

*I Mina'Trentai Dos Na Liheslaturan Guahan*  
**Bill Log Sheet**

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	FISCAL NOTES
<b>226-32 (COR)</b>	Judith T. Won Pat, Ed.D. T.R. Muna Barnes Aline A. Yamashita, Ph.D.	AN ACT TO ADD A NEW CHAPTER 58D TO TITLE 5 GUAM CODE ANNOTATED RELATIVE TO THE FINANCE, DESIGN, RENOVATION, REHABILITATION, CONSTRUCTION OR MAINTENANCE OF PUBLIC SCHOOLS.	11/22/2013 8:46 a.m.	11/22/13	Committee on Appropriations, Public Debt, Legal Affairs, Retirement, Public Parks, Recreation, Historic Preservation, and Land			<b>Fiscal Note Request Received 11/25/13</b>



## COMMITTEE ON RULES

*I Mina'trentai Dos na Liheslaturan Guåhan* • The 32nd Guam Legislature  
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MAJORITY LEADER

Senator  
Thomas C. Ada  
VICE CHAIRPERSON  
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Member

Senator  
V. Anthony Ada  
Member  
MINORITY LEADER

Senator  
Aline Yamashita  
Member

November 25, 2013

VIA E-MAIL  
[john.rios@bbmr.guam.gov](mailto:john.rios@bbmr.guam.gov)

John A. Rios  
Director  
Bureau of Budget & Management Research  
P.O. Box 2950  
Hagåtña, Guam 96910

RE: Request for Fiscal Notes– Bill Nos. 222-32 (COR) through 227-32(COR)

*Hafa Adai* Mr. Rios:

Transmitted herewith is a listing of *I Mina'trentai Dos na Liheslaturan Guåhan's* most recently introduced bills. Pursuant to 2 GCA §9103, I respectfully request the preparation of fiscal notes for the referenced bills.

*Si Yu'os ma'åse'* for your attention to this matter.

Very Truly Yours,

Senator Thomas C. Ada  
*Acting Chairperson of the Committee on Rules*

Attachment (1)

Cc: Clerk of the Legislature

2013 NOV 25 PM 5:29

Bill Nos.	Sponsor	Title
222-32 (COR)	Vicente (ben) C. Pangelinan	AN ACT TO AMEND §89.01(a)(2); TO AMEND §89.01(a)(2)(B); TO ADD A NEW SUBSECTION (C) TO §89.01(a)(2); TO AMEND §89.02(a)(2); TO AMEND §89.02(a)(3); TO AMEND §89.02(b)(2); TO AMEND §89.02(c)(1) AND TO ADD A NEW SUBSECTION (d) TO §89.02 ALL OF CHAPTER 89, 9 GUAM CODE ANNOTATED RELATIVE TO THE CRIMES AGAINST MINORS AND SEX OFFENDER REGISTRY.
223-32 (COR)	Vicente (ben) C. Pangelinan	AN ACT TO APPROPRIATE THE SUM OF FOUR HUNDRED THOUSAND DOLLARS (\$400,000) FOR THE COMPENSATION TO FARMERS FOR CROP DAMAGES PROGRAM ESTABLISHED PURSUANT TO CHAPTER 64A, TITLE 5 OF THE GUAM CODE ANNOTATED.
224-32 (COR)	T.C. Ada, R.J. Respicio	AN ACT TO AMEND §5425, §5426, §5427, §5450, §5452, §5480, §5481 AND §§5485 (a) and (b) OF ARTICLE 9, AND §5703, §5705, §5706(b), §5707(a), §5708 OF ARTICLE 12, CHAPTER 5, TITLE 5 OF THE GUAM CODE ANNOTATED RELATIVE TO CLARIFYING LEGAL AND CONTRACTUAL REMEDIES IN GUAM PROCUREMENT LAW.
225-32 (COR)	Judith T. Won Pat, Ed.D. T.R. Muna Barnes Aline A. Yamashita, Ph.D.	AN ACT TO ADD A NEW CHAPTER 58C TO TITLE 5 OF THE GUAM CODE ANNOTATED, RELATIVE TO THE RENOVATION OR CONSTRUCTION OF A NEW SIMON SANCHEZ HIGH SCHOOL AND TO AMEND AND RENUMBER §22425(q) ARTICLE 4, CHAPTER 22, DIVISION 2, TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO REVALUATION OF REAL PROPERTY TAXES AND TO AMEND §53101 OF TITLE 17 GUAM CODE ANNOTATED, RELATIVE TO EARLY CHILDHOOD PROGRAM FUND.
226-32 (COR)	Judith T. Won Pat, Ed.D. T.R. Muna Barnes Aline A. Yamashita, Ph.D.	AN ACT TO ADD A NEW CHAPTER 58D TO TITLE 5 GUAM CODE ANNOTATED RELATIVE TO THE FINANCE, DESIGN, RENOVATION, REHABILITATION, CONSTRUCTION OR MAINTENANCE OF PUBLIC SCHOOLS.
227-32 (COR)	T.C. Ada R.J. Respicio	AN ACT TO AUTHORIZE THE CREATION OF THE GUAM STREETLIGHT AUTHORITY TO ISSUE BONDS TO FINANCE THE PURCHASE AND INSTALLATION OF NEW LED STREETLIGHTS.



## COMMITTEE ON RULES

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Senator  
Rory J. Respicio  
CHAIRPERSON  
MAJORITY LEADER

November 22, 2013

Senator  
Thomas C. Ada  
VICE CHAIRPERSON  
ASSISTANT MAJORITY LEADER

### MEMORANDUM

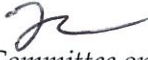
Senator  
Vicente (Ben) C. Pangelinan  
Member

**To: Rennae Meno**  
*Clerk of the Legislature*

Speaker  
Judith T.P. Won Pat, Ed.D.  
Member

**Attorney Therese M. Terlaje**  
*Legislative Legal Counsel*

Senator  
Dennis G. Rodriguez, Jr.  
Member

**From: Senator Thomas C. Ada**   
*Acting Chairperson of the Committee on Rules*

Vice-Speaker  
Benjamin J.F. Cruz  
Member

**Subject: Referral of Bill Nos. 225-32(COR) and 226-32(COR)**

Legislative Secretary  
Tina Rose Muña Barnes  
Member

As the Acting Chairperson of the Committee on Rules, I am forwarding my referral of **Bill Nos. 225-32(COR) and 226-32(COR)**.

Senator  
Frank Blas Aguon, Jr.  
Member

Please ensure that the subject bill is referred, in my name, to the respective committee, as shown on the attachment. I also request that the same be forwarded to all members of *I Mina'trentai Dos na Liheslaturan Guåhan*.

Senator  
Michael F.Q. San Nicolas  
Member

Should you have any questions, please feel free to contact our office at 472-7679.

*Si Yu'os Ma'åse!*

Senator  
V. Anthony Ada  
Member  
MINORITY LEADER




Attachment

Senator  
Aline Yamashita  
Member

**I MINA'TRENTAI DOS NA LIHESLATURAN GUÁHAN**  
**2013 (FIRST) Regular Session**

**Bill No.** 226-32 (WR)

Introduced by:

J. T. Won Pat, Ed.D.   
Aline A. Yamashita, Ph.D.   
Tina Rose Muña Barnes 

**AN ACT TO ADD A NEW CHAPTER 58D TO TITLE 5  
GUAM CODE ANNOTATED RELATIVE TO THE  
FINANCE, DESIGN, RENOVATION, REHABILITATION,  
CONSTRUCTION OR MAINTENANCE OF PUBLIC  
SCHOOLS.**

2013 JUN 20 AM 10:16

1 **BE IT ENACTED BY THE PEOPLE OF GUAM:**

2 **Section 1.** A new Chapter 58D is hereby *added* to Title 5 Guam Code  
3 Annotated to read as follows:

4 **“Chapter 58D** The finance, design, renovation, rehabilitation,  
5 construction *or* maintenance of Public Schools.

- 6 § 58D100. Legislative Findings and Intent.
- 7 § 58D101. Definitions.
- 8 § 58D102. Authorization to Enter into Long-Term Leases.
- 9 § 58D103. Programming Study
- 10 § 58D104. Identification of Projects and Procurement
- 11 § 58D105. Responsibilities of Contractor.
- 12 § 58D106. Contractual Safeguards.
- 13 § 58D107. Assignments.
- 14 § 58D108. Pledge of Revenues.
- 15 § 58D109. Use of Tax-Exempt Bond and Other Financing Instruments
- 16 for Financing.

1           § 58D110. Utilities, Maintenance and Repair.

2           § 58D111. Severability.

3           §58D100. **Legislative Findings and Intent.** *I Liheslaturan Guåhan*  
4 finds that Guam public schools facilities face deficiencies from roofing,  
5 exterior, interiors, structural, mechanical, electrical, plumbing, and school  
6 grounds which creates a non conducive environment that hinders learning and  
7 the work and production of teachers and students.

8           *I Liheslaturan Guåhan* finds that the Guam Department of Education is  
9 about \$90 Million behind on maintenance projects for the island's public  
10 schools, according to a report commissioned by the Department of the Interior  
11 in 2012, and recently submitted to the Guam Department of Education in  
12 August 2013.

13           It is therefore the intent of *I Liheslaturan Guåhan* for the government of  
14 Guam to use one quarter of the Business Privilege Tax to pay for the interest  
15 payments of the lease and lease-back as a form of bridge financing until the  
16 maturity of the Business Privilege Tax bond series 2013C.

17           Further, it is the intent of *I Liheslaturan Guåhan* that moneys allocated to  
18 school maintenance and repair be spent most effectively to advance the mission  
19 of the Guam Department of Education, and it is the intent herein to allocate  
20 funding for and direct to the Guam Department of Education to commission a  
21 programming and curriculum study based on the current Final Condition  
22 Assessment Summary from U.S. Department of Interior (the “Condition  
23 Assessment”) to generate a master plan and a prioritized list of the required  
24 work to deliver the most productive educational facilities based on near term  
25 and future needs using funds allocated by this legislation.

1            *I Liheslatura* finds that after reviewing the summary of outstanding  
2 General and Limited Obligation debts as of March 1, 2013 that the debt ceiling  
3 assess value is at One Billion One Hundred Thirty Nine Million Four Hundred  
4 Sixty Four Thousand Eight hundred Fifty Three Dollars (\$1,139,464,853). It  
5 also states that the General Obligation Debt is Four Hundred Forty Six Million  
6 Four Hundred Seventy Three Thousand Eight Hundred Fifty Three Dollars  
7 (\$446,473,853) and the Limited Obligation Debt is Six Hundred Sixty Three  
8 Million Eight Hundred Ninety Six Thousand Eight Hundred Three Dollars  
9 (\$663,896,803) with an accumulated total of One Billion One Hundred Ten  
10 Million Three Hundred Seventy Thousand Six Hundred Fifty Six Dollars  
11 (\$1,110,370,656). Subtracting the debt ceiling limit less the General and limited  
12 Obligation Debts leaves the amount for future debt obligation at Twenty Nine  
13 Million Ninety Four Thousand One Hundred Ninety Seven (\$29,094,197).

14            *I Liheslatura* further finds that the cost to fund the rehabilitation  
15 of the public Schools will certainly exceed the debt ceiling obligation if a  
16 General Obligation Bond is pursued. To circumvent Guam's debt ceiling cap, *I*  
17 *Liheslatura* finds that the construction of *Okkodo* High School, *Astumbo* Middle  
18 School, *Liguan* Elementary School, *Adacao* Elementary School, John F.  
19 Kennedy High School and the expansion of *Okkodo* High School has  
20 demonstrated the fundamental soundness of using municipal lease as a vehicle  
21 to build new educational facilities. By making the most of municipal leasing to  
22 rehabilitate and construct Guam public schools, the remaining future debt  
23 obligation may be used to fund other priorities of the government.

24            **§58D101. Definitions.** For purposes of this Chapter and *unless* otherwise  
25 specified, the following words and phrases are defined to mean:

1           (a) “Contract” *shall* mean the design, renovation, rehabilitation,  
2 construction, and financing contract entered into by and between the  
3 Education Agency and the Contractor chosen by the Guam Economic  
4 Development Agency and approved by *I Liheslaturan Guåhan*.

5           (b) “Contractor” *shall* mean the authorized entity which *shall* be  
6 the signatory on the Contract and *shall* be fully responsible for carrying  
7 out the design, renovation, rehabilitation, construction, financing, or  
8 maintenance of the Education Facility. The Contractor may cooperate  
9 with another entity *or* entities in any manner the Contractor deems  
10 appropriate to provide for the financing, design, renovation,  
11 rehabilitation, construction *or* maintenance of the public school facilities  
12 envisioned by this Act.

13           (c) “Education Agency” *shall* mean the Guam Department of  
14 Education.

15           (d) “Education Facility” as used in this Act *shall* mean public  
16 elementary and secondary schools on Guam to include its athletic fields  
17 and playgrounds, excluding the five leased schools under the Education  
18 Agency.

19           (e) “Lease” *shall* mean a lease from an Education Agency to the  
20 Contractor entered into at the time of the Contract for the Property.

21           (f) “Lease-Back” *shall* mean the lease from the Contractor to  
22 the Education Agency of the rehabilitated, renovated or newly  
23 constructed Education Facility.

24           (g) “Lease-Back Period” *shall* mean the term of the lease from  
25 the Contractor to the Education Agency.



1 (h) "Programming Study" shall mean that certain study  
2 commissioned by GDOE to assist it in prioritizing the work scope for the  
3 existing Education Facilities base on the department's mission and  
4 Curriculum.

5 (i) "Property" shall mean any property on which an Education  
6 Facility is located.

7 **§58D102. Authorization to Enter into Long-term Leases.** For the  
8 purpose of facilitating the financing, design, construction and rehabilitation and  
9 maintenance of an Education Facility encompassed by this Act, the government  
10 of Guam *or* an Education Agency, as the case may be, is authorized to lease, if  
11 required, to the Contractor sufficient government of Guam real property on  
12 which to rehabilitate an Education Facility; provided, such property is in the  
13 inventory of the Education Agency *or* the government of Guam. The property  
14 may be the site of an existing Education Facility under the control of an  
15 Education Agency, which existing facility may be rehabilitated under the  
16 provisions of this Act.

17 The Education Agency is also authorized to lease back from the  
18 Contractor the property for a period mutually agreed upon between the  
19 Education Agency and the Contractor as may be reasonably necessary to  
20 amortize over the Lease-Back Period the costs associated with the design,  
21 renovation, rehabilitation, construction *or* maintenance of the Education  
22 Facility. In no event shall the end of such Lease-Back Period be *later than* the  
23 date Thirty (30) years from the scheduled date of completion of the Education  
24 Facility. The Lease-Back may be structured as an annually renewable lease  
25 with provision for automatic renewals to the extent that pledged revenue under

1 Section 58D109 is available. The Lease-Back *shall not* be construed as a debt  
2 under any applicable debt limitation under the Guam Organic Act *or* Guam law.

3 **§58D103. Programming Study.** Under the Superintendent of  
4 Education's direction, the Education agency shall develop and prepare a  
5 Programming Study that shall be completed no later than September 1, 2014. If  
6 necessary, the Superintendent of Education may hire consultant(s) to conduct  
7 the Programming Study. The study shall consider the Final Condition  
8 Assessment dated August 2013 by the Department of Interior in terms of  
9 identified issues with facilities, and study the broader Education systems needs  
10 and priorities taking into account:

- 11 1) desired curriculum and programs offered or to be offered in addition  
12 to basic education, such as S.T.E.M. (science, technology  
13 engineering and math) facilities, vocational training, etc;
- 14 2) population densities, student count and population projections  
15 relative to location of existing facilities;
- 16 3) transportation, traffic and bussing logistics and associated costs;  
17 and
- 18 4) estimated cost of repair based on the Condition Assessment.

19 The Programming Study will provide the Education Agency a master  
20 plan for the highest and best use of the existing facilities given the  
21 educational priorities. Based on this master plan, the study will then  
22 provide a list in order of priority for repairs improvements detailed in the  
23 Condition Assessment, based on the master plan for the school system.  
24 Five Hundred Thousand Dollars (\$500,000) shall be allocated to conduct  
25 the Programming Study, and any monies unexpended shall be spent on  
26 school repairs and maintenance as provided herein. The scope of the

1 study shall not include work already completed in the Condition  
2 Assessment, but shall rely on the findings of the Condition Assessment to  
3 develop the master plan and list of priorities.

4 **§58D104. Programming Study Appropriation.** The sum of Five  
5 Hundred Thousand Dollars (\$500,000) is hereby is appropriated from the  
6 “Business Privilege Tax” (namely, 11 GCA Chapter 25, excluding the alcoholic  
7 beverage taxes, liquid fuel taxes, automotive surcharges, tobacco taxes and real  
8 property taxes) The Business Privilege Tax pledged or reserved shall only apply  
9 to the unpledged portion of the business privilege tax (currently one percentage  
10 point of the current four percent Business Privilege Tax rate) so as not to violate  
11 the government’s covenants to bondholders of the Series A, Series B and Series  
12 C Limited Obligation bonds authorized through Public Law 31-76, Public Law  
13 31-196 and Public Law 31-276. The sum of Five Hundred Thousand Dollars  
14 (\$500,000) will be used in fiscal year 2014 to fund the Programming Study.

15 **§58D105. Identification of Projects and Procurement.** Under the  
16 Superintendent of Education’s direction, the Education Agency shall utilize the  
17 Program Study and the report generated by the Department of Interior (DOI)-  
18 funded assessment report by the Army Corps of Engineers to identify and  
19 prioritize potential projects to be completed. The list of projects shall be  
20 included in a Request for Proposals developed by the Education Agency. Upon  
21 receipt of the Program Study than the Superintendent of Education shall solicit  
22 Requests for Proposals ('RFP') through the Department of Public Works, in  
23 compliance with the Guam Procurement Law, for the financing, design,  
24 Construct and Rehabilitate of the Education Facility, according to the needs  
25 of the Education Agency and consistent with this Chapter. The choice of the  
26 Contractor shall be made by a selection committee comprised of the

1 Superintendent of the Department of Education serving as Chairman and  
2 including the Director of the Department of Public Works or Deputy Director,  
3 the Director of the Department of Land Management or Deputy Director, the  
4 Administrator of Guam EPA or Deputy Administrator, and the Administrator of  
5 the Guam Economic Development Authority or Deputy Administrator. The  
6 committee shall access the prior performance of the Contractor on similar  
7 projects and shall be free to disqualify any Contractor that does not have a  
8 successful record of project completion on Guam.

9 The selection of a Contractor shall be based upon the proposal that  
10 delivers the best value for Guam in meeting the objectives of the Education  
11 Agency.

12 The RFP shall be issued within thirty (30) days after the receipt of the  
13 "Program Study" for the design, renovation, rehabilitation, construction *or*  
14 maintenance of the Education Facility.

15 **§58D106. Responsibilities of Developer / Contractor.** The Contract  
16 *shall* require that the Contractor be responsible for all costs, expenses and fees  
17 of any kind *or* nature, associated with the rehabilitation, design, civil  
18 improvements, on-site and off-site infrastructure, construction, permits, and  
19 financing associated with the completion of an Education Facility, including the  
20 financing of furniture and equipment for the Education Facility, as and to the  
21 extent provided by the Education Agency in the Request for Proposals. The  
22 Lease-Back may provide that *if* sufficient funds are *not* appropriated *or*  
23 otherwise available for the payment of amounts due under the lease, the  
24 Education Agency will have the obligation to vacate the Education Facility, and  
25 the Contractor *shall* have the right of use and occupancy of the Education  
26 Facility for the remainder of the term of the Lease, unless new mutually

1 satisfactory terms are entered into. For this purpose, the Lease may provide that  
2 its term *shall* be extended for a period *not to exceed* the shorter of ten (10) years  
3 beyond the original term of the Lease-Back *or* such period of time as is  
4 necessary to repay in full any financing arranged pursuant to Section 58D110 of  
5 this Chapter. The capital maintenance costs *shall* be paid by the Education  
6 Agency.

7 **§58D107. Contractual Safeguards.** Prior to undertaking the work of  
8 rehabilitating educational facilities, the Guam Economic Development  
9 Authority, The Department of Public Works, Guam Department of Education  
10 and the Developer or Contractor shall negotiate and enter into a binding  
11 construction contract to build or refurbish the educational facility in accordance  
12 with Guam Building Code, (21 G.C.A. Ch. 67) and any other applicable  
13 requirements. The Construction contract shall contain contractual obligations  
14 typically found in Government of Guam construction contracts, including but  
15 not limited to:

- 16 1. Warranties;
- 17 2. Liquidated damages;
- 18 3. Performance and payment bonds;
- 19 4. Indemnity;
- 20 5. Insurance;
- 21 6. Standard Specifications;
- 22 7. Technical Specifications;
- 23 8. Progress Schedule;
- 24 9. Maintenance;
- 25 10. Compliance with Guam Labor Regulations;

1 11. Compliance with Guam Prevailing Wage Rates for  
2 Employment of Temporary Alien Workers (H2) on Guam;

3 12. Compliance with Public Law 29-98: Restriction Against  
4 Contractors Employing Convicted Sex Offenders to Work at  
5 Government of Guam Venues.

6 The contract must be submitted for review and approval to all entities  
7 charged by law with the duty to review and approve government contracts,  
8 including the Office of the Attorney General.

9 **§ 58D108. Assignments.** To facilitate the purpose of this Act and  
10 provide security for the holders of any financing instruments issued pursuant to  
11 this Act, the Contractor may assign, without the need of the consent of the  
12 Education Agency, the Contract, the Lease and Lease-Back to any underwriter,  
13 trustee or other party as appropriate to facilitate the Contractor financing.

14 **§58D109. Pledge of Revenues.** (a) Rental payments under the Lease  
15 and the Lease-Back may be secured by a pledge or other reservation of  
16 revenues collected by the government of Guam from the following:

17 (1) Taxes collected under the “Business Privilege Tax Law”  
18 (namely, 11 GCA Chapter 25, excluding the alcoholic beverage taxes, liquid  
19 fuel taxes, automotive surcharges, tobacco taxes and real property taxes) The  
20 Business Privilege Tax pledged or reserved shall only apply to the unpledged  
21 portion of the business privilege tax (currently one percentage point of the  
22 current four percent Business Privilege Tax rate) so as not to violate the  
23 government’s covenants to bondholders of the Series A, Series B and Series C  
24 Limited Obligation bonds authorized through Public Law 31-76, Public Law  
25 31-196 and Public Law 31-276. The sum of approximately One Million Eight  
26 Hundred Eighty-Two Thousand and Eighty-Two Dollars (\$1,882,082) shall

1 fund interest in fiscal year 2015, and the sum of approximately Two Million  
2 Five Hundred Sixty Four Thousand One Hundred Sixty-Five Dollars  
3 (\$2,564,165) shall fund interest payment annually for fiscal years 2016 through  
4 2018.

5 (2) The sum of One Million Two Hundred Thousand Dollars  
6 (\$1,200,000) from the revenues received pursuant to §22425 (q)(5) of Article 4,  
7 Chapter 22 Division 2, Title 5, Guam Code Annotated will be available  
8 annually beginning in fiscal year 2016; and

9 (3) The sum of Four Million Eight Hundred Thousand Dollars  
10 (\$4,800,000) from the maturity of Business Privilege Tax bond series 2013C  
11 shall be available annually beginning in fiscal year 2019.

12 (b) Revenues pledged or reserved shall be remitted in the following  
13 manner:

14 (1) The Business Privilege Tax shall only pay for the interest  
15 payments of the Lease and the Lease-Back pending the maturity of the Business  
16 Privilege Tax bond series 2013C in Fiscal Year 2019 and said interest payments  
17 shall ceased.

18 (2) Revenues received pursuant to §22425 (q)(5) of Article 4,  
19 Chapter 22 Division 2, Title 5, Guam Code upon availability; and

20 (3) Upon the maturity of the Business Privilege Tax bond series  
21 2013C.

22 Any amounts pledged as provided in this Section are hereby continuously  
23 appropriated for the purpose of making Lease-Back payments, but any amounts  
24 only reserved as provided in this Section, and not pledged, shall be subject to  
25 annual appropriation for the purpose of making Lease-Back payments. The  
26 revenues pledged or reserved and thereafter received by the government of

1 Guam or by any trustee, depository or custodian shall be deposited in a separate  
2 account and shall be immediately subject to such reservation or the lien of such  
3 pledge without any physical delivery thereof or further act, and such reservation  
4 or the lien of such pledge shall be valid and binding against all parties having  
5 claims of any kind in tort, contract or otherwise against the government of  
6 Guam or such trustee, depository or custodian, irrespective of whether the  
7 parties have notice thereof. The instrument by which such pledge or reservation  
8 is created need not be recorded.

9 **§ 58D110. Use of Tax-Exempt Bond, Taxable Bond and Other**  
10 **Financing Instruments for Financing.** To minimize the financing cost to  
11 the Education Agency, financing utilized by the Contractor to fund the design,  
12 renovation, rehabilitation, construction *or* maintenance of an Education  
13 Facility *shall* be through tax-exempt obligations, Taxable Bond Obligation *or*  
14 other financial instruments provided such financing is available at interest rates  
15 determined by the Education Agency to be reasonable and competitive.  
16 Alternatively, the Contractor may use an alternative method of financing,  
17 including, but *not limited to*, a short term debt, mortgage, loan, federally  
18 guaranteed loan *or* loan by an instrumentality of the United States of America  
19 *if* such financing will better serve the needs of the people of Guam. Such  
20 alternative financing *shall* be approved by *I Liheslaturan Guåhan*. The  
21 purpose for the requirements of this Section is to assure the Education  
22 Agency pays the lowest possible interest rate so that the cost to the Education  
23 Agency of financing the design and construction of an Education Facility,  
24 amortized through the Lease-Back payments from the Education  
25 Agency to the Contractor, will be lower than regular commercial rates.

26 **§58D111. Utilities, Maintenance and Repair.** The Education Agency



1        *shall* be responsible for the connection and payment of all utilities, including  
2        without limitation, power, water, sewer, telephone and cable, and all  
3        maintenance and repair and exterior grounds keeping and landscaping and  
4        upkeep of the Education Facility.

5            **§58C112. Severability.** *If any provision of this Act or its application*  
6        *to any person or circumstance is found to be invalid or contrary to law, such*  
7        *invalidity shall not affect other provisions or applications of this Act which can*  
8        *be given effect without the invalid provisions or application, and to this end the*  
9        *provisions of this Act are severable.”*