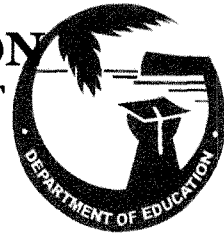




**DEPARTMENT OF EDUCATION  
OFFICE OF THE SUPERINTENDENT**



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**JON J. P. FERNANDEZ**  
Superintendent of Education

February 28, 2013

The Honorable Eddie Baza Calvo  
Governor of Guam  
Adelup, Guam 96910

Honorable Judith Won Pat, Ed.D.,  
Speaker, 32<sup>nd</sup> Guam Legislature  
155 Hesler Place  
Hagatna, Guam 96932

Mr. Henry Taitano  
Director, Guam Economic Development Authority  
590 South Marine Corps Drive  
Suite 511, GITC Building  
Tamuning, Guam 96913

**Subject: Guam Education Board Resolution No. 2013-02, Relative to the Financing of the Expansion of Okkodo High School**

Dear Governor Calvo, Speaker Won Pat and Mr. Taitano,

I am herewith transmitting the Guam Education Board (GEB) Resolution No. 2013-02 Relative to the Financing of the Expansion of Okkodo High School adopted during the GEB meeting on Wednesday, February 27, 2013.

GEB Resolution No. 2013-02 affirms that the GEB supports the expansion of the Okkodo High School facilities. The resolution addresses changes since the adoption of Resolution 2012-15 passed in November 2012 that similarly supports the expansion of Okkodo High School facilities.

If you should have any questions or concerns regarding the GEB Resolution attached, please feel free to call me at 300-1547 or Ms. Taling Taitano, Deputy Superintendent of Finance and Administrative Services, at 300-1556.

Senseramente,

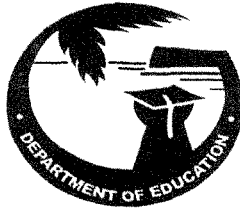
**JON J. P. FERNANDEZ**

Attachment

Cc: Chairman and Members, GEB  
Deputy Superintendent, Finance and Administrative Services

2013 MAR 11 AM 9:49 AM  
32-13-150a  
Office of the Speaker  
Judith T. Won Pat, Ed. D.  
Date: 3/1/13  
Time: 9:49 AM  
Received by: [Signature]

**GUAM EDUCATION BOARD  
RESOLUTION NUMBER 2013 - 02**



Introduced by:

Guam Education Board Members

**RELATIVE TO THE FINANCING OF THE EXPANSION OF  
OKKODO HIGH SCHOOL**

**WHEREAS**, the Government of Guam is responsible for the provision of an adequate education as established by the Organic Act of Guam, 48 USCA, §1421(g) (b); and

**WHEREAS**, pursuant to Chapter 3 of Title 17, Guam Code Annotated, the governance of the Department of Education is vested in the Guam Education Board; and

**WHEREAS**, there remains a critical shortage of classrooms and public school facilities in Guam; and

**WHEREAS**, the Board has found that the Okkodo campus is appropriate for the location of additional high school facilities; and

**WHEREAS**, pursuant to Chapter 58B of Title 5 of the Guam Code Annotated, as amended (the "Act"), the Legislature of Guam has authorized the Government of Guam or the Guam Department of Education (the "Department of Education" and, together with the Government of Guam, the "Government") to enter into a lease and lease-back (collectively, the "Leases") with a contractor for the purpose of providing for the expansion of Okkodo High School, in Dededo, Guam (the "Project"); and

**WHEREAS**, the base rental payable by the Government pursuant to the Leases will be assigned to a trustee (the "Trustee") that will in turn execute and deliver certificates of participation (the "Certificates") in such base rental payments pursuant to a trust agreement (the "Trust Agreement"), and the proceeds of the Certificates will finance the Project; and

**WHEREAS**, the Department of Education agrees that the reservation of funds available to the Government from the United States of America under Section 30 of the Guam Organic Act, pursuant to Section 58B106 of Title 5 of the Guam Code Annotated, is appropriate for the payment of the annual lease costs for the expansion of Okkodo High School; and

**WHEREAS**, the obligation of the Government to pay rental pursuant to the Leases will be subject to annual appropriation by the Guam Legislature; and

**WHEREAS**, this Board, pursuant to Resolution Number 2012-15 adopted on November 21, 2012, has previously approved draft forms of certain contracts to be entered into by the Department of Education in connection with the Project; and

**WHEREAS**, expectations about certain aspects of the financing for the Project have changed since the adoption of Resolution Number 2012-15; and

**WHEREAS**, the Certificates are now expected to be sold to Guam Education Financing Foundation II ("GEFF II") and certain accredited investors in a private placement, and the Certificates to be sold to GEFF II are expected to be assigned as collateral for a loan by Bank of Guam to GEFF II, and the Department of Education agrees that this is appropriate; and

**WHEREAS**, the Department of Education also expects to enter into an amendment to the Lease Agreement relating to the original construction of Okkodo High School (the "Prior Okkodo Lease") that will add to the covenants of the Department of Education therein a

covenant to enforce certain provisions of the Facility Lease, the Insurance and Maintenance Agreement and the Release of Site and to request appropriation from the Guam Legislature for rentals under the Prior Okkodo Lease; and

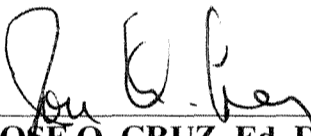
**WHEREAS**, the subsidy expected to be received from the federal government in connection with the Certificates issued as Qualified School Construction Bonds is expected to be used, to the extent appropriated by the Legislature, to prepay the rental under the Facility Lease or the Prior Okkodo Lease, or both;


**NOW THEREFORE BE IT RESOLVED**, that the Guam Education Board affirms its support of the expansion of the Okkodo High School facilities in accordance with the proposed plans described herein and in the Transaction Documents and pursuant to Chapter 58B of Title 5 of the Guam Code Annotated, and hereby confirms its prior findings and resolutions in furtherance of the Project, including Resolution Number 2012-15; and

**BE IT FURTHER RESOLVED**, that the Superintendent of the Department of Education, or, in the event of his absence, his designee in writing, is hereby authorized to take or direct to be taken all action by or on behalf of the Department of Education as may be necessary or appropriate to effectuate the purpose of this Resolution, prior resolutions of this Board in furtherance of the Project, and Chapter 58B of Title 5 of the Guam Code Annotated, and all such actions heretofore taken are hereby ratified, confirmed and approved; and

**BE IT FURTHER RESOLVED**, that a copy of this Resolution be transmitted to the Governor of Guam, *I Mina Trentai Dos Na Liheslaturan Guahan*, Bond Counsel for the transaction and the Administrator of Guam Economic Development Authority; and

**BE IT FURTHER RESOLVED, THAT THE GUAM EDUCATION BOARD DULY AND REGULARLY ADOPTS RESOLUTION NUMBER 2013 – 02 ON THIS 27<sup>TH</sup> DAY OF FEBRUARY 2013.**

  
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**JOSE Q. CRUZ, Ed. D.**  
**Chairman, Guam Education Board**

  
\_\_\_\_\_  
**JON J. FERNANDEZ**  
**Executive Secretary, Guam Education Board**