EDDIE BAZA CALVO
Governor

RAY TENORIO
Lieutenant Governor

Office of the Governor of Guam

FEB 09 2016

33-16-1353
Office of the Speaker
Judith T. Won Pat, Ed.D.
Date: 02-11-16
Time: 9:45 AM
Received By: [illegible]

2016 FEB 11 AM 10:59

Honorable Judith T. Won Pat, Ed.D.
Speaker
I Mina'trentai Tres Na Liheslaturan Guåhan
155 Hesler Street
Hagåtña, Guam 96910

Dear Madame Speaker:

Transmitted herewith is Bill No. 208-33 (LS) **"AN ACT TO *AMEND* § 58104 OF CHAPTER 58, DIVISION 5, TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO THE REFINANCING OF THE GOVERNMENT OF GUAM'S OBLIGATIONS WITH RESPECT TO THE GUAM EDUCATION FINANCING FOUNDATION CERTIFICATES OF PARTICIPATION (GUAM PUBLIC SCHOOL FACILITIES PROJECT) SERIES 2006A, THE GUAM EDUCATION FINANCING FOUNDATION CERTIFICATES OF PARTICIPATION (GUAM PUBLIC SCHOOL FACILITIES PROJECT) SERIES 2006B, AND THE GUAM EDUCATION FINANCING FOUNDATION CERTIFICATES OF PARTICIPATION (GUAM PUBLIC SCHOOL FACILITIES PROJECT) SERIES 2008"** which was signed into law on February 3, 2016, as **Public Law 33-118.**

Senseramente,

RAY TENORIO
I Maga'låhen Guåhan, para pa'go
Acting Governor of Guam

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1353

I MINA'TRENTAI TRES NA LIHESLATURAN GUÅHAN
2016 (SECOND) Regular Session

CERTIFICATION OF PASSAGE OF AN ACT TO *I MAGA'LÅHEN GUÅHAN*

This is to certify that **Bill No. 208-33 (LS), "AN ACT TO *AMEND* § 58104 OF CHAPTER 58, DIVISION 5, TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO THE REFINANCING OF THE GOVERNMENT OF GUAM'S OBLIGATIONS WITH RESPECT TO THE GUAM EDUCATION FINANCING FOUNDATION CERTIFICATES OF PARTICIPATION (GUAM PUBLIC SCHOOL FACILITIES PROJECT) SERIES 2006A, THE GUAM EDUCATION FINANCING FOUNDATION CERTIFICATES OF PARTICIPATION (GUAM PUBLIC SCHOOL FACILITIES PROJECT) SERIES 2006B, AND THE GUAM EDUCATION FINANCING FOUNDATION CERTIFICATES OF PARTICIPATION (GUAM PUBLIC SCHOOL FACILITIES PROJECT) SERIES 2008,"** was on the 20th day of January 2016, duly and regularly passed.

Judith T. Won Pat, Ed.D.
Speaker

Attested:

Tina Rose Muña Barnes
Legislative Secretary

This Act was received by *I Maga'låhen Guåhan* this 22nd day of January, 2016, at 5:17 o'clock p.M.

Elizabeth A. Mafnas
Assistant Staff Officer
Maga'låhi's Office

APPROVED:

RAYMOND S. TENORIO
Acting Governor of Guam

Date: FEB 03 2016

Public Law No. 33-118

OFFICE OF THE GOVERNOR
CENTRAL FILES
Elizabeth A. Mafnas
TIME 5:47 RECEIVED BY DATE 1/22/16

I MINA'TRENTAI TRES NA LIHESLATURAN GUÅHAN
2015 (FIRST) Regular Session

Bill No. 208-33 (LS)
As amended on the Floor.

Introduced by:

Judith T. Won Pat, Ed.D.
Michael F.Q. San Nicolas
V. Anthony Ada
T. R. Muña Barnes
Dennis G. Rodriguez, Jr.
T. C. Ada
FRANK B. AGUON, JR.
Frank F. Blas, Jr.
B. J.F. Cruz
James V. Espaldon
Brant T. McCreadie
Tommy Morrison
R. J. Respicio
Mary Camacho Torres
N. B. Underwood, Ph.D.

AN ACT TO *AMEND* § 58104 OF CHAPTER 58, DIVISION 5, TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO THE REFINANCING OF THE GOVERNMENT OF GUAM'S OBLIGATIONS WITH RESPECT TO THE GUAM EDUCATION FINANCING FOUNDATION CERTIFICATES OF PARTICIPATION (GUAM PUBLIC SCHOOL FACILITIES PROJECT) SERIES 2006A, THE GUAM EDUCATION FINANCING FOUNDATION CERTIFICATES OF PARTICIPATION (GUAM PUBLIC SCHOOL FACILITIES PROJECT) SERIES 2006B, AND THE GUAM EDUCATION FINANCING FOUNDATION CERTIFICATES OF PARTICIPATION (GUAM PUBLIC SCHOOL FACILITIES PROJECT) SERIES 2008.

BE IT ENACTED BY THE PEOPLE OF GUAM:

Section 1. § 58104 of Chapter 58, Division 5, Title 5, Guam Code Annotated, is hereby *amended* to read as follows:

"**§ 58104. Authorization to Enter into Long-Term Leases.**

For the purpose of facilitating the refinancing of the design, construction and maintenance of an existing Education Facility or existing Education Facilities encompassed by this Act, the government of Guam or an Education Agency, as the case may be, is authorized to lease under existing contracts and/or existing amendments thereto, if required, to the Contractor, subject to legislative approval, sufficient government of Guam real property, to include, but *not* be limited to, Chamorro Land Trust Commission property and Guam Ancestral Lands Commission property, on which to construct, convert or rehabilitate an Education Facility; provided, such property is in the inventory of the Education Agency. The location of the property may be at the site of an existing Education Facility under the control of an Education Agency, which may be converted, rehabilitated or demolished and rebuilt under the provisions of this Act.

Any lease of property pursuant to this Act will be for a period mutually agreed upon between the Education Agency and the Contractor as may be reasonably necessary to amortize over the Lease-Back period of the Contract, the costs associated with the financing, design, construction and maintenance of the Education Facility, and in no event shall such period exceed thirty (30) years from the date of commencement of the Lease-Back period; and provided further, that with respect to leases of property for the sole purpose of refinancing the prior design, construction and maintenance of an existing Education Facility or existing Education Facilities: (1) any leases and/or amendments to such leases entered into for such purposes *shall*

not extend the original Lease-Back period relating to such prior design, construction and maintenance of an existing Education Facility or existing Education Facilities of any original leases applied to finance such prior design, construction and maintenance of an existing Education Facility or existing Education Facilities; (2) with respect to any existing leases and/or existing amendments to leases that have the effect of refinancing the government's obligations with respect to the Guam Education Financing Foundation Certificates of Participation Series 2006 and 2008 (2006 and 2008 Certificates), all obligations of the government to pay debt service with respect to the 2006 and 2008 Certificates being refinanced *shall* be discharged concurrently with the execution of the leases and/or amendments to leases entered into for such refinancing purpose, and thereafter any remaining debt service on the refunded 2006 and 2008 Certificates *shall* be payable solely from and secured solely by a refunding escrow established for such purpose; (3) the present value in the aggregate of debt service with respect to the government's obligations with respect to such new leases or amendments to leases *shall* be at least two percent (2%) less than the present value in the aggregate of debt service on the refunded 2006 and 2008 Certificates, using the yield on the refunding bonds as the discount rate; and (4) no increase in the amount of outstanding "public indebtedness" as that term is used in 48 USC 1423a (§11 of the Organic Act of Guam) shall result from the execution of any such existing leases and/or existing amendments to leases.

The Contractor *shall* lease back to the Education Agency the property for the Lease-Back period. Upon the expiration of the Lease and the Lease-Back periods and the fulfillment of the terms and conditions of the Lease-Back by the Education Agency, the property and the existing Education

1 Facility or existing Education Facilities *shall* become the property of the
2 Education Agency, and the Contractor shall have no further right, title or
3 interest in the property or the existing Education Facility or existing
4 Education Facilities."