

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

IN THE MATTER OF:)
Guam Power Authority's Request to Issue)
GPA Revenue Bonds)
_____)

GPA Docket 14-09



ORDER APPROVING LONG-TERM DEBT

On September 28, 1992, this Commission adopted an Order approving certain aspects of the proposal of the Guam Power Authority (“GPA”) to issue and sell long-term debt in the form of revenue bonds (the “Senior Bonds”) pursuant to Chapter 8 of Title 12 of the Guam Code Annotated (Sections 8101 et seq.) (the “Act”) for the purposes of financing certain additions and improvements to the electric power system of GPA and, as part of such financing program, refunding certain of GPA’s then outstanding bonds and other indebtedness.

The proposed form of an indenture pursuant to which the Bonds in one or more series were proposed to be issued (the “Senior Indenture”) was presented to the Commission at that time. In accordance with the Act, the covenants and agreements authorized by the Act and included in the Senior Indenture were approved by said Order for inclusion in substantially such form in the Senior Indenture executed by GPA; and certain modifications of such form were approved by Order of the Commission adopted on December 3, 1992.

GPA executed and delivered the Senior Indenture on January 5, 1993, and has previously issued six series of Senior Bonds, having the terms and issued for the purposes authorized and approved by Orders of the Commission heretofore adopted.

GPA has now applied to the Commission for approval of one or more additional series of revenue bonds for the purpose of financing the projects authorized to be financed thereby in accordance with the Act, to pay costs of issuance, to pay for credit enhancement, if any, to pay for capitalized interest, and to fund a deposit to the debt service reserve fund in respect of such Senior Bonds, in each case subject to the terms and conditions approved in Public Law 32-140, as the same may be amended (the “GPA 2014 Bonds Law”).

Such additional series of Senior Bonds (the “2014 Senior Bonds” or the “Additional Bonds”) shall be in an aggregate principal amount not to exceed \$89 million, for the purposes of financing the projects described in Exhibit A to this Order (the “New Projects”).

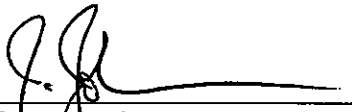
The proposed form of the Sixth Supplemental Indenture (the “Sixth Supplemental Indenture”) pursuant to which the 2014 Senior Bonds are proposed to be issued (together with certain financial and other relevant information) are attached hereto, together with the Senior Indenture, as Exhibit B (collectively, the “Supplemental Indenture”).

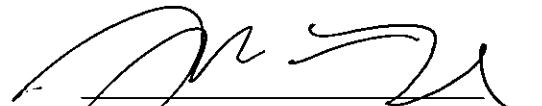
The Commission, having duly considered the application of GPA and the information presented on GPA's behalf, and having determined that the issuance of the Additional Bonds for such purposes are just and reasonable, orders as follows:

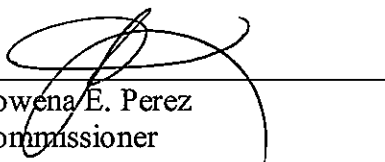
1. The covenants and agreements authorized by Section 8210 of the Act and included in Exhibit B are hereby approved for inclusion in substantially such form in the Senior Indenture as supplemented by the Sixth Supplemental Indenture executed by GPA; provided, however, that any material modification or amendment of the Sixth Supplemental Indenture shall be subject to the Commission's prior review and approval. GPA shall have the responsibility of bringing any such material modification or amendment to the Commission's attention. The Commission's Legal Counsel is hereby authorized to determine and confirm, by closing certificate or otherwise, that the form of the supplemental indenture executed and delivered by GPA does not contain any material modification or amendment from the proposed form of the Sixth Supplemental Indenture included in Exhibit B and hereby approved by the Commission.
2. For the purposes of implementing the New Projects, GPA is authorized to borrow funds under the terms and conditions described in Exhibit B. The aggregate principal amount of Additional Bonds that may be issued may not exceed \$89,000,000 and shall be the amount projected to be necessary to implement the New Projects, and provide for costs of issuance, credit enhancement, if any, to pay for capitalized interest, and to fund a deposit to the debt service reserve fund in respect of such 2014 Senior Bonds.


The final maturity of the Additional Bonds shall be less than 31 years after the date of their issuance.

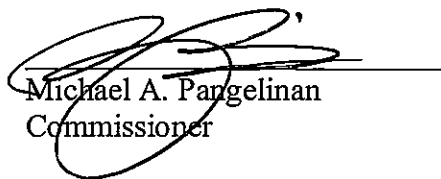
Dated this 31st day of July 2014.



Jeffrey C. Johnson
Chairman


Joseph M. McDonald
Commissioner


Rowena E. Perez
Commissioner


Peter Montinola
Commissioner


Michael A. Pangelinan
Commissioner


Andrew L. Niven
Commissioner



Filomena M. Cantoria
Commissioner

EXHIBIT A

NEW PROJECTS

(1) Up to Fifty Six Million Four Hundred Seventy Seven Thousand Dollars (\$56,477,000) for the following Generation Improvements projects:

(A) reimbursement of GPA for costs associated with the Environmental Compliance Program (Diesel RICE MACT);

(B) Cabras 1 Major Boiler Overhaul;

(C) Cabras 2 Turbine & Boiler Overhaul;

(D) Cabras 3 & 4 Major Overhaul and Maintenance;

(E) Cabras Compound Employee and Visitor Parking Lot;

(F) Generator Protection Upgrade with Fault Recorders;

(G) Dededo CT Return to Service Phases I and

(H) Diesel Plan Major Overhaul and Maintenance and Diesel Fuel Oil Tank Repairs;

(I) Energy Storage Equipment (Renewable Energy Impact Mitigation); and

(J) Liquefied Natural Gas Initial Startup.

(2) Up to Five Million Five Hundred Eighty Six Thousand Dollars (\$5,586,000) for the following Transmission System Improvements projects:

(A) Piti 115 kV GIS Major Maintenance;

(B) System Protection Improvement & Cap Bank Controllers Phases I and II;

(C) Substation Major Refurbishment (San Vitores T-122, Harmon 1500 and 1501, Macheche T90);

(D) 13.8 kV Breaker Upgrades Phases 1 and II;

(E) 34.5 kV Breaker Upgrades Phase 1;

(F) Agat Shoreline Pole Restoration Project;

(G) Dededo Substation Capacitor Bank;

(H) Substation Battery Banks/Chargers Upgrade; and

(I) Harmon X82 to Vigo X160 Overhead Line Upgrade Phase I.

(3) Up to One Million Five Hundred Eighty Seven Thousand Dollars (\$1,587,000) for the following Distribution Improvements projects:

(A) Distribution Improvements;

(B) Smart Grid Sub-Projects (not covered by grant); and

(C) Mobile Workforce Management.

(4) Up to Two Million Nine Hundred Thousand Dollars (\$2,900,000) for the following Supervisory Control and Data Acquisition System Upgrades projects:

(A) Power System Control Center Reliability Improvements; and

(B) Network Communication — Fiber to Fadian Complex.

(5) Up to Two Million Four Hundred Fifty Thousand Dollars (\$2,450,000) for the following Cyber Security and Information Technology Upgrades projects:

(A) Upgrade of Facilities Physical Security; and

(B) Information Technology Upgrades.

Exhibit "B"

GUAM POWER AUTHORITY

and

BANK OF GUAM,
as Trustee and Depositary

and

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

SIXTH SUPPLEMENTAL INDENTURE

Dated as of September 1, 2014

Relating to \$[2014A PAR] Principal Amount
of Guam Power Authority
Revenue Bonds, 2014 Series A

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THIS SIXTH SUPPLEMENTAL INDENTURE, made and entered into as of the first day of September 2014, by and among GUAM POWER AUTHORITY, a public corporation of the Government of Guam duly organized and existing under and by virtue of the laws of Guam (the "Authority"), BANK OF GUAM, a banking corporation organized under the laws of Guam, authorized to do business within Guam, and being qualified to accept and administer the trusts hereby created, as trustee (the "Trustee" or the "Depositary"), and U.S. BANK NATIONAL ASSOCIATION, a national banking association organized under the laws of the United States of America, and being qualified to accept and administer the trusts hereby created, as successor co-trustee (the "Co-Trustee"),

W I T N E S S E T H

WHEREAS, pursuant to the Guam Power Authority Act of 1968, being Chapter 8, Title 12, Guam Code Annotated, as amended (the "Act"), the Board of Directors of the Authority (the "Board") is authorized to incur indebtedness by the issuance of revenue bonds, with the approval of the Governor, to raise funds for the purpose of establishing the electric power system of the Authority (the "System"), or of acquiring lands for the system, or of acquiring, constructing, improving, equipping, maintaining, repairing, renewing, replacing, reconstructing or insuring the system, or any part thereof, or for the purpose of refunding any such bonds, or for any combination of such purposes;

WHEREAS, the Authority has determined to issue revenue bonds for such purposes and to that end has duly authorized the execution and delivery of that certain Indenture, dated as of December 1, 1992, as previously supplemented and amended, among the Authority, the Trustee and the Co-Trustee (the "Indenture"), to secure the payment of the principal thereof and the interest and premium, if any, thereon, and the observance of the covenants and conditions therein contained;

WHEREAS, no Event of Default has occurred and is now occurring;

WHEREAS, revenue bonds may be issued pursuant to the Indenture and one or more indentures supplemental thereto, from time to time, in an aggregate principal amount not limited except as therein provided, and said revenue bonds are to be designated as the "Guam Power Authority Revenue Bonds" (the "Bonds");

WHEREAS, pursuant to the Indenture, the Authority heretofore issued its Revenue Bonds, 1992 Series A (the "1992 Bonds") in the original aggregate principal amount of \$158,000,000 to refund certain indebtedness of the Authority and to pay for costs of improvements to the System;

WHEREAS, pursuant to the Indenture, the Authority heretofore issued its Revenue Bonds, 1993 Series A (the "1993 Bonds") in the original aggregate principal amount of \$100,000,000 to pay for costs of improvements to the System;

WHEREAS, pursuant to the Indenture, the Authority heretofore issued its Revenue Bonds, 1994 Series A (the "1994 Bonds") pursuant to the Indenture in the original aggregate principal amount of \$102,900,000 to pay for costs of certain improvements to the System;

WHEREAS, pursuant to the Indenture, the Authority heretofore issued its Revenue Bonds, 1999 Series A (the “1999 Bonds”) in the original aggregate principal amount of \$349,178,601 to finance and refinance certain costs of the acquisition, construction, improvement, equipment, maintenance, repair, renewal, replacement, reconstruction and insurance of the System;

WHEREAS, pursuant to the Indenture, the Authority heretofore issued its Revenue Bonds, 2010 Series A (the “2010 Bonds”) in the original aggregate principal amount of \$150,440,000 to finance certain costs of the acquisition, construction, improvement, equipment, maintenance, repair, renewal, replacement, reconstruction and insurance of the System;

WHEREAS, pursuant to the Indenture, the Authority heretofore issued its Revenue Bonds, 2012 Series A (the “2012 Bonds”) in the original aggregate principal amount of \$340,620,000 to refinance certain costs of the acquisition, construction, improvement, equipment, maintenance, repair, renewal, replacement, reconstruction and insurance of the System through the redemption in full of the remaining outstanding aggregate principal amount of the Authority’s 1993 Bonds and 1999 Bonds;

WHEREAS, the Authority has determined that it is necessary to undertake certain capital improvements to the System, and Section 8203(d), Title 12, Guam Code Annotated, authorizes the issuance of revenue bonds of the Authority to finance the costs of such capital improvements;

WHEREAS, it is now desirable and necessary and in the best interests of the Authority to authorize the issuance of \$[2014A PAR] aggregate principal amount of Bonds further designated as “2014 Series A” (the “2014 Series A Bonds”) in order to provide money to be used to finance certain costs of the acquisition, construction, improvement, equipment, maintenance, repair, renewal, replacement, reconstruction and insurance of the System;

WHEREAS, as required by Section 50103(k), Title 12, Guam Code Annotated, the Legislature of Guam has, by P.L. No. 32-140, approved the terms and conditions of the issuance of revenue bonds to be issued by the Authority for the purpose of financing the costs of certain additional capital projects as set forth therein;

WHEREAS, as provided by Section 50103(k), Title 12, Guam Code Annotated, the Guam Economic Development Authority has approved the issuance and sale of the 2014 Series A Bonds;

[WHEREAS, the Authority wishes to provide Bond Insurance for certain Maturities of the 2014 Series A Bonds]; and

WHEREAS, all acts, conditions and things required by the laws of the United States of America and the Government of Guam to exist, to have happened and to have been performed precedent to and in connection with the issuance of the 2014 Series A Bonds exist, have happened, and have been performed in regular and due time, form and manner as required by law, and the Authority is now duly authorized and empowered, pursuant to each and every requirement of law, to issue said Bonds for the purpose, in the manner and upon the terms herein provided;

NOW, THEREFORE, THIS SUPPLEMENTAL INDENTURE WITNESSETH, in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the 2014 Series A Bonds by the owners thereof, and for other valuable consideration, the receipt whereof is hereby acknowledged, the Authority does hereby covenant and agree with the Trustee, the Depository and the Co-Trustee as follows:

ARTICLE XXXII

DEFINITIONS

Section 32.01. Definitions. Unless the context otherwise requires, the terms defined in the Indenture shall, for all purposes of this Supplemental Indenture and of any certificate, opinion or other document herein mentioned, have the meanings specified in the Indenture.

In addition, unless the context otherwise requires, the terms defined in this Section shall for all purposes of this Supplemental Indenture and of any certificate, opinion or other document herein mentioned, have the meanings herein specified.

Bond Year

“Bond Year” means, with respect to the 2014 Series A Bonds, the period of twelve consecutive months ending on [September 1] of each year if 2014 Series A Bonds are or will be Outstanding in such twelve-month period, provided the first Bond Year shall commence on the date of delivery of the 2014 Series A Bonds and end on [September 1], 2015.

Business Day

“Business Day” means any day other than a Saturday or Sunday or day upon which the Trustee is open for business at its Principal Office.

Continuing Disclosure Agreement

“Continuing Disclosure Agreement” means the Master Continuing Disclosure Agreement, dated as of May 1, 1999, among the Authority, the Trustee and the Co-Trustee, and all agreements supplemental thereto, including the Supplemental Continuing Disclosure Agreement, dated as of September 1, 2014, relating to the 2014 Series A Bonds.

Designated Banking Institution

“Designated Banking Institution” means an investment banking institution of national standing which is a primary United States government securities dealer designated by the Authority.

DTC

“DTC” means The Depository Trust Company, New York, New York, or any successor thereto.

Principal Payment Period

“Principal Payment Period” means, with respect to the 2014 Series A Bonds, the period beginning on the date of issuance of such Bonds and ending [September 1], 2015, and thereafter each period of twelve months ending on [September 1].

[2014 Insured Bonds

“2014 Insured Bonds” means the 2014 Series A Bonds maturing on October 1 in the years 20__ through 20__ (inclusive).]

2014 Series A Bonds; Current Interest Bonds; Term Bonds

“2014 Series A Bonds” means the Guam Power Authority Revenue Bonds, 2014 Series A, issued and Outstanding hereunder.

“Current Interest Bonds” means the 2014 Series A Bonds the interest on which is payable on each interest payment date to the maturity or redemption date thereof as set forth in Section 33.02(A).

“Term Bonds” means, with respect to the 2014 Series A Bonds, the 2014 Series A Bonds designated as such by Section 33.02, and which are payable at or before their specified maturity date or dates from Mandatory Sinking Account Payments established for that purpose and calculated to retire such Bonds on or before their specified maturity date or dates.

[2014 Series A Credit Facility

“2014 Series A Credit Facility” means the insurance policy issued by the 2014 Series A Credit Provider guaranteeing payment of the scheduled principal of and interest on the 2014 Insured Bonds when due.]

[2014 Series A Credit Provider

“2014 Series A Credit Provider” means [_____], or any successor thereto or assignee thereof.]

2014 Series A Projects

“2014 Series A Projects” means each of the following in such form as it may be implemented by the Authority (without treating any changes thereto as “modifications” for purposes of Section 3.03(D) of the Indenture):

[to come]

In addition, the Authority may substitute other Projects (without treating such substitution as a “modification” for purposes of Section 3.03(D) of the Indenture) by filing a Certificate of the Authority with the Trustee describing such substitute Projects and stating that such Projects have been approved in accordance with the Act and other applicable law.

ARTICLE XXXIII

AUTHORIZATION AND TERMS OF THE 2014 SERIES A BONDS

Section 33.01. Authorization of 2014 Series A Bonds. A Series of Bonds to be issued under the Indenture is hereby created for the purpose of providing moneys for deposit into the Construction Fund and withdrawal therefrom in accordance with law. The Bonds of such Series are designated as the "Guam Power Authority Revenue Bonds, 2014 Series A." The Authority intends that interest on the 2014 Series A Bonds be excluded from gross income for federal income tax purposes and that the 2014 Series A Bonds and the interest thereon be exempt from taxation by any state or political subdivision or the District of Columbia. The aggregate principal amount of 2014 Series A Bonds which may be issued and Outstanding under this Supplemental Indenture shall not exceed [_____] Dollars (\$[2014A PAR]).

Section 33.02. Terms of 2014 Series A Bonds; Appointments.

The 2014 Series A Bonds shall be issued as fully registered Bonds without coupons in the denominations of \$5,000 or any integral multiple thereof. The 2014 Series A Bonds shall be dated as of their date of issuance, and interest thereon shall be calculated on the basis of a 360-day year of twelve 30-day months and shall be payable on April 1 and October 1 of each year, commencing [October 1, 2014] (each, an "Interest Payment Date" for the 2014 Series A Bonds). Each Current Interest Bond shall bear interest from the Interest Payment Date next preceding the date of authentication thereof unless it is authenticated as of a day after a Record Date and on or before the related Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or unless it is authenticated on or before the Record Date for the first Interest Payment Date, in which event it shall bear interest from its date; provided, however, that if, at the time of authentication of any 2014 Series A Bond, interest is in default on Outstanding Bonds, such Bond shall bear interest from the date to which interest has previously been paid or made available for payment on the Outstanding 2014 Series A Bonds.

The Principal Payment Period for the 2014 Series A Bonds shall be the twelve calendar months next preceding each maturity date or Mandatory Sinking Account Payment date for such Bonds.

The Record Date for all scheduled payments of principal of and interest on the 2014 Series A Bonds shall be the 15th day of the calendar month next preceding the date each such payment is due, whether or not such 15th day is a Business Day.

The Co-Trustee is hereby appointed Paying Agent for the 2014 Series A Bonds. ~~The Principal Office of the Paying Agent shall be in Los Angeles, California, except that for~~ surrender and payment of 2014 Series A Bonds, the Principal Office of the Paying Agent shall be in St. Paul, Minnesota.

Payment of the interest on any 2014 Series A Bond shall be made to the person whose name appears on the bond registration books of the Co-Trustee as the registered owner thereof as of the close of business on the Record Date immediately preceding an Interest

Payment Date, such interest to be paid by check mailed by first class mail to such registered owner at such registered owner's address as it appears on such registration books. The principal, Accreted Value or Redemption Price of the 2014 Series A Bonds shall be payable in lawful money of the United States of America upon surrender thereof at the Principal Office of the Paying Agent. Upon the written request of a registered owner of one million dollars (\$1,000,000) or more in aggregate principal amount of 2014 Series A Bonds received prior to the applicable Record Date, payment of interest on and principal (including Redemption Price) of such Bonds shall be made by wire transfer from the Paying Agent to the registered owner of such Bonds to an account within the United States. Any such principal payment by wire transfer shall nevertheless be subject to prior surrender of the 2014 Series A Bonds with respect to which such payment is made. Each payment of interest or principal on 2014 Series A Bonds, whether by check or wire transfer, shall be accompanied by information specifying, for each maturity of such Bonds with respect to which such payment is being made, the amount and the CUSIP number (if available).

The following 2014 Series A Bonds are Current Interest Bonds and shall mature on the dates and in the amounts and shall bear interest at the rates per annum as set forth below:

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

[The 2014 Series A Bonds maturing on October 1, 20[] and October 1, 20[] are Term Bonds.]

The 2014 Series A Bonds shall be subject to redemption as provided in Section 33.03.

The 2014 Series A Bonds, the Co-Trustee's certificate of authentication and registration and the form of assignment to appear thereon shall be in substantially the form set forth in Exhibit A hereto, with necessary or appropriate variations, omissions and insertions as permitted or required by this Indenture. The 2014 Series A Bonds of each maturity shall be assigned the letters "RA" and shall be numbered in consecutive numerical order from 1 upwards.

Section 33.03. Redemption of the 2014 Series A Bonds.

(a) Optional Redemption. The 2014 Series A Bonds maturing on or before October 1, 20[] are not subject to optional redemption prior to their respective stated maturities. The 2014 Series A Bonds maturing after October 1, 20[] are subject to redemption prior to their respective stated maturities, at the option of the Authority, from any source of available funds, on any date on or after October 1, 20[], as a whole, or in part by such maturity or maturities as may be specified by Request of the Authority (and by lot within a maturity), at a Redemption Price equal to 100% of the aggregate principal amount thereof, plus interest accrued thereon to the date fixed for redemption.

The Authority shall notify the Trustee and the Co-Trustee in writing at least 60 days (or such lesser number of days acceptable to the Trustee and the Co-Trustee in the sole discretion of the Trustee and the Co-Trustee) prior to the date to be fixed for redemption of its intention to exercise its redemption option.

(b) Mandatory Sinking Account Redemption.

(i) The 2014 Series A Bonds maturing on October 1, 20[] are also subject to redemption prior to their stated maturity in part, by lot, from Mandatory Sinking Account Payments established for such maturity in this subsection (b)(i), upon payment of the principal amount thereof and accrued interest thereon to the date fixed for redemption, without premium. Subject to the terms and conditions set forth in this Section and in the Indenture, such Bonds shall be redeemed (or paid at maturity, as the case may be) by application of Mandatory Sinking Account Payments for such Bonds, in the amounts (after giving effect to the credits provided for in Section 5.03 of the Indenture) and on October 1 in the years hereinafter set forth:

Mandatory Sinking Account
Payments for Bonds Due October 1, 20[]

| <u>Year</u> | <u>Amount</u> |
|-------------|---------------|
|-------------|---------------|

*

* maturity

(ii) The 2014 Series A Bonds maturing on October 1, 20[] are also subject to redemption prior to their stated maturity in part, by lot, from Mandatory Sinking Account Payments established for such maturity in this subsection (b)(ii), upon payment of the principal amount thereof and accrued interest thereon to the date fixed for redemption, without premium. Subject to the terms and conditions set forth in this Section and in the Indenture, such Bonds shall be redeemed (or paid at maturity, as the case may be) by application of Mandatory Sinking Account Payments for such Bonds, in the amounts (after giving effect to the credits provided for in Section 5.03 of the Indenture) and on October 1 in the years hereinafter set forth:

Mandatory Sinking Account
Payments for Bonds Due October 1, 20[]

| <u>Year</u> | <u>Amount</u> |
|-------------|---------------|
|-------------|---------------|

*

* maturity

(iii) Upon the redemption of 2014 Series A Bonds pursuant to subsection (a) or other retirement of 2014 Series A Term Bonds in excess of any Mandatory Sinking Account Payments in any year, the principal amount of such Bonds shall be credited against such remaining Mandatory Sinking Account Payments as are designated by the Authority, in such manner as if such Mandatory Sinking Account Payments were maturities (i.e., to produce as nearly proportional reductions as practicable, provided that Mandatory Sinking Account Payments shall remain as integral multiples of the applicable minimum authorized Bond denomination).

(c) Extraordinary Optional Redemption. The 2014 Series A Bonds are subject to redemption at the option of the Authority on any date prior to their respective stated maturities, as a whole, or in part by lot within each maturity so that the reduction in Annual Debt Service for the 2014 Series A Bonds for each Bond Year after such redemption date shall be as nearly proportional as practicable, from and to the extent of proceeds received by the Authority due to a governmental taking of the System or portions thereof by eminent domain proceedings, if such amounts are not used for additions, improvements or extensions to the System, under the circumstances and upon the conditions and terms set forth in Section 6.14, at the principal amount thereof plus interest accrued thereon, without premium.

(d) Conditional Notice of Redemption; Rescission. Any notice of optional redemption of the 2014 Series A Bonds delivered in accordance with Section 4.03 may be conditional and if any condition stated in the notice of redemption shall not have been satisfied on or prior to the redemption date, said notice shall be of no force and effect and the Authority shall not be required to redeem the 2014 Series A Bonds thereby called for redemption, and the redemption shall be cancelled and the Trustee shall within a reasonable time thereafter give notice, to the persons and in the manner in which the notice of redemption was given, that such condition or conditions were not met and that the redemption was cancelled. In addition, the Authority may, at its option, on or prior to the date fixed for optional redemption in any notice of redemption of the 2014 Series A Bonds, rescind and cancel such notice of redemption, and any optional redemption of 2014 Series A Bonds and notice thereof shall be rescinded and cancelled and the Trustee shall give (in the same manner as notice of redemption was given) notice of such cancellation to the recipients of the notice of redemption being cancelled pursuant to the provisions of Section 4.03.

Section 33.04. Special Provisions as to Book-Entry Only System for 2014 Series A Bonds. (A) Notwithstanding any of the provisions of Sections 2.03 through 2.09 to the contrary, the 2014 Series A Bonds initially shall be issued in the form of a single, authenticated, fully registered bond for each stated maturity of such Bonds, representing the aggregate principal amount of such maturity; and the 2014 Series A Bonds shall be governed by the provisions of this Section 33.04.

(B) All of the Outstanding 2014 Series A Bonds shall, except as provided in this paragraph (B) and in paragraph (D) of this Section 33.04, be registered in the registration books kept by the Co-Trustee in the name of Cede & Co., as nominee of DTC, and the Authority, the Trustee, the Co-Trustee, the Paying Agent and the Depository shall have no responsibility or obligation to any Participant or to any person on behalf of which a Participant holds an interest in the 2014 Series A Bonds. Without limiting the immediately preceding

sentence, the Authority, the Trustee, the Co-Trustee, the Paying Agent and the Depository shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any Participant with respect to any ownership interest in the 2014 Series A Bonds, (ii) the delivery to any Participant or any other person, other than a Holder, as shown in the registration books kept by the Co-Trustee, of any notice with respect to the 2014 Series A Bonds, including any notice of redemption, or (iii) the payment to any Participant or any other person, other than a Holder, as shown in the registration books kept by the Co-Trustee, of any amount with respect to principal of or premium if any, or interest on the 2014 Series A Bonds or any consent given or action taken by DTC as registered owner of the 2014 Series A Bonds. The Authority, the Trustee, the Co-Trustee, the Paying Agent and the Depository may treat and consider the person in whose name each 2014 Series A Bond is registered in the registration books kept by the Co-Trustee as the holder and absolute owner of such Bond for the purpose of payment of principal, premium and interest with respect to such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Paying Agent shall pay all principal of and premium, if any, and interest on the 2014 Series A Bonds only to or upon the order of the respective Holders, as shown in the registration books kept by the Co-Trustee as provided in Section 2.06, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Authority's obligations with respect to payment of principal of and premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No person other than a Holder, as shown in the registration books kept by the Co-Trustee, shall receive a definitive Series 2014 A Bond pursuant to the Indenture. Upon delivery by DTC to the Authority or the Co-Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions herein with respect to Record Dates, the words "Cede & Co." in the Indenture shall refer to such new nominee of DTC.

(C) The delivery by the Authority of the Representation Letter relating to the 2014 Series A Bonds shall not in any way limit the provisions of paragraph (B) of this Section or in any other way impose upon the Authority any obligation whatsoever with respect to persons having interests in the Bonds other than the Holders, as shown on the registration books kept by the Co-Trustee. The Co-Trustee shall take all action necessary for all representations of the Co-Trustee in the Representation Letter with respect to the Co-Trustee to be complied with at all times.

(D) DTC may determine to discontinue providing its services with respect to the 2014 Series A Bonds at any time by giving reasonable written notice to the Authority and the Co-Trustee and discharging its responsibilities with respect thereto under applicable law. The Authority, in its sole discretion and without the consent of any other person, may terminate the services of DTC with respect to the 2014 Series A Bonds. Upon the discontinuance or termination of the services of DTC with respect to the 2014 Series A Bonds, unless a substitute securities Depository is appointed to undertake the functions of DTC hereunder, the Authority is obligated to deliver 2014 Series A Bonds at the expense of the beneficial owners of the 2014 Series A Bonds, as described in the Indenture, and the 2014 Series A Bonds shall no longer be restricted to being registered in the registration books kept by the Co-Trustee in the name of Cede & Co., as nominee of DTC, but may be registered in whatever name or names the Holders shall designate, in accordance with the provisions of the Indenture.

(E) Notwithstanding any other provision of the Indenture to the contrary, so long as any 2014 Series A Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal or, premium, if any, and interest on such 2014 Bond and all notices with respect thereto shall be made and given, respectively, in the manner provided in the Representation Letter. Holders shall have no lien or security interest in any rebate or refund paid by DTC to the Paying Agent which arises from the payment by the Paying Agent of principal of or interest on the 2014 Series A Bonds in immediately available funds to DTC.

(F) The Co-Trustee is hereby authorized and requested to execute and deliver the Representation Letter relating to the 2014 Series A Bonds and, in connection with any successor nominee for DTC or any successor Depository, enter into comparable arrangements, and shall have the same rights with respect to its actions thereunder as it has with respect to its actions under this Supplemental Indenture.

ARTICLE XXXIV

ISSUANCE OF 2014 SERIES A BONDS; APPLICATION OF PROCEEDS

Section 34.01. Issuance of 2014 Series A Bonds. At any time after the execution and delivery of this Supplemental Indenture, the Authority may sell and execute and the Co-Trustee shall authenticate and, upon the Order of the Authority, deliver the 2014 Series A Bonds in an aggregate principal amount not to exceed [] Thousand Dollars (\$[2014A PAR]).

Section 34.02. Application of Proceeds of 2014 Series A Bonds. The proceeds in the amount of \$[] received by the Authority from the sale of the 2014 Series A Bonds [(which proceeds are net of the amount of \$[] transferred directly by the underwriters for the 2014 Series A Bonds to the 2014 Series A Credit Provider for its premium relating to the issuance of the 2014 Series A Credit Facility)] shall be deposited with the Trustee, who shall forthwith apply such proceeds in the following manner, as directed by a Request of the Authority:

(A) The Trustee shall transfer to the Co-Trustee for deposit in the Bond Reserve Fund the amount of \$[], which amount is sufficient to increase the amount on deposit therein to at least \$[] (being the Bond Reserve Fund Requirement determined as of the closing date for the 2014 Series A Bonds.)

(B) The Trustee, acting as Depository for the Capitalized Interest Account, shall deposit \$[] of such proceeds in the Capitalized Interest Account established within the Construction Fund pursuant to Section 34.03.

(C) The Trustee, acting as Depository for the Construction Fund moneys derived from the issuance of the 2014 Series A Bonds, shall deposit the balance of such proceeds in the Construction Fund.

For purposes of effecting the transfers required by this Section 34.02, the Trustee is hereby authorized and directed to establish such temporary funds or accounts as shall be

administratively necessary or convenient thereto, as determined in the sole discretion of the Trustee.

The foregoing deposits shall be deemed to have been made to the Construction Fund for purposes of compliance with Section 8236 of the Act.

Section 34.03. Creation of Capitalized Interest Account; Application of Construction Fund and Capitalized Interest Account.

(a) The Depository shall reserve within the Construction Fund in a separate account (the “2014 Series A Capitalized Interest Account”) and transfer on or before each of the following dates from said account to the Co-Trustee for deposit in the Bond Fund the amounts specified below for such dates for the payment of Capitalized Interest on the 2014 Series A Bonds:

| Date | Amount of Transfer |
|-----------------|---------------------------|
| October 1, 20__ | \$ |
| April 1, 20__ | |
| October 1, 20__ | |
| April 1, 20__ | |
| October 1, 20__ | |
| April 1, 20__ | |
| October 1, 20__ | Balance |

Upon the last such transfer of moneys from the Capitalized Interest Account to the Co-Trustee for deposit to the Bond Fund, the Depository shall close the Capitalized Interest Account.

(b) The balance of the proceeds of the 2014 Series A Bonds in the Construction Fund and amounts transferred to the Construction Fund pursuant to Section 3.03 shall be applied in accordance with Section 3.03 for the purpose of paying, or reimbursing the Authority for the payment of, costs of the 2014 Series A Projects. No transfers shall be made after the Interest Payment Date next succeeding the date of receipt by the Depository and the Co-Trustee of a Certificate of the Authority to the effect that the 2014 Series A Projects have been completed.

ARTICLE XXXV

TAX COVENANTS

Section 35.01. 2014 Series A Rebate Account.

(A) The Trustee shall establish and maintain within the Rebate Fund a separate subaccount designated as the “2014 Series A Rebate Account.” There shall be deposited in the 2014 Series A Rebate Account from amounts in the Revenue Fund or other lawfully available moneys such amounts as are required to be deposited therein pursuant to the Tax Certificate with respect to the 2014 Series A Bonds. All money at any time deposited in the

2014 Series A Rebate Account shall be held by the Trustee in trust, to the extent required to satisfy the Rebate Requirement for the 2014 Series A Bonds (as defined in the Tax Certificate with respect to the 2014 Series A Bonds), for payment to the United States of America, and the United States of America is hereby granted a first lien on such money until such payment. All amounts required to be deposited into or on deposit in the 2014 Series A Rebate Account shall be governed exclusively by this Section and by the Tax Certificate with respect to the 2014 Series A Bonds (which is incorporated herein by reference).

In the event that the amount in the 2014 Series A Rebate Account exceeds the Rebate Requirement for the 2014 Series A Bonds, upon the Request of the Authority, the Trustee shall transfer the excess from the 2014 Series A Rebate Account to the Revenue Fund.

(B) Notwithstanding any provisions of this Section, if the Authority shall provide to the Trustee an opinion of Bond Counsel that any specified action required under this Section is no longer required or that some further or different action is required to maintain the exclusion from federal income tax of interest on any Series of Bonds, the Trustee and the Authority may conclusively rely on such opinion in complying with the requirements of this Section, and, notwithstanding Article IX of the Indenture, the covenants hereunder shall be deemed to be modified to that extent.

Section 35.02. Tax Covenants for 2014 Series A Bonds. (A) The Authority intends that interest on the 2014 Series A Bonds be excluded from gross income for federal income tax purposes and that the 2014 Series A Bonds and the interest thereon be exempt from taxation by any state or political subdivision or the District of Columbia.

(A) The Authority shall not use or permit the use of any proceeds of the 2014 Series A Bonds or any other funds of the Authority, directly or indirectly, to acquire any securities or obligations, and shall not use or permit the use of any amounts received by the Authority in any manner, and shall not take or permit to be taken any other action or actions, which would cause any such Bond to be an "arbitrage bond" within the meaning of Section 148 of the Code or to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

(B) The Authority shall at all times do and perform all acts and things permitted by law and the Indenture which are necessary or desirable in order to assure that interest paid on the 2014 Series A Bonds (or on any of them) shall be excluded from gross income for federal income tax purposes.

Section 35.03. Continuing Disclosure. The Authority hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement. Notwithstanding any other provision of this Supplemental Indenture, failure of the Authority to comply with the Continuing Disclosure Agreement shall not be considered an Event of Default; however, the Trustee shall, at the written request of any Participating Underwriter (as defined in the Continuing Disclosure Agreement) or of the Owners of at least 25% in aggregate principal amount of Outstanding 2014 Series A Bonds (but only to the extent funds in an amount satisfactory to the Trustee have been provided to it or it has been otherwise indemnified to its satisfaction for its payment or incurrence of any cost, liability, expense or additional charges and fees of the Trustee whatsoever, including, without limitation, reasonable fees and expenses of its attorneys), or any Owner or Beneficial Owner of any 2014 Series A Bond may, take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Authority, the Trustee or the Co-Trustee, as the case may be, to comply with their respective obligations under this Section. For purposes of this Section, “Beneficial Owner” means any person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any 2014 Series A Bonds (including persons holding 2014 Series A Bonds through nominees, depositories or other intermediaries).

ARTICLE XXXVI

PROVISIONS RELATING TO THE 2014 SERIES A CREDIT PROVIDER

[To be added if applicable]

IN WITNESS WHEREOF and in acceptance of the duties herein, the GUAM POWER AUTHORITY has caused this Supplemental Indenture to be signed in its name by its duly authorized officers, under its seal; BANK OF GUAM, as Trustee and as a Depositary, has caused this Supplemental Indenture to be signed in its corporate name by one of its authorized officers and its corporate seal to be hereunto affixed; and U.S. BANK NATIONAL ASSOCIATION, as Co-Trustee and as a Paying Agent, has caused this Supplemental Indenture to be signed in its corporate name by one of its authorized officers, all as of the day and year first above written.

GUAM POWER AUTHORITY

By _____
Chairperson

[SEAL]

By _____
Secretary

BANK OF GUAM, as Trustee and
Depositary

By _____
Authorized Officer

U.S. BANK NATIONAL ASSOCIATION, as Co-
Trustee and Paying Agent

By _____
Authorized Officer

[Signature page – Sixth Supplemental Indenture]

The foregoing Supplemental Indenture of Guam Power Authority providing for the issuance of revenue bonds for the purposes authorized by Sections 8203(d), Title 12, Guam Code Annotated, is hereby approved this first day of September 2014.

Governor of Guam

Approved as to form:

By _____
Attorney General

The foregoing Supplemental Indenture of Guam Power Authority, and the appointment of the Trustee, the Co-Trustee, the Paying Agent and the Depositary and the exercise of their respective powers and functions as set forth in such Supplemental Indenture, is hereby approved this first day of September 2014.

Director of Administration
Department of Administration
Government of Guam

[Signature page – Sixth Supplemental Indenture]

EXHIBIT A-1

[FORM OF SERIES 2014 A BOND]

No. RA - _____

\$

GUAM POWER AUTHORITY
REVENUE BOND, 2014 SERIES A
(Current Interest Bond)

| <u>INTEREST RATE</u> | <u>MATURITY DATE</u> | <u>DATED</u> | <u>CUSIP</u> |
|----------------------|----------------------|--------------------|--------------|
| | September 1, _____ | September __, 2014 | |

Registered Holder:

Principal Sum:

Dollars

GUAM POWER AUTHORITY, a public corporation of the Government of Guam duly organized and existing under and by virtue of the laws of Guam (herein called the "Authority"), for value received, hereby promises to pay (but only out of the Revenues and other assets pledged therefor as hereinafter mentioned) to the registered holder identified above or its registered assigns, on the maturity date specified above (subject to any right of prior redemption hereinafter mentioned), the principal sum specified above in lawful money of the United States of America; and to pay interest thereon, in like lawful money and solely from said Revenues and assets, from the interest payment date next preceding the date of authentication of this Bond (unless this Bond is authenticated as of a day during the period from the sixteenth day of the month next preceding any interest payment date to such interest payment date, inclusive, in which event it shall bear interest from such interest payment date, or unless this Bond is authenticated on or before September 15, 2014, in which event it shall bear interest from its date) until payment of such principal sum shall be discharged as provided in the Indenture hereinafter mentioned, at the interest rate specified above per annum, payable on April 1 and October 1 in each year, commencing [October 1, 2014]. The principal (or redemption price) hereof is payable upon surrender hereof at the corporate trust office of U.S. Bank National Association (herein called the "Co-Trustee" or the "Paying Agent"), in St. Paul, Minnesota, or other office specified by the Paying Agent, and the interest hereon is payable by check mailed by first class mail to the person in whose name this Bond is registered at the close of business on the fifteenth day of the month immediately preceding an interest payment date, at such person's address as it appears on the Bond registration books of the Co-Trustee. Upon the written request of any registered owner of \$1,000,000 or more in aggregate principal amount of 2014 Series A Bonds (hereinafter mentioned), payment of the principal or redemption price of and interest on such Bonds will be made by wire transfer as provided in the Indenture; provided that any such principal or

redemption payment shall nevertheless be subject to the prior surrender of the 2014 Series A Bonds with respect to which such payment is made.

This Bond is one of a duly authorized issue of bonds of the Authority designated as the "Guam Power Authority Revenue Bonds" (herein called the "Bonds"), unlimited in aggregate principal amount, except as otherwise provided in the laws of the United States of America and the Government of Guam and in the Indenture, which issue of Bonds consists or may consist of one or more series of varying dates, maturities, interest rates and redemption and other provisions, all issued or to be issued pursuant to Chapter 8, Title 12, Guam Code Annotated, as amended, and pursuant to that certain Indenture, dated as of December 1, 1992, as previously amended and supplemented and as supplemented by a Sixth Supplemental Indenture, dated as of September 1, 2014 (herein collectively called the "Indenture"), each by and among the Authority, the Co-Trustee and Bank of Guam, as Trustee and Depositary (herein called the "Trustee" or the "Depositary"). This Bond is also one of a duly authorized series of Bonds additionally designated "2014 Series A" (herein called the "2014 Series A Bonds"), in the aggregate principal amount of [] Dollars (\$[2014A PAR]) all issued under the provisions of the Indenture. The Bonds are issued for the purpose of providing moneys for the financing and refinancing certain costs of the acquisition, construction, improvement, equipment, maintenance, repair, renewal, replacement, reconstruction and insurance of the Authority's electric power system. Reference is hereby made to the Indenture (a copy of which is on file at said office of the Co-Trustee in Los Angeles, California and at the office of the Trustee in Guam) and all indentures supplemental thereto for a description of the rights thereunder of the registered owners of the Bonds, of the nature and extent of the security and provisions for payment of the Bonds, of the rights, duties and immunities of the Trustee, the Co-Trustee and the Depositary and of the rights and obligations of the Authority thereunder, to all the provisions of which Indenture the registered owner of this Bond, by acceptance hereof, assents and agrees.

The Bonds and the interest thereon (to the extent set forth in the Indenture) are payable from Revenues (as that term is defined in the Indenture) and other assets pledged as provided in the Indenture, and are secured by a pledge of said Revenues and assets (except to the extent of the Rebate Requirement referred to in the Indenture), subject only to provisions of the Indenture permitting the application thereof for or to the purposes and on the terms and conditions set forth in the Indenture.

The Bonds are limited obligations of the Authority and are not a lien or charge upon the funds or property of the Authority, except to the extent of the pledge and assignment hereinafter described. Neither the payment of the principal of this Bond nor any part thereof, nor of any interest thereon, is a debt, liability or obligation of the Government of Guam.

The 2014 Series A Bonds maturing after October 1, [20__] are subject to redemption prior to their respective stated maturities, at the option of the Authority, from any source of available funds, on any date on or after October 1, [20__], as a whole, or in part by such maturity or maturities as may be specified by the Authority (and by lot within a maturity), at a Redemption Price equal to [100%] of the aggregate principal amount thereof, plus interest accrued thereon to the date fixed for redemption.

[The 2014 Series A Bonds maturing on October 1, [20__] are also subject to redemption prior to their respective stated maturities, in part in lots of \$5,000 principal, from Mandatory Sinking Account Payments established for such maturity as provided in the Indenture, on October 1, [20__], and on each October 1 thereafter to and including October 1, [20__] at the principal amount thereof and interest accrued thereon to the date fixed for redemption, without premium.]

[The 2014 Series A Bonds maturing on October 1, [20__] are also subject to redemption prior to their respective stated maturities, in part in lots of \$5,000 principal, from Mandatory Sinking Account Payments established for such maturity as provided in the Indenture, on October 1, [20__], and on each October 1 thereafter to and including October 1, [20__] at the principal amount thereof and interest accrued thereon to the date fixed for redemption, without premium.]

The 2014 Bonds are subject to redemption at the option of the Authority on any date prior to their respective state maturities, as a whole, or in part by lot within each maturity so that the reduction in Annual Debt Service (as that term is defined in the Indenture) for the 2014 Bonds for each Bond Year (as that term is defined in the Indenture) after such redemption date shall be as nearly proportional as practicable, from and to the extent of proceeds received by the Authority due to a governmental taking of the System or portions thereof by eminent domain proceedings, if such amounts are not used for additions, improvements or extensions to the System, under the circumstances and upon the conditions and terms set forth in the Indenture, at the principal amount thereof plus interest accrued thereon, without premium.

Notice of any redemption, identifying the Bonds or portions thereof to be redeemed, shall be given by the Co-Trustee not less than 30 nor more than 60 days before the date fixed for redemption by first class mail to each of the registered owners of Bonds designated for redemption at their addresses appearing on the Bond registration books of the Co-Trustee on the date the Bonds to be redeemed are selected. Receipt of such notice by such registered owners shall not be a condition precedent to such redemption.

Any notice of optional redemption of the 2014 Series A Bonds may be conditional, and if any condition stated in the notice of redemption shall not have been satisfied on or prior to the redemption date, said notice shall be of no force and effect and the Authority shall not be required to redeem the 2014 Series A Bonds thereby called for redemption, and the redemption shall be cancelled, and the Trustee shall within a reasonable time thereafter give notice, to the persons and in the manner in which the notice of redemption was given, that such condition or conditions were not met and that the redemption was cancelled. In addition, the Authority may, at its option, on or prior to the date fixed for optional redemption in any notice of redemption of the 2014 Series A Bonds, rescind and cancel such notice of redemption, and any optional redemption of 2014 Series A Bonds and notice thereof shall be rescinded and cancelled, and the Trustee shall give (in the manner in which notice of redemption was given) notice of such cancellation to the recipients of the notice of redemption being cancelled.

If this Bond is called for redemption and payment is duly provided therefor as specified in the Indenture, interest shall cease to accrue hereon from and after the date fixed for redemption.

If an Event of Default (as that term is defined in the Indenture) shall occur, the principal of all Bonds (and the interest accrued thereon) may be declared due and payable upon the conditions, in the manner and with the effect provided in the Indenture. The Indenture provides that in certain events such a declaration and its consequences may be rescinded by the registered owners of not less than a majority in Accreted Value of the Bonds then outstanding.

The 2014 Series A Bonds are issuable only in fully registered form in denominations of \$5,000 or any integral multiple thereof. Subject to the limitations and upon payment of the charges, if any, provided in the Indenture, this Bond may be exchanged, at said office of the Co-Trustee, for a new fully registered Bond or Bonds, of the same series, maturity and tenor and of any authorized denomination or denominations and for the aggregate principal amount of this Bond then remaining outstanding.

This Bond is transferable by the registered owner hereof, in person or by its attorney duly authorized in writing, at said office of the Co-Trustee, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the Indenture, and upon surrender and cancellation of this Bond. Upon such transfer a new registered Bond or Bonds, of the same series, maturity and tenor and of any authorized denomination or denominations and for the same aggregate principal amount of this Bond then remaining outstanding will be issued to the transferee in exchange therefor. The Co-Trustee shall not be required to register the transfer of this Bond during the five days next preceding any date established by the Co-Trustee for the selection of Bonds for redemption or at any time after selection of this Bond for redemption.

The Authority, the Trustee, the Co-Trustee, the Paying Agent and the Depository may treat the registered owner hereof as the absolute owner hereof for all purposes, and none of the Authority, the Trustee, the Co-Trustee and the Depository shall be affected by any notice to the contrary.

The Indenture and the rights and obligations of the Authority, the registered owners of the Bonds, the Trustee, the Co-Trustee and the Depository may be modified or amended at any time in the manner, to the extent, and upon the terms provided in the Indenture, provided that no such modification or amendment shall (i) extend the fixed maturity of this Bond, or reduce the amount of principal hereof, or extend the time of payment or reduce the amount of any Mandatory Sinking Account Payment provided in the Indenture for the payment of this Bond, or extend the time of payment of any interest on this Bond or reduce the rate of interest hereon, without the consent of the registered owner hereof, or (ii) reduce the percentage of the principal amount of Bonds the consent of the registered owners of which is required to effect any such modification or amendment, permit the creation of any lien on the Revenues and other assets pledged as security for the Bonds (including additional Bonds hereafter issued) prior to or on a parity with the lien created by the Indenture or deprive the registered owners of the Bonds of the lien of the Indenture (except as expressly provided in the Indenture), without the consent of the registered owners of all Bonds then outstanding, all as more fully set forth in the Indenture.

This Bond shall not be entitled to any benefit under the Indenture, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon endorsed shall have been dated and manually signed by the Co-Trustee.

Unless this Bond is presented by an authorized representative of The Depository Trust Company to the Trustee for registration of transfer, exchange or payment, and any Bond issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

It is hereby certified and recited that any and all conditions, things and acts required to exist, to have happened and to have been performed precedent to and in the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by the laws of the United States of America and the Government of Guam, and that the amount of this Bond, together with all other indebtedness of the Authority, does not exceed any limit prescribed by such laws, and is not in excess of the amount of Bonds permitted to be issued under the Indenture.

IN WITNESS WHEREOF, GUAM POWER AUTHORITY has caused this Bond to be executed in its name and on its behalf by the facsimile signatures of its Chairman of the Board of Directors and the Secretary of the Board of Directors of the Authority and its seal to be reproduced hereon by facsimile, all as of the _____ day of _____ 2014.

GUAM POWER AUTHORITY

By _____
Chairman of the Board of
Directors of the Guam Power
Authority

(SEAL)

Countersigned:

By _____
Secretary of the Board of
Directors of the Guam Power
Authority

CERTIFICATE OF AUTHENTICATION

This is one the Bonds described in the within-mentioned Indenture which has been authenticated on _____.

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

By _____
Authorized Officer

[FORM OF]
ASSIGNMENT

The following abbreviations, when used in the inscription on the face of the within Bond and in the assignment below, shall be construed as though they were set out in full according to applicable laws or regulations.

TEN COM - as tenants in common
TEN ENT - as tenants by the entireties
JT TEN - as joint tenants with
right of survivorship and
not as tenants in common

UNIF GIFT MIN ACT - ___ Custodian ___
(Cust) (Minor)
under Uniform Gifts to Minors Act

(State)

Additional abbreviations may also be used though not in the above list.

For value received the undersigned do(es) hereby sell, assign and transfer unto _____ the within-mentioned registered Bond and hereby irrevocably constitute(s) and appoint(s) _____ attorney, to register the transfer the same on the books of the Co-Trustee with full power of substitution in the premises.

Dated: _____

NOTICE:

The signature on this Assignment must correspond with the name as it appears on the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

Signature Guaranteed:

Social Security Number, Taxpayer Identification Number or other Identifying Number of Assignee:

Notice: Signature must be guaranteed by an eligible guarantor institution.