31-Aug-95	3.875%	912827L91	1,230,000.00	23,831.25		1,256,004.00
05-Sep-95					(1,256,000.00)	4.00
			26,523,000.00	1,477,004.00	(28,000,000.00)	

Schools

Cash Flow of Proposed Portfolio

Delivery Date: 10/ 5/93

Date	Principal	Interest	Total Income	Less: Requirement	Cumulative Balance
10/ 5/93	0.00	0.00	0.00	0.00	0.00
10/15/93	0.00	182,979.38	182,979.38	0.00	182,979.38
10/31/93	0.00	287,888.13	287,888.13	0.00	470,867.50
11/15/93	0.00	367,752.50	367,752.50	0.00	838,620.00
11/30/93	0.00	298,344.81	298,344.81	0.00	1,136,964.81
12/31/93	0.00	378,237.50	378,237.50	0.00	1,515,202.31
1/ 5/94	0.00	0.00	0.00	1,000,000.00	515,202.31
1/31/94	0.00	410,587.11	410,587.11	0.00	925,789.41
2/ 3/94	2,800,000.00	0.00	2,800,000.00	0.00	3,725,789.41
2/ 5/94	0.00	0.00	0.00	3,725,000.00	789.41
2/28/94	0.00	396,238.13	396,238.13	0.00	397,027.54
3/ 3/94	3,329,000.00	0.00	3,329,000.00	0.00	3,726,027.54
3/ 5/94	0.00	0.00	0.00	3,725,000.00	1,027.54
3/31/94	3,174,000.00	350,644.38	3,724,644.38	0.00	3,725,671.91
4/ 5/94	0.00	0.00	0.00	3,725,000.00	671.91
4/15/94	0.00	182,979.38	182,979.38	0.00	183,651.29
4/30/94	0.00	287,888.13	287,888.13	0.00	471,539.41
5/ 5/94	3,254,000.00	0.00	3,254,000.00	3,725,000.00	539.41
5/15/94	0.00	367,752.50	367,752.50	0.00	368,291.91
5/31/94	3,358,000.00	298,843.75	3,656,843.75	0.00	4,025,135.66
6/ 5/94	0.00	0.00	0.00	4,025,000.00	135.66
6/30/94	1,921,000.00	378,237.50	2,299,237.50	0.00	2,299,373.16
7/ 5/94	0.00	0.00	0.00	2,298,913.00	460.16
7/31/94	2,471,000.00	411,660.00	2,882,660.00	0.00	2,883,120.16
8/ 5/94	0.00	0.00	0.00	2,882,246.33	873.83
8/31/94	2,861,000.00	396,238.13	3,257,238.13	0.00	3,258,111.96
9/ 5/94	0.00	0.00	0.00	3,257,246.33	865.63
9/30/94	2,798,000.00	459,391.88	3,257,391.88	0.00	3,258,257.90
10/ 5/94	0.00	0.00	0.00	3,237,246.33	1,011.17
10/15/94	0.00	182,979.38	182,979.38	0.00	183,990.55
10/31/94	4,436,000.00	287,888.13	4,723,888.13	0.00	4,907,878.67
11/ 5/94	0.00	0.00	0.00	4,907,246.33	632.34
11/15/94	0.00	367,752.50	367,752.50	0.00	368,384.84
11/30/94	4,327,000.00	212,795.00	4,539,795.00	0.00	4,908,179.84
12/ 5/94	0.00	0.00	0.00	4,907,246.33	933.51
12/31/94	4,611,000.00	296,595.00	4,907,595.00	0.00	4,908,528.51
1/ 5/95	0.00	0.00	0.00	4,907,246.33	1,282.18
1/31/95	4,548,000.00	359,151.25	4,907,151.25	0.00	4,908,433.43
2/ 5/95	0.00	0.00	0.00	4,907,246.33	1,187.10
2/28/95	4,572,000.00	335,441.88	4,907,441.88	0.00	4,908,628.98
3/ 5/95	0.00	0.00	0.00	4,907,246.33	1,382.65
3/31/95	4,567,000.00	340,476.88	4,907,476.88	0.00	4,908,859.52
4/ 5/95	0.00	0.00	0.00	4,907,246.33	1,613.19
4/15/95	0.00	182,979.38	182,979.38	0.00	184,592.57

94 - 5,488,284

Schools

4/30/95	4,531,000.00	193,623.13	4,724,623.13	0.00	4,909,215.69
5/ 5/95	0.00	0.00	0.00	4,907,246.33	1,969.36
5/15/95	0.00	367,752.50	367,752.50	0.00	369,721.86
5/31/95	4,427,000.00	112,733.13	4,539,733.13	0.00	4,909,454.99
6/ 5/95	0.00	0.00	0.00	4,907,246.33	2,208.66
6/30/95	4,786,000.00	120,800.63	4,906,800.63	0.00	4,909,009.28
7/ 5/95	0.00	0.00	0.00	4,907,246.33	1,762.95
7/31/95	4,645,000.00	262,506.25	4,907,506.25	0.00	4,909,269.20
8/ 5/95	0.00	0.00	0.00	4,907,246.33	2,022.87
8/31/95	4,285,000.00	246,859.38	4,531,859.38	0.00	4,533,882.25
9/ 5/95	0.00	0.00	0.00	4,532,246.33	1,635.92
9/30/95	4,280,000.00	251,991.25	4,531,991.25	0.00	4,533,627.17
10/ 5/95	0.00	0.00	0.00	4,532,246.33	1,380.84
10/15/95	4,243,000.00	182,979.38	4,425,979.38	0.00	4,427,360.21
10/31/95	0.00	105,835.00	105,835.00	0.00	4,533,195.21
11/ 5/95	0.00	0.00	0.00	4,532,246.33	948.88
11/15/95	8,653,000.00	367,752.50	9,020,752.50	0.00	9,021,701.38
11/30/95	0.00	21,426.25	21,426.25	0.00	9,043,127.63
12/ 5/95	0.00	0.00	0.00	4,532,246.33	4,510,881.30
12/31/95	0.00	22,089.38	22,089.38	0.00	4,532,970.68
1/ 5/96	0.00	0.00	0.00	4,532,246.33	724.35
1/31/96	4,368,000.00	163,800.00	4,531,800.00	0.00	4,532,524.35
2/ 5/96	0.00	0.00	0.00	4,532,246.33	278.02
2/29/96	4,369,000.00	163,837.50	4,532,837.50	0.00	4,533,115.52
3/ 5/96	0.00	0.00	0.00	4,532,246.33	869.19
3/31/96	4,363,000.00	169,066.25	4,532,066.25	0.00	4,532,935.44
4/ 5/96	0.00	0.00	0.00	4,532,246.33	689.11
4/30/96	2,776,000.00	105,835.00	2,881,835.00	0.00	2,882,524.11
5/ 5/96	0.00	0.00	0.00	2,882,246.33	277.78
5/31/96	562,000.00	21,426.25	583,426.25	0.00	583,704.03
6/ 5/96	0.00	0.00	0.00	583,333.33	370.70
6/30/96	561,000.00	22,089.38	583,089.38	0.00	583,460.07
7/ 5/96	0.00	0.00	0.00	583,333.33	126.74

109,876,000.00	11,124,125.66	121,000,125.66	120,999,998.92		

Cash Flow of Proposed Portfolio

Delivery Date: 10/ 5/93

Date	Principal	Portfolio Interest	Total Income	less: Requirement	Cumulative Balance
10/ 5/93	0.00	0.00	0.00	0.00	0.00
12/30/93	28,203,000.00	0.00	28,203,000.00	0.00	28,203,000.00
	28,203,000.00	0.00	28,203,000.00	0.00	

Inarajan / other

S 11 6/1/93

Section 11 Capacity as of June 1 1993	
Outstanding Bonds	
1986 GO	\$21,395,000.00
1989 Water	\$45,185,000.00
1989 Infrastructure	\$24,460,000.00
1992 Highway	\$66,645,000.00
Total	\$157,685,000.00
10% of Valuation	
Property	\$366,765,075.32
Available	\$209,080,075.32
Bond Size for	
1993 Series	\$175,000,000.00
Remainder	\$34,080,075.32

Twenty-Second Guam Legislature

155 Hesler Street
Pacific Arcade
Agana, Guam 96910
Telephone: (671) 472-3407 thru 9
Fax: 477-3161



CARL T.C. GUTIERREZ
Senator

Chairman, Committee
on Ways & Means

Vice-Chairman, Committee
on Rules

Vice-Chairman, Committee
on Tourism & Transportation

August 1, 1994

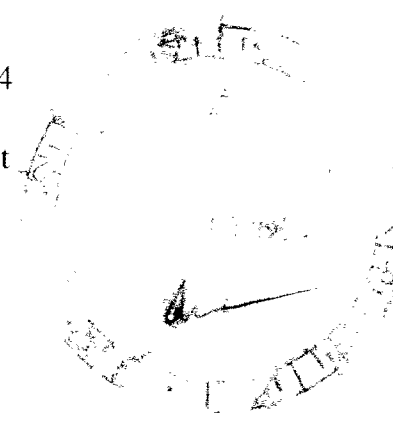
The Honorable Vicente C. Pangelinan
Chairman, Committee on Economic-Agricultural Development
and Insurance
Twenty-Second Guam Legislature
Suite 101 Biscoe Bldg.
Agana, Guam 96910

Dear Senator Pangelinan:

I have asked the Chairperson of the Committee on Rules to review the language of Bill No. 1098, introduced at the request of the Governor. This bill, as originally introduced, called for the issuance of "Tax and Revenue Anticipation Notes", a Sixty (60) day note. This bill was referred to the Committee on Ways and Means, which conducted a joint public hearing on the bill with the Committee on Tourism and Transportation on July 13, 1994.

You will remember that during the course of the public hearing, at which you were present, the Governor's Special Assistant for Financial Affairs, Mr. Carl Taitano, informed the members of the Committees that although the language of Bill No. 1098 called for the issuance of a Sixty (60) day note, that this was not possible, and that the financial instruments which would be used for borrowing funds to pay the 1993 tax returns would be the issuance of a Five (5) year bond, instead.

Also, during the joint public hearing, many questions were posed by the members of the two committees, and the Governor was forwarded these questions and concerns in writing on July 20, 1994. A letter and packet of information was forwarded to the Ways and Means Committee on July 29, 1994, and the Governor's chief financial advisor did inform my staff of the needed changes in the language of the bill in order to authorize the issuance of Five (5) year bonds instead of a Sixty (60) day note.



The letter received from the Governor, on page two, last paragraph, states:


"Further, the legislation for the **tax refund bond** does not conflict with the legislation for the Northern High School (see Attachment ten). Nor will the issuance of the **tax refund bond** affect the timetable for the Northern High School bond issue."

Additionally, the changes said to be needed by the Governor's chief financial advisor include the replacement of the word "note" with the word "**bond**", wherever it appears in Bill No. 1098.

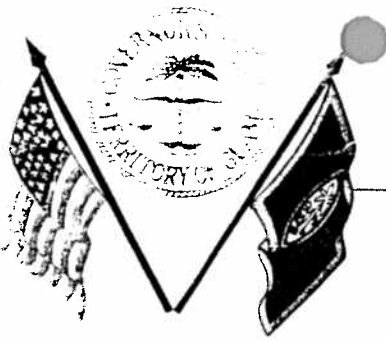
In light of the change of this legislation from the original legislation submitted, I believe that Bill No. 1098 must be referred to the Committee on Economic-Agricultural Development, and Insurance.

Attached are all of the documents submitted by the Governor on Bill No. 1098 on July 29, 1994, and copy of my letter to the Chairperson of the Committee on Rules, containing essentially the same information.

Very truly yours,


Carl T. C. Gutierrez

Enclosures



Territory of Guam
Territorio de Guam

OFFICE OF THE GOVERNOR
OFISINANGI MAGALAHI
AGANA, GUAM 96910, S.A.

RECEIVED
OFFICE OF THE SPEAKER
DATE: 7/29/94
TIME: 12:35 PM
RECD BY: [Signature]

JUL 29 1994

The Honorable Carl T.C. Gutierrez
Senator
Twenty-Second Guam Legislature
155 Hesler Street
Agana, Guam 96910

Handwritten notes:
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C. no 100
Count
[Signature]

Dear Senator Gutierrez:

I would like to thank you and the members of the Committee on Ways and Means for the undeniable spirit of cooperation that has emanated throughout the process of reviewing Bill No. 1097 and Bill No. 1098 with the intent to provide for the payment of tax rebates owed the people of Guam.

Senator, I am sure you will agree that we must do everything in our power to pay these tax rebates that are rightfully owed to the hard working people of our island. This money is theirs and we have the direct responsibility of guaranteeing that they receive what is their due. Bill 1098 maps out how we can do this in a manner which makes good fiscal sense for the Government of Guam.

In response to your inquiries, I am pleased to provide you and the Committee with the requested information to expedite the passage of Bill No. 1098 which ensures the payment of tax rebates to the people of Guam.

1. Attachment one is a copy of the final, signed opinion of the Attorney General authorizing the collateralization of the Tourist Attraction Fund for a \$6 million borrowing authority.
2. Attachment two is a copy of the final, signed documentation of \$6 million 90 day line of credit with the Bank of Hawaii, showing collateralization of the Tourist Attraction Fund.
3. Attachment three is a copy of the signed drawn-down authorization on the 90 day line of credit of attachment number two.



Commonwealth Now!

4. Attachment four lists all new hires in the government of Guam with requested specifications. Please note that the list includes GG-1 vacancies cleared with the Bureau of Budget and Management Research for recruitment. Not all positions are filled as hiring agencies are currently proceeding with the standard governmental hiring process. Please also bear in mind that these positions, for the most part, are essential and critical to government operations. Please also note that as of April of this year we have frozen over 1,000 positions. Attachment four details the 200 new hires that have been made since April. This leaves nearly 800 vacant positions; thereby creating a savings of approximately \$19,200,000.00 to the Government of Guam. The savings realized for this year will, indeed, continue for the next fiscal year.
5. Attachment five shows specific itemization of proposed expenditures for the Tourist Attraction Fund and the Territorial Highway Fund.
6. Attachment six lists the specific breakdown of the projected use of the funds which would be available from the authorization to borrow \$45 million in Section one of the bill.
7. In regard to the specific funding source for the repayment of the proposed authorization, we are proposing that the Territory use the Section 30 fund to better the credit worthiness of the debt. Attachment 7 includes the proposed new language from our bond counsel to accomplish this.
8. Six million dollars from the Tourist Attraction Fund has already been pledged for repayment of the line of credit issued by the Bank of Hawaii, if the Tourist Attraction Fund is not available.
9. Attachment eight shows the cash flow projection of the government for the next five years taking into account the passage of Bill No. 1098.
10. Attachment nine is a copy of the Board Equalization documentation stating the most recent total value of Guam real property, the explanation for the raised in total value of Guam real property and current authorized amount of debt ceiling within the limitation of the Organic Act.

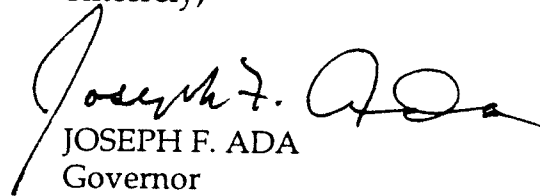
Further, the legislation for the tax refund bond does not conflict with the legislation for the Northern High School (see Attachment ten). Nor will the issuance of the tax refund bond affect the time-table for the Northern High School bond issue.

Senator Carl T.C. Gutierrez
Page 3

The Triannual appraisal is expected to be completed by October of this year. It is also expected that the appraisal will, at minimum, double the estimated valuation of taxable property in Guam. Thus, we can proceed with the Northern High School bond issue this fall.

I am certain that the information enclosed with this letter will answer any and all questions that may impede the passage of Bill No. 1098. My hope is that we can now move forward with the legislative process to ensure that the people of Guam receive the tax rebates they are entitled.

Sincerely,


JOSEPH F. ADA
Governor



GOVERNMENT OF GUAM
AGANA, GUAM 96910

February 22, 1994

CONFIDENTIAL

Memorandum (Informational)

Ref: GOV 94-0174

To: Governor

ATT: Chief Financial Officer

From: Attorney General *EBD*

Subject: Security for Repayment of Line of Credit

You have inquired as to whether or not the Governor, in exercising his authority under 6 GCA §22413 to arrange for a line of credit on behalf of the government of Guam, can pledge funds in the Tourist Attraction Fund (TAF) for repayment of interest and principal on any loan(s) obtained thereby.

Within the limits and terms as discussed herein, we believe that the Governor can lawfully designate the TAF as a funding source for such payment. This is analogous to a pledge of collateral to secure a line of credit.

5 GCA §22413 provides:

Line of Credit. The Governor, on behalf of the government of Guam, is authorized to arrange a line of credit not to exceed Ten Million Dollars with any bank or commercial lending institution licensed on Guam, provided that any agreement between any bank or commercial lending institution licensed on Guam and the Governor of Guam for a line of credit in excess of Six Million Dollars shall be subject to the approval of the Legislature by

Felipe A. Chang
3/1/94
4:50 p.m.

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Memo to Governor
February 22, 1994
Page 2

resolution for the amount in excess of Six Million Dollars. The terms of the line of credit shall include the following:

- (a) The line of credit shall be used by the Governor in cases where a cash shortage is eminent (sic) and a strong likelihood exists that the shortage could hamper government operations.
- (b) Prepaid charges shall not be levied by the bank or trust department for opening the line of credit.
- (c) The interest rate shall be subject to competitive negotiations between the Governor and the banks. Such interest rate shall be computed on a monthly average and based on the actual amounts extended to the Government.
- (d) Interest derived from the line of credit shall be exempt from taxation by the government of Guam.
- (e) All terms of the line of credit agreement not specifically defined in the foregoing shall be negotiated by the Governor in the best interests of the people of Guam.
- (f) Funds necessary for such repayment of interest and principal are appropriated from the General Fund. The duration for repayment of the loan shall be negotiated by the Governor.
- (g) Funds necessary for the repayment of interest and principal on loans authorized by this Section and GCA §6122 [§22414 of this Article] are appropriated from the revenue derived from the tax increase contained in P.L. 17-4, and, to the extent necessary, from

Memo to Governor
 February 22, 1994
 Page 3

other revenues of the government of Guam and the General Fund. Any excess funds from the tax increases contained in P.L. 17-4 shall be used to retire said debt instruments as additional principal payments and for no other purposes.

(h) Notwithstanding the first paragraph of this Section, or any other provision of law, the terms of the line of credit arranged by the Governor as provided by this Section, may permit the bank or commercial lending institution licensed on Guam with which such line of credit is arranged, to grant participation in such line of credit, at such times and in such amounts and upon such terms and conditions as such bank or lending institution licensed in Guam shall determine, to other banks, or commercial lending institutions, including those not licensed on Guam, or to any other persons, associations, or corporations. The exemption from taxation by the government of Guam of the interest derived from the line of credit shall be preserved to any such participant. Such participation shall be by public offering. Note that Subsections (f) and (g) above specifically provide that funds necessary for the repayment of interest and principal are appropriated (1) from the General Fund, and (2) from revenue derived from the tax increase contained in P.L. 17-4, and (3) as necessary from other revenues of the government of Guam. (Emphasis added)

Note that Subsections (f) and (g) above specifically provide that funds necessary for the repayment of interest and principal are appropriated (1) from the General Fund, and (2) from revenue derived from the tax increase contained in P.L. 17-4, and (3) as necessary from other revenues of the government of Guam.

Inasmuch as the statutory credit line authorization provides sources for repayment of principal and interest of any loans obtained pursuant to that authorization, any pledge by the Governor of other funds from a specifically designated source such as the

Memo to Governor
February 22, 1994
Page 4

TAF would be in the nature of collateral security for the purpose of further securing the line of credit arranged with the bank or lending institution. The additional collateral, presumably, would assist in negotiating more favorable repayment terms with the lender, as the Governor is charged to do.

Of course, the Governor's authority to so designate the TAF as a funding source for repayment in arranging the line of credit would be limited to the amount of unappropriated surplus in the fund, and could not include any amounts required to meet prior debt service obligations such as the Infrastructure Bond Indenture or other trustee depository requirements of the fund.

This memorandum is informational only and is not issued as an opinion of the Attorney General. For a faster response to any inquiry about this memorandum, please use the reference number shown.

OFFICE OF THE ATTORNEY GENERAL



By: DONALD L. PAILLETTE
Chief Deputy



Office of the Attorney General
Territory of Guam

Elizabeth Barrett-Anderson
Attorney General

Phone: (671) 475-3324
Telefax: (671) 472-2493

Donald L. Paillette
Chief Deputy Attorney General

March 31, 1994

Bank of Hawaii
Guam Branch
Agana, Guam 96910

Re: Credit Agreement between the Government
of Guam (the "Borrower") and Bank of Hawaii

Gentlemen:

This opinion letter is furnished to you pursuant to Section 3.01(a)(v) of the referenced Credit Agreement (the "Agreement"). Terms used in this opinion which are defined in the Agreement shall have the meanings ascribed to them under the Agreement unless otherwise defined herein.

In my capacity as Attorney General for the Territory of Guam, I have acted as counsel for the Borrower in connection with the preparation, execution and delivery of the Agreement and the documents delivered thereunder.

In that connection, I have examined:

- (i) the Agreement;
- (ii) the form of promissory note to be delivered pursuant to Section 2.05 of the Agreement;
- (iii) the form of the pledge of deposits to be delivered pursuant to Section 6.01 of the Agreement; and
- (iv) the Organic Act, the statutes and other law of the Territory of Guam and such other documents, agreements and instruments, and such laws, rules, regulations, orders, writs, judgments, awards, injunctions, and the like, as I have deemed necessary as a basis for the opinions herein after expressed.

The opinions expressed herein are limited to questions arising under the laws of the Territory of Guam and do not purport to express an opinion on any question arising under the laws of any

COMMONWEALTH NOW!

Suite 2-200 E, Judicial Center Building 120 West O'Brien Drive Agana, Guam 96910

ATTACHMENT #2

other jurisdiction.

Based upon the foregoing, and having regard for legal considerations which I deem relevant, I am of the opinion that:

(1) The Borrower is the government of Guam, duly constituted, validly existing and in good standing under the law of the Territory of Guam.

(2) The Borrower has full power, authority and legal right to execute and deliver the Agreement, the Note, the Pledge and all other documents required or permitted to be executed or delivered by it in connection with the Agreement and to perform and observe the terms and provisions of the Agreement, of the Note and of the Pledge.

(3) The Agreement has been duly executed and delivered by the Borrower and constitutes, and the Note and Pledge, when executed and delivered by the Borrower thereunder will constitute, legal, valid and binding obligations of the Borrower, enforceable against the Borrower in accordance with their respective terms and the Agreement is, and the Note and Pledge when executed and delivered by the Borrower will be, in proper legal form for enforcement in the Territory of Guam.

(4) No Governmental Approvals are necessary to authorize the execution and delivery of the Agreement and the Note and Pledge or for the validity and enforceability against the Borrower of the Agreement or the Note and Pledge.

(5) Under the law of the Territory of Guam presently in effect there is no tax, levy, impost, deduction, charge or withholding imposed, levied or made by the Territory of Guam or any political subdivision or taxing authority thereof or therein either (i) on or by virtue of the execution or delivery of the Agreement or the Note or (ii) on any payment of principal amounts, interest, fees or other amounts to be paid by the Borrower pursuant to the Agreement. The Borrower is permitted to make all repayments of principal pursuant to the Agreement free and clear of all Taxes, and no such repayment in the hand of BOH, is subject to any tax, levy, impost, deduction, charge or withholding imposed by the Territory of Guam or any political subdivision or taxing authority therein or thereof.

(6) No stamp taxes or similar taxes are now due or, under the present laws of the Territory of Guam could in the future become due, in connection with the execution, delivery, performance and enforcement of the Agreement, the Note and the Pledge.

(7) The interest income to be received by BOH is not subject to territorial income taxation under the Internal Revenue Code as amended.

(8) Under the law of the Territory of Guam the Borrower is subject to civil and commercial law with respect to its obligations under the Agreement, Note and Pledge, and the execution, delivery and performance of the Agreement, the Note and the Pledge constitute private and commercial rather than governmental or public acts. Under the law of the Territory of Guam, neither the Borrower nor any of its Property has any right of immunity (before or after judgment) from jurisdiction or from execution and attachment in any jurisdiction on the grounds of sovereignty or otherwise in respect of any action or proceeding relating in any way to the Agreement, the Note and the Pledge.

(9) The consent of the Borrower to the jurisdiction of the courts of the Territory of Guam or of the United States of America sitting in Guam, with respect to matters arising from the Agreement, as contained in Section 12.05 of the Agreement, are binding and enforceable against it.

(10) No event has occurred and is continuing which constitutes, or which, with the giving of notice or the lapse of time or both, would constitute, an Event of Default and no event of default will occur under any agreement to which it is a party by the execution and delivery of the Agreement or consummation of the transactions contemplated under the Agreement, the Note or the Pledge.

(11) No consent or approval of, or notice to, any of the creditors of the Borrower is required by the terms of any agreement to which it is a party for the execution, delivery or the performance of its obligations under the Agreement, the Note, or the Pledge or the consummation of the transactions contemplated in the Agreement, the Note or the Pledge.

(12) There are no actions, proceedings or claims pending, or

threatened against the Borrower or any Governmental Agency, which might have a materially adverse effect on its condition or impair its ability to perform its obligations under the Agreement or the Note or prevent the consummation of the transactions contemplated in the Agreement or the Note, and there are no material actions or proceedings pending against the Borrower or any Governmental Agency relating to Indebtedness of the Borrower or any Governmental Agency.

(13) Neither the execution or delivery of the Agreement, the Note or the Pledge by the Borrower, nor the fulfillment of the obligations of the Borrower under the Agreement, nor the consummation of the transactions contemplated in, the Agreement, the Note or Pledge will (i) conflict with, violate or result in a breach of the Organic Act or other constitutive documents of the Borrower or any Governmental Agency; (ii) conflict with, violate or result in a breach of any provision of any law, regulation or court order applicable to the Borrower or any Governmental Agency; (iii) conflict with, result in a breach of, constitute a default under, or accelerate the performance required by, any contract or other agreement to which the Borrower or any Governmental Agency is a party or by which the Borrower or any Governmental Agency or any of their respective Property is or may be bound or entitle any party to any such contract or agreement to terminate or modify such contract or agreement; or (iv) result in the creation or imposition of any Encumbrance upon any Property of the Borrower or any Governmental Agency.

(14) None of the Property of the Borrower or any Governmental Agency is subject to any Encumbrance securing Indebtedness of the Borrower, except Indebtedness secured as permitted by Section 10.02 of the Agreement.

(15) The obligations of the Borrower under the Agreement and the Note to pay the principal of and interest on the Note and any other amounts due under the Agreement or the Note in accordance with the terms hereof or thereof constitute direct, unconditional and general obligations of the Borrower and of the Territory of Guam and will rank at least pari passu (whether in respect of priority of payment or security or otherwise including any preferential arrangement to provide for the payment of Indebtedness of the Borrower) with all other Indebtedness of the Borrower, except Indebtedness secured as permitted by Section 10.02 of the

Letter to Bank of Hawaii
March 31, 1994
Page -5-


Agreement, and under the terms of the Agreement the Borrower has the obligation to cause its Indebtedness hereunder and under the Note to continue to rank during the term of the Agreement at least pari passu (whether in respect of priority of payment, security or otherwise) with all other Indebtedness of the Borrower except Indebtedness of the Borrower secured as permitted by Section 10.02 of this Agreement.

(16) Each of the officers or representatives of the Borrower who has executed or delivered the Agreement is, and each of its officers or representatives who will execute or deliver the Note, the Pledge and any other documents to be executed or delivered by the Borrower in connection with the Agreement, the Note or Pledge, at the time of such execution, endorsement or delivery will be, duly and properly in office and fully authorized to execute or deliver the Agreement, such Note, the Pledge or such other document, as the case may be, on behalf of the Borrower.

(17) The obligations of the Borrower under the Agreement and the Note and Pledge may be enforced (by judgment and levy) in the courts of the Territory of Guam and a final judgment against the Borrower for the payment of money obtained in the courts of the Territory of Guam, or of the United States of America sitting in Guam would be recognized, conclusive and enforceable in the courts of the Territory of Guam without reconsideration of the merits.

You may rely on this opinion on each Disbursement Date as if this opinion were dated on and as of the Disbursement Date, unless I give BOH prior written notice before such Disbursement Date of such change in this opinion.

Sincerely,


ELIZABETH BARRETT-ANDERSON
Attorney General

MASTER NOTE

\$6,000,000.00

March 31, 1994

Agana, Guam

For value received, the GOVERNMENT OF THE TERRITORY OF GUAM hereby promises to pay to the order of BANK OF HAWAII, a Hawaii corporation authorized to transact business within the Territory of Guam, ("Lender") at its offices in Agana, Guam, or at such other place or to such other party as the holder of this Note may from time to time designate, the principal sum of SIX MILLION AND NO/100 DOLLARS (\$6,000,000.00) in lawful money of the United States, or so much thereof as may be advanced from time to time by the Lender, together with interest on the outstanding balances of principal from the date of each Advance.

1. Definitions. As used in this Note, the following terms shall have the following definitions:

a. "Advance or Advances" shall mean disbursements or advances made by Lender pursuant to or as authorized under the terms of the Credit Agreement.

b. "Business Day" shall mean a day of the year during which the Lender is open for business.

c. "Credit Agreement" shall mean that certain Credit Agreement bearing even date herewith between Borrower and Lender.

d. "Credit Documents" means all agreements and documents evidencing, securing or otherwise pertaining in any respect to the Advances or other extensions of credit evidenced by this Note.

e. "Interest Period" shall mean with respect to each advance, the period commencing on the date the Advance is made and ending on a date either three or six months following such commencement date (all as the Borrower shall select, subject to the provisions set forth below); provided that

(1) Each such selection shall be irrevocable for the period so selected;

(2) Each Interest Period shall be selected

in such a way that no Interest Period shall extend beyond the maturity date of this Note;

(3) If any Interest Period ends on a day other than a Business Day, such Interest period shall extend to the next succeeding day that is a Business Day unless such succeeding day would fall in the next calendar month, in which event such Interest Period shall end on the immediately preceding Business Day;

(4) Any Interest Period that begins on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period shall end on the last Business Day of such calendar month; and

(5) The Interest Period selected from time to time for any Advance shall apply to the full amount of such Advance.

f. "TCD Rate" during any Interest Period for any Advance shall mean an interest rate per annum equal to 90 basis points above the rate of interest paid by the Lender, on the Time Certificate of Deposit of the Lender pledged by Borrower as collateral for the Advance.

g. "TCD Rate Advance" means any Advance for which Borrower has selected the TCD Rate as the applicable interest rate for such Advance.

h. "Treasury Bill Rate" during any Interest Period for any Advance shall mean an interest rate per annum equal to 62-1/2 Basis points above the rate of interest paid by the U.S. Government on the US Treasury Bills pledged by Borrower as collateral for the Advance.

i. "Treasury Bill Rate Advance" means any Advance for which Borrower has selected the Treasury Bill Rate as the applicable interest rate for such Advance.

2. Selection of Applicable Interest Rate. At least two (2) Business Days prior to each advance made by Lender to Borrower under the Credit Agreement and pursuant to the request of Borrower made in accordance with the terms of the Credit Agreement, Borrower shall advise Lender in writing of its selection of either the TCD Rate or the Treasury Bill Rate (such selection must include the duration of the initial Interest Period) as the applicable rate for the payment of interest on the Advance. Borrower may elect to change the interest rate applicable to a particular Advance by giving

Lender written notice not less than two (2) Business Days prior to said change, which change shall not apply until the expiration of the then current Interest Period applicable to such Advance.

3. Agreements Relating to Interest Accruing.

a. For each TCD Rate Advance and Treasury Bill Advance, Borrower may elect to have either the TCD Rate or the Treasury Bill Rate be applicable to such Advance after the expiration of the then current Interest Period by giving notice of such election to Lender at least two (2) Business Days before the end of the immediately preceding Interest Period, which election must specify the duration of the next Interest Period (either three or six months). If Lender does not receive such a notice of election as to such Advance by such time, the Borrower shall be deemed to have elected to continue the existing applicable rate to the Advance at the expiration of the then current Interest Period.

b. The TCD Rate and the Treasury Bill Rate shall be available as to any Advance only to the extent that Borrower has pledged to Lender corresponding deposits in like form so that TCD Rate Advances are collateralized by TCD's and Treasury Bill Rate Advances are collateralized by Treasury Bills.

c. To the extent that Borrower has provided to Lender evidence satisfactory to Lender that the interest to be paid on the Advance shall not be subject to territorial, state or federal tax, the interest rate applicable to the Advance shall be adjusted at time of disbursement of the Advance as provided in the Credit Agreement.

d. To the extent that the interest rates applicable to any Advances are adjusted based on there existing tax exempt benefits to the Lender and subsequently the interest derived from the Advances is treated as taxable to the Lender, whether under territorial, state, or federal tax laws, the Borrower shall pay to the Lender, as additional interest, such additional amount as will fully compensate the Lender for the resulting loss of yield.

4. Advances.

a. Each Advance shall be in a minimum amount of FIVE HUNDRED THOUSAND AND NO/100 DOLLARS (\$500,000.00); provided, however, that the total principal sum advanced and outstanding hereunder shall not exceed at any one time SIX MILLION AND NO/100 DOLLARS (\$6,000,000.00).

b. The Lender's records evidencing the date of disbursement of any Advance, the principal amount of each such Advance and the amounts of all repayments of principal and payments of interest on each such Advance shall constitute prima facie evidence of the making and repayment of such Advance and of the payment of such interest. However, the Lender's making of erroneous notations in its records shall not affect the Borrower's obligation to repay outstanding balances of principal under this Note, and accrued interest thereon, as provided in this Note.

5. Payments of Principal and Interest.

a. Interest on the Advances shall be payable as follows:

i. As to each Advance with a term of three months, interest shall be due on the last day of the Interest Period.

ii. As to each Advance with a term of six months, interest shall be due on that date ninety days after disbursement and on the last day of the Interest Period.

b. Principal of each Advance is payable on the last day of the Interest Period.

c. Unless sooner prepaid, the entire outstanding principal balance, together with accrued interest, shall be due and payable on the 31st day of March, 1995.

6. Prepayment. The Borrower shall not be permitted to make prepayment of the indebtedness evidenced by this Note, in whole or in part, at any time.

7. Payments. All payments on account of indebtedness evidenced by this Note shall be made not later than 3:00 P.M. on the day when due in lawful money of the United States and shall be first applied to interest on the unpaid principal balance and the remainder to principal. All computations of interest shall be made by Lender on the basis of a year of 360 days for the actual number of days occurring in the period for which such interest is payable.

8. Applicable Laws. This Note shall be governed by the laws of the Territory of Guam.

9. **Events of Default.** Each of the following events is an Event of Default under this Note: (a) the Borrower's failure to pay when due any sum payable to the Bank under this Note or the Credit Agreement, which default continues for five (5) days; or (b) the Borrower's failure to perform any other obligation of the Borrower to the Lender undertaken in any of the Credit Documents.

10. **Acceleration.** If any Event of Default shall occur and be continuing, all further obligations of the Lender to make further Advances shall immediately cease, and the entire principal sum and accrued interest thereon of all Advances made to Borrower shall, at the option of the holder of this Note, immediately become due and payable without further notice to Borrower.

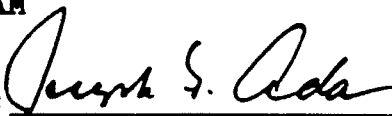
11. **Lender's Expenses.** The Borrower will pay on demand all of the Lender's expenses, including reasonable attorneys' fees, arising out of or related to the protection or enforcement of the Lender's rights under this Note or any other of the Loan Documents, whether or not an Event of Default shall have occurred.

12. **Waivers.** The Borrower waives presentment, demand for payment, notice of dishonor, and any and all other notices or demands in connection with the delivery, acceptance, performance or enforcement of this Note, and consents to any extension of time (and even multiple extensions of time for longer than the original term), renewals, releases of any person or organization liable for the payment of this Note, and waives or modifications or other indulgences that may be granted or consented to by the Lender in respect of the Advances evidenced by this Note.

13. **Severability.** If any provision of this Note is invalid or unenforceable, such invalidity or enforceability shall not affect any other provision of this Note that can be given effect. The provisions of this Note are severable.

BORROWER:

GOVERNMENT OF THE TERRITORY OF
GUAM

By: 

JOSEPH F. ADA, Governor of the
Territory of Guam

CERTIFICATE OF THE BORROWER

To: Bank of Hawaii
Guam Branch

Re: Credit Agreement dated as of March 31, 1994 (the
"Credit Agreement") between the Government of the
Territory of Guam (the "Borrower") and Bank of Hawaii.

CERTIFICATE

Pursuant to Section 3.01(c)(iii) of the referenced Credit Agreement, I hereby certify that the name, title and specimen signature of each person who has executed the Credit Agreement on behalf of the Borrower, or who has or will execute on behalf of the Borrower, the promissory note or any other document (other than this Certificate) in connection with the Agreement are as set forth below, and each such person is in office on the date hereof and thereunto duly authorized:

Name and Title:

Specimen Signature:

JOSEPH F. ADA

Joseph F. Ada

Governor of Guam

WILFRED G. AFLAGUE

W. G. Aflague

Director, Dept. of Administration

Unless and until the Borrower gives you notice of any change in this Certificate, you may continue to rely on this Certificate at all times as if this Certificate were dated on and as of the day of, and delivered at, each such time.

IN WITNESS WHEREOF, this certificate has been executed on and as of March 31, 1994.

OFFICE OF THE ATTORNEY
GENERAL

BY: E. Barrett Anderson
ELIZABETH BARRETT ANDERSON
Attorney General

PLEDGE OF DEPOSITS

THIS Pledge of Deposits by and between the GOVERNMENT OF THE TERRITORY OF GUAM (the "Borrower"), and BANK OF HAWAII ("BOH"),

WITNESSETH:

WHEREAS the Borrower has requested BOH to establish a revolving credit line in favor of the Borrower in the amount of Six Million United States Dollars (US\$6,000,000) to provide Borrower with additional funds during periods of eminent cash shortages consistent with the terms of 5 GCA §22413 (a); and

WHEREAS the Borrower has entered into a Credit Agreement with BOH dated March 31, 1994 (the "Agreement") whereby BOH will extend from time to time the Advances of credit, as defined in the Agreement, to Borrower; and

WHEREAS, Borrower will evidence its obligation to repay the Advances under the terms and conditions of the Agreement by the execution and delivery of the Note as defined in the Agreement; and

WHEREAS BOH is willing to establish such credit only upon Borrower securing its obligations under the Agreement and Note by pledging to BOH certain funds of Borrower upon the terms and conditions set forth in this Pledge of Deposits;

NOW, THEREFORE, in consideration of the Loan to Borrower by BOH, and in order to induce BOH to make the Advances under the Agreement and Note to Borrower, the Borrower agrees as follows:

1. Security Interest. That as security for all indebtedness and other liabilities of the Borrower to BOH pursuant to the Agreement and the Note, now or hereafter existing and whether absolute or contingent, including without limitation all continuing and future Advances which BOH has agreed to make by reason of the Agreement, and to secure all other obligations of Borrower herein described (the "Obligations") Borrower hereby pledges and assigns to BOH and grants to the BOH a security interest in the following collateral (being hereinafter referred to as the "Collateral"):

- (a) all sums now and hereafter deposited with BOH as time certificates of deposit or United States treasury bills issued in the name of Borrower (the "Accounts") as described in Schedule A annexed hereto and as

subsequently noted on the attached Schedule A and all certificates, receipts, advices and instruments, if any, now and from time to time hereafter representing or evidencing the Accounts;

- (b) all certificates of deposit, advices of deposit, deposit receipts and other instruments from time to time hereafter delivered to or otherwise possessed by BOH for Borrower or on Borrower's behalf in substitution for or in addition to any or all of the then existing Collateral; and
- (c) all rights, benefits, proceeds, interest, cash and other property from time to time received, receivable or otherwise distributed in respect of or in exchange for, and all proceeds of, any or all of the then existing Collateral.

Upon the opening of each Account with BOH Borrower shall sign the notation on Schedule A hereto indicating the Account Number.

2. Warranties by Borrower. The Borrower warrants and represents with respect to the Collateral (and jointly and severally with respect to each instrument, document or chattel paper which comprises any portion of the Collateral) that:

(a) The Borrower is the absolute owner of said Collateral and said Collateral is not subject to a prior assignment, claim, lien or security interest; and

(b) The Borrower has full power, authority and legal right to execute and deliver this Pledge, and to perform its obligations under, and observe the provisions of the Pledge and all other documents required or permitted to be executed or delivered by it in connection with this Pledge.

Each of the representations and warranties set forth in above shall be deemed to be repeated for all Collateral at the time of deposit or opening of the Account with BOH as if made on such date.

3. Negative Covenants. Borrower shall not (i) sell, transfer or otherwise dispose of any of the Collateral, or (ii) create or permit to exist any lien, security interest, or other charge or encumbrance upon or with respect to any of the Collateral, except for the security interest under this Pledge.

4. Affirmative Covenants. Until payment in full of the Obligations, Borrower agrees that:

- (a) It will maintain the Collateral with BOH;
- (b) It shall be a term and condition of the Collateral, notwithstanding any term or condition to the contrary in any other agreement relating to the Collateral that no amount (including interest on the Collateral) shall be paid or released to or for the account of, or withdrawn by or for the account of, the Borrower any other person or entity; and
- (c) It shall renew the Collateral upon the expiration of each fixed period for which the Collateral (and any certificates or time deposits constituting any portion thereof) is made, failing which BOH may on each maturity date of any portion of the Collateral automatically extend the maturity date of, or renew, the Collateral (and any certificates or time deposits continuing any portion thereof) for a further period equal to the original period of the Collateral. Renewal shall be at such interest rate as BOH is then offering for deposits similar in duration and amount to the Collateral. All renewed, replacement and revised certificate of deposit shall be subject to the terms of this Pledge.

5. Liens. The Borrower shall pay prior to delinquency any and all taxes, charges, liens and assessments against the Collateral, and upon the failure of Borrower to do so BOH at its option may pay any of them and shall be the sole judge of the legality or validity thereof and the amount necessary to discharge the same.

6. Custody of Collateral. BOH shall exercise reasonable care in the custody of any Collateral in its possession or control, but shall be deemed to have exercised reasonable care if such Collateral is accorded treatment substantially equal to that which the BOH accords to its own property (it being expressly understood that the BOH shall have no responsibility for ascertaining or taking action with respect to calls, conversions, renewals, exchanges, maturities, reinvestments or other matters relative to any Collateral and

whether or not the BOH has or is deemed to have knowledge of such matters), or if the BOH shall take such action with respect to the Collateral as the Borrower shall reasonably request in writing, but no failure to comply with such request nor omission to do any such act requested by the Borrower shall be deemed a failure to exercise reasonable care, nor shall any failure of the BOH to take necessary steps to preserve rights against any parties with respect to any Collateral in its possession or control be deemed a failure to exercise reasonable care.

7. Release of Collateral. Notwithstanding the provisions of this Pledge, upon payment in full of any Advance under the Note and Agreement, and provided that Borrower is not in default under the Agreement, the Note or this Pledge, BOH shall release to Borrower the time certificate of deposit or treasury bill which is in the same amount as the paid Advance and of which the Advance bore the corresponding interest rate. Said release shall occur at maturity of the time certificate of deposit or treasury bill, as the case may be, unless Borrower pays such early withdrawal penalties as are applicable to said deposit provided, however, that in all events the principal amount of all collateral hereunder shall always equal or exceed the total outstanding principal of all Advances and accrued interest thereon.

8. Fees and Costs. The Borrower will pay to the BOH, as soon as incurred, all costs and expenses, including attorneys' fees, related or incidental to the care, holding, taking, collection of or realization upon any of the Collateral or relating or incidental to the establishment or preserving or enforcement of any of the rights of the BOH hereunder or in respect of any of the Collateral and obtaining legal advice with regard to any of the foregoing. Net proceeds of the Collateral resulting from sale, collection or otherwise, may be applied by the BOH, before or after default, to the satisfaction or reduction of the Obligations or costs or expenses as the BOH may see fit, whether or not matured.

9. Extension, and Releases. All rights of the BOH and liens of the BOH hereunder shall continue unimpaired and the Borrower shall remain bound by the Obligations in accordance with the terms thereof, notwithstanding the release or substitution of any Collateral or any rights or interest therein, or any delay, extension of time, renewal, compromise, or other indulgence granted by the BOH with reference to any of the Obligations or any instrument given in connection therewith or constituting a part of the Collateral, the Borrower hereby waiving all notice of any such delay, extension, release, substitution, renewal, compromise or other indulgence and

hereby consenting to be bound as fully and effectually as if the Borrower had expressly agreed thereto in advance.

10. Redelivery. BOH may at any time deliver the Collateral or any part thereof to Borrower and the receipt of Borrower shall be a complete and full acquittance for the Collateral so delivered, and BOH shall thereafter be discharged from any liability or responsibility therefor.

11. Continuing Agreement. This is a continuing Security Agreement and all the rights, powers and remedies hereunder shall apply to all past, present and future indebtedness of Borrower to BOH that arising under successive transactions which shall either continue the Obligations, increase or decrease it, or from time to time create new indebtedness after all or any prior Obligations have been satisfied, notwithstanding any event or proceeding affecting Borrower.

12. General Provisions. Time is of the essence of this Agreement; provided however, no act, delay, omission or course of dealings between Borrower and BOH will be a waiver of any of BOH's rights or remedies under this Agreement. No waiver, change, modification or discharge in whole or in part of this Agreement will be effective unless in a writing signed by BOH. A waiver by BOH of any rights or remedies under the terms of this Agreement, or with respect to any Obligations secured hereby on any occasion will not be a bar to an exercise of any right or remedy on any subsequent occasion. If any provision of this Agreement is invalid or unenforceable under any law, such invalid or unenforceable provision will be totally ineffective to that extent, but the remaining provisions of this Agreement will be unaffected thereby. The section headings used in this Agreement are for convenience only, and are to be given no substantive meaning or significance in construing the terms and provisions of this Agreement. This Agreement shall be interpreted in accordance with the laws of the Territory of Guam.

13. Default. In the event of the Borrower failing to observe and comply with the terms and conditions of the Agreement or failing to observe and comply with the terms and conditions hereof; or upon non-payment of principal or interest of any of the Obligations; or in the case of any Event of Default as defined in the Agreement or the Note, then and in any such case:

- (a) BOH may, without notice to Borrower (which is hereby waived) charge, set-off and otherwise apply all or

any part of the Obligations against any or all of the Collateral;

- (b) BOH may, without notice to Borrower (which notice is hereby waived) withdraw any monies from the accounts constituting the Collateral, and Borrower agrees to pay any penalties or other charges for early withdrawal which may apply to any such withdrawal from the accounts;
- (c) Any cash held by BOH as Collateral and all cash proceeds received by BOH in respect of any sale of, or collection from, or other realization upon, all or any part of the Collateral may, in BOH's discretion, then or at any time thereafter be applied in whole or in part by BOH against all or any part of the Obligations in such order as BOH shall elect; and
- (d) BOH may also exercise in respect of the Collateral in addition to other rights and remedies provided for herein or otherwise available to it, all the rights and remedies of a secured party under the Uniform Commercial Code in effect in the Territory of Guam at that time. BOH's rights herein are cumulative and in addition to any and all of its rights or remedies BOH may have at law and in equity, whether given by statute or otherwise.

14. Additional Documents. Borrower agrees that at any time and from time to time, at its expense, it will promptly execute and deliver all further instruments and documents, and take all further action that BOH may request, in order to perfect and protect any security interest granted or purported to be granted hereby or to enable BOH to exercise and enforce its rights and remedies hereunder with respect to any Collateral, and Borrower hereby authorizes BOH, with full authority, from time to time in its discretion to take any action and to execute any instrument or document which it may deem necessary or advisable to accomplish the purposes of this Pledge.

15. Continuing Interest. This Pledge shall create a continuing security interest in the Collateral and shall (i) remain in full force and effect until payment in full of the Obligations, (ii) be binding upon the Borrower and its successors and assigns, and (iii) inure to the benefit of BOH and its respective successors, transferees and assigns. Upon the payment in full of the Obligations Borrower shall be entitled to the return upon Borrower's request and at its

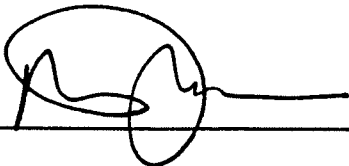
expense, of such of the Collateral as shall not have been sold or otherwise applied pursuant to the terms hereof.

16. Waivers. Borrower hereby waives notice of presentment, demand for payment, or protest of its debts or the obligations of any person, firm, or corporation held by BOH as collateral security for the debts of Borrower or the debts of any party related to Borrower. The Borrower hereby irrevocably waives, to the fullest extent permitted by applicable law, all immunity (whether on the basis of sovereignty or otherwise) from jurisdiction, attachment and execution, both before and after judgment, to which it might otherwise be entitled in any action or proceeding in the courts of the Territory of Guam, of the United States for the District of Guam, or of any other jurisdiction, relating in any way to this Pledge or the Obligations, and agrees that it will not raise or claim any such immunity at or in respect of any such action or proceeding. BOH shall be under no duty or obligation whatsoever to: (i) make or give any presentments, demands for performances, notices of nonperformance, protests, notices of protest or notices of dishonor in connection with any obligations or evidences of indebtedness held by BOH in connection with any obligation or evidences of indebtedness which constitute in whole or in part the Obligations secured hereby; or (ii) give notice of, or to exercise any rights or privileges relating to or affecting any Collateral held by you, all of which notices and demands Borrower hereby waives; or (iii) proceed against any person; or (iv) proceed against or exhaust any Collateral; or (v) pursue any other remedy in its power.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of this 31st day of March, 1994.

BANK OF HAWAII

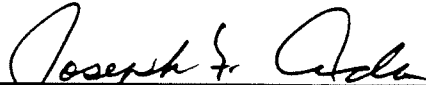
By _____



Its **ANDREAS (ANDY) JORDANOU**
Vice President & Manager

**GOVERNMENT OF THE
TERRITORY OF GUAM**

By _____



JOSEPH F. ADA
Governor of the Territory
of Guam

"Borrower"

RDD:kkp
010028-NEW
3/9/94

SCHEDULE A

(Pledge Of Deposits - BOH and Government of Guam)

ACCOUNT NUMBER

SIGNATURE OF BORROWER

CREDIT AGREEMENT

THIS CREDIT AGREEMENT, dated as of March 31, 1994, by and between the GOVERNMENT OF THE TERRITORY OF GUAM (the "Borrower"), and BANK OF HAWAII ("BOH"),

WITNESSETH:

WHEREAS the Borrower has requested BOH to establish a revolving credit line in favor of the Borrower in the amount of Six Million United States Dollars (US\$6,000,000) to provide Borrower with additional funds during periods of eminent cash shortages consistent with the terms of 5 GCA §22413 (a); and

WHEREAS the Borrower will evidence its obligation to repay the credit under the terms and conditions of this Agreement by the execution and delivery of this Agreement and the Note (as defined below); and

WHEREAS BOH is willing to establish such credit upon the terms and conditions set forth in this Agreement;

NOW, THEREFORE, the parties hereto agree as follows:

ARTICLE I
DEFINITIONS

Section 1.01 Certain Defined Terms. When used in this Agreement and the Exhibits hereto, the following terms shall have the meanings stated (such meanings to be equally applicable to both the singular and plural of the terms defined unless otherwise indicated):

"Advances" mean the advances made to the Borrower by BOH pursuant to Article II.

"Affiliate" means any Person, directly or indirectly controlling, controlled by, or under common control with, any other Person.

"Business Day" means any day during which BOH is open for business.

"Commitment" means the obligation of BOH pursuant to Section 2.01 to make the Advances.

"Commitment Period" means the period commencing on the date of this Agreement and ending on March 31, 1995, or any

earlier date on which the Commitment is terminated pursuant to this Agreement.

"Credit Documents" means all agreements and documents evidencing, securing or otherwise pertaining in any respect to the Advances or other extensions of credit evidenced by the Note.

"Disbursement" has the meaning set forth in Section 2.04.

"Disbursement Date" means the date specified in the Notice of Drawdown delivered pursuant to Section 2.02 as the date a Disbursement is to occur.

"Dollars", "\$" and "US\$" each means the lawful money of the United States.

"Encumbrance" means any mortgage, lien, security interest, pledge, charge, encumbrance or other type of preferential arrangement.

"Event of Default" means any event specified in Section 11.01 as an Event of Default.

"Governmental Agency" means each of: the government of the Territory of Guam, and any agency, department, ministry, authority, statutory corporation or other statutory body, political subdivision or judicial entity of such government, now existing or hereafter created.

"Governmental Approval" means any consent, license, approval, authorization, exemption, registration, filing, opinion or declaration from or with, as the case may be, any Governmental Agency.

"Indebtedness" means, for any Person, (i) all indebtedness of such Person for borrowed money or for the deferred purchase price of any Property or services, (ii) all indebtedness created or arising under any conditional sales or other title retention agreement with respect to any Property acquired by such Person (including, without limitation, indebtedness under any such agreement which provides that the rights and remedies of the seller or lender thereunder in the event of default are limited to repossession or sale of such Property), (iii) all obligations under leases which shall have been or should be, in accordance with generally accepted accounting principles, recorded as capitalized leases in respect of which such Person is liable as lessee, (iv) all direct or indirect guaranties of such Person in respect of, and all obligations (contingent or otherwise) of such Person to purchase or otherwise acquire, or

otherwise to assure a creditor against loss in respect of, any indebtedness or obligation referred to above in item (i), (ii) or (iii) of any other Person, and (v) all indebtedness and obligations referred to above in item (i), (ii), (iii) or (iv) secured by (or for which the holder of such indebtedness or obligation has an existing right, contingent or otherwise, to be secured by) any Encumbrance upon or in any Property of such Person notwithstanding that such Person has not assumed or become liable for the payment of such indebtedness or obligation.

"Interest Period" shall mean with respect to each Advance, the period commencing on the date the Advance is made and ending on a date either three or six months following such commencement date (all as the Borrower shall select, subject to the provisions set forth below); provided that

(1) Each such selection shall be irrevocable for the period so selected;

(2) Each Interest Period shall be selected in such a way that no Interest Period shall extend beyond the maturity date of the Note;

(3) If any Interest Period ends on a day other than a Business Day, such Interest period shall extend to the next succeeding day that is a Business Day unless such succeeding day would fall in the next calendar month, in which event such Interest Period shall end on the immediately preceding Business Day;

(4) Any Interest Period that begins on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period shall end on the last Business Day of such calendar month; and

(5) The Interest Period selected from time to time for any Advance shall apply to the full amount of such Advance.

"Lending Office" means BOH's office in Agana, Guam, or such other branch or office of BOH as BOH may at its sole discretion designate by notice in writing to the Borrower as the branch or office from which the Loan will thereafter be made or maintained.

"Loan" means, at any time, the principal amount of the Advances then outstanding.

"Note" has the meaning set forth in Section 2.05.

"Notice of Drawdown" means any Notice of Drawdown given to BOH pursuant to Section 2.02 in the form appearing as Exhibit A.

"Obligations" has the meaning assigned to that term in Section 8.01.

"Payment Date" means a day on which the Borrower is required to make a repayment of the Loan pursuant to Section 4.01.

"Person" means an individual, corporation, partnership, joint venture, trust, unincorporated organization or any juridical entity or a national state or any agency or political subdivision thereof.

"Property" means at any time as to each Person, all assets, revenues, rights to receive income and other property (whether tangible or intangible) of such Person.

"Taxes" has the meaning assigned to that term in Section 7.01.

"TCD Rate" during any Interest Period for any Advance shall mean an interest rate per annum equal to 90 basis points above the rate of interest paid by BOH, on the Time Certificate of Deposit of BOH pledged by Borrower as collateral for the Advance.

"TCD Rate Advance" means any Advance for which Borrower has selected the TCD Rate as the applicable interest rate for such Advance.

"Term of this Agreement" means the period commencing on the date hereof and ending on the final date of payment in full of the remaining principal amount, interest or other amount payable by the Borrower under this Agreement or the Note.

"Treasury Bill Rate" during any Interest Period for any Advance shall mean an interest rate per annum equal to 62-1/2 Basis points above the rate of interest paid by the U.S. Government on the US Treasury Bills pledged by Borrower as collateral for the Advance.

"Treasury Bill Rate Advance" means any Advance for which Borrower has selected the Treasury Bill Rate as the applicable interest rate for such Advance.

"United States" and "U.S.A." each means the United States of America.

Section 1.02 References. All references to Sections, Articles, Schedules and Exhibits are to Sections and Articles of, and Schedules and Exhibits to, this Agreement unless otherwise indicated.

Section 1.03 Interpretation. The Table of Contents and the headings of the Articles and Sections are for the convenience of reference only and shall not affect the meaning or construction of any provision hereof.

ARTICLE II THE ADVANCES

Section 2.01 The Commitment. Subject to the terms and conditions set forth in this Agreement, BOH agrees to make, through its Lending Office, Advances to the Borrower, on Business Days solely during the Commitment Period, in the principal amount not to exceed at any one time outstanding of Six Million United States Dollars (US\$6,000,000). The Borrower shall use the proceeds of the Advances solely in conformance with the provisions of 5 GCA §22413 (a).

Section 2.02 Notice of Drawdown. The Borrower shall give to BOH notice at the address indicated in Section 12.04, of the requested Disbursements hereunder, specifying the information called for in the Notice of Drawdown for the Disbursement. Such Notices of Drawdown shall be irrevocable, shall be in the form of Exhibit A, and must be received by BOH on a Business Day at least two Business Days prior to the Disbursement Date proposed in the Notice of Drawdown.

Section 2.03 Selection of Applicable Interest Rate. At least two (2) Business Days prior to the Disbursement Date of each Advance made by BOH to Borrower under this Credit Agreement and pursuant to the request of Borrower made in accordance with the terms of Section 2.02, Borrower shall advise BOH in writing of its selection of either the TCD Rate or the Treasury Bill Rate (such selection must include the duration of the initial Interest Period) as the applicable rate for the payment of interest on the Advance. Borrower may elect to change the interest rate applicable to a particular Advance by giving BOH written notice not less than two (2) Business Days prior to said change, which change shall not apply until the expiration of the then current Interest Period applicable to such Advance. For each TCD Rate Advance and Treasury Bill Rate Advance, Borrower may elect to have either the TCD Rate or the Treasury Bill Rate be applicable to such Advance after the

expiration of the then current Interest Period by giving notice of such election to BOH at least two (2) Business Days before the end of the immediately preceding Interest Period, which election must specify the duration of the next Interest Period (either three or six months). If BOH does not receive such a notice of election as to such Advance by such time, the Borrower shall be deemed to have elected to continue the existing applicable rate to the Advance at the expiration of the then current Interest Period.

Section 2.04 Disbursements. Subject to the terms and conditions of this Agreement (including without limitation all the conditions set forth in Section 3.01), on each Disbursement Date BOH shall make the amount of the requested Advance available to the Borrower by transferring the amount of such Advance to the account designated by the Borrower in the Notice of Borrowing. Each Disbursement shall be in a principal amount of not less than \$500,000.00.

Section 2.05 The Note. The Advances shall be evidenced by a promissory note, which shall be (i) the obligation of the Borrower and carry the full faith and credit of the Territory of Guam, (ii) dated the Disbursement Date of the first Advance, (iii) payable to the order of BOH at its Guam branch and (v) substantially in the form of Exhibit B (the "Note"). BOH's records evidencing the date of disbursement of any Advance, the principal amount of each such Advance and the amounts of all repayments of principal and payments of interest on each such Advance shall constitute prima facie evidence of the making and repayment of such Advance and of the payment of such interest. However, BOH's making of erroneous notations in its records shall not affect the Borrower's obligation to repay outstanding balances of principal under the Note, and accrued interest thereon, as provided in the Note.

ARTICLE III CONDITIONS PRECEDENT

Section 3.01. Conditions Precedent to each Disbursement. The obligation of BOH to disburse the Advances, including without limitation the initial Advance, is subject to the fulfillment by the Borrower of each of the following conditions:

(a) BOH shall have received from the Borrower each of the following at least two Business Days prior to the Disbursement Date: