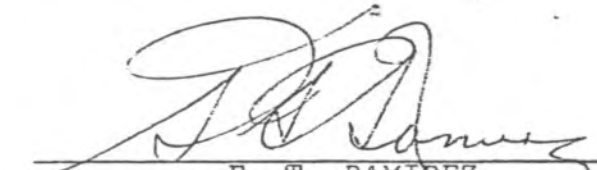


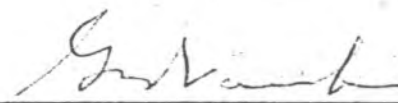
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CERTIFICATION OF PASSAGE OF AN ACT TO THE GOVERNOR


This is to certify that Bill No. 586, "An Act to amend Subsections (a), (d) and (g) of Section 53552, and Subsection (p) of Section 53553 Title LIV of the Government Code of Guam and to add an additional Chapter, designated Chapter IV, providing for the financing of hospital facilities for public and nonprofit agencies, by the issuance of revenue bonds by the Guam Economic Development Authority, and for other purposes", was on the 5th day of December, 1973, duly and regularly passed.


F. T. RAMIREZ
Speaker

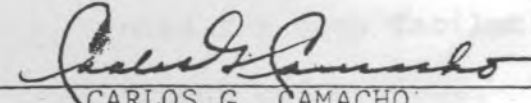
ATTESTED:


G. M. BAMBA
Legislative Secretary

This Act was received by the Governor this 13th day
of December, 1973 at 1:25 o'clock 9 P.M.


KEITH L. ANDREWS
Attorney General of Guam

APPROVED:


CARLOS G. CAMACHO
Governor of Guam

DATED: 12-20-73
3:47 pm

Public Law

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TWELFTH GUAM LEGISLATURE
1973 (FIRST) Regular Session

Bill No. 586

Introduced by

G. M. Bamba
F. T. Ramirez
J. F. Ada
V. D. Ada
P. J. Bordallo
P. M. Calvo
A. L. Cristobal
J. R. Ducnas
W. D. L. Flores
C. T. C. Gutierrez
F. G. Lujan
A. M. Palomo
J. M. Rivera
G. R. Salas
A. C. Sanchez
F. R. Santos
A. A. Sekt
R. F. Taitano
E. S. Terlaje
J. U. Torres
A. C. Ysrael

AN ACT TO AMEND SUBSECTIONS (a), (d)
AND (g) OF SECTION 53552 AND SUBSEC-
TION (p) OF SECTION 53553 TITLE LIV
OF THE GOVERNMENT CODE OF GUAM AND TO
ADD AN ADDITIONAL CHAPTER, DESIGNATED
CHAPTER IV, PROVIDING FOR THE FINANCING
OF HOSPITAL FACILITIES FOR PUBLIC AND
NONPROFIT AGENCIES, BY THE ISSUANCE
OF REVENUE BONDS BY THE GUAM ECONOMIC
DEVELOPMENT AUTHORITY, AND FOR OTHER
PURPOSES.

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

2 Section 1. Section 53552(a), of the Government Code of
3 Guam is amended by adding thereto the following paragraph:

4 "The Legislature has also found and determined that
5 there exists an acute shortage of adequate, modern and
6 efficient hospital facilities in Guam and that unless
7 measures are adopted to alleviate such conditions, the
8 need for such facilities will become increasingly more
9 urgent and serious. It is hereby declared that the
10 safety, health and welfare of the people of Guam require
11 the provision of adequate, modern and efficient hospital

1 facilities in the various parts of the territory, and
2 that it is the policy of the territory and a purpose of
3 this Act to provide the means necessary for the acquisi-
4 tion, construction, and provision of hospital facilities
5 to serve the general public and to make reasonably
6 accessible to all the people of Guam modern and efficient
7 hospital facilities. The Legislature has further found
8 and declared that the financing, acquisition, construction,
9 reconstruction, rehabilitation or improvement of hospital
10 facilities and the provision of such facilities as may be
11 incidental or appurtenant thereto are public uses and
12 public purposes for which public money may be expended
13 and that the enactment of this Act is necessary and proper
14 for effectuating the purposes hereof as hereinafter
15 provided."

16 Section 2. Section 53552(d) of the Government Code of
17 Guam is amended by adding the word "hospital", before the word
18 "housing".

19 Section 3. Section 53552(g) of the Government Code of
20 Guam is amended by adding the phrase "hospital facilities",
21 before the word "housing".

22 Section 4. Section 53553(p) is amended by adding the
23 phrase "hospital facilities" before the word "housing".

24 Section 5. Title LIV of the Government Code of Guam is
25 amended by adding thereto an additional Chapter, designated
26 Chapter IV, to read as follows:

27 "CHAPTER IV

28 Guam Economic Development Authority

29 Hospital Facilities Finance Act

30 Section 53608. Short title.

31 Section 53609.01. Definitions.

- 1 Section 53608.02. Additional powers of the board.
- 2 Section 53608.03. Criteria and requirements.
- 3 Section 53608.04. Additional powers of public
- 4 agencies.
- 5 Section 53608.05. Procedural requirements.
- 6 Section 53608.06. Operation of hospital
- 7 facilities; agreements of
- 8 lease; conveyance of hospital
- 9 facilities to lessee.
- 10 Section 53608.07. Construction contracts.
- 11 Section 53608.08. Credit of territory not
- 12 pledged.
- 13 Section 53608.09. Bonds and notes.
- 14 Section 53608.10. Covenants and agreements that
- 15 may be contained in the
- 16 indenture.
- 17 Section 53608.11. Revenues; pledges of revenues.
- 18 Section 53608.12. Federal Reserve member bank
- 19 as trustee for Board and
- 20 holders of bonds.
- 21 Section 53608.13. Trust funds.
- 22 Section 53608.14. Remedies.
- 23 Section 53608.15. Negotiable instruments.
- 24 Section 53608.16. Bonds or notes eligible for
- 25 investment.
- 26 Section 53608.17. Refunding bonds or notes.
- 27 Section 53608.18. Officers not liable.
- 28 Section 53608.19. Tax exemptions.
- 29 Section 53608.20. Conflict of interest.
- 30 Section 53608.21. Additional method.
- 31 Section 53608.22. Liberal construction.

1 Section 53608.23. Inconsistent laws inapplicable.

2 Section 53608.24. Publication of notice of
3 adoption of resolution.

4 Section 53608. Short title. This Chapter shall be
5 known as the 'Guam Economic Development Authority Hospital
6 Facilities Finance Act'.

7 Section 53608.01. Definitions. As used or referred
8 to in this Chapter, the following words and terms shall
9 have the following meanings, unless the context clearly
10 indicates otherwise:

11 (a) 'Board' means the Board of Directors of the Guam
12 Economic Development Authority;

13 (b) 'Bonds' or 'notes' means the revenue bonds or
14 bond anticipation notes, respectively, authorized to be
15 issued by the Corporation under this Chapter;

16 (c) 'Corporation' means the Guam Economic Development
17 Authority, created by Public Law 8-80, Eighth Guam Legis-
18 lature;

19 (d) 'Costs' as applied to any hospital facilities
20 means the costs of construction or acquisition; the cost
21 of acquisition of property, including rights in land and
22 other property, both real and personal and improved and
23 unimproved; the cost of demolishing, removing or relocating
24 any buildings or structures on land so acquired, including
25 the cost of acquiring any land to which such buildings or
26 structures may be moved or relocated; the cost of all
27 machinery, fixed and movable equipment and furnishings;
28 financing charges, interest prior to and during constructi-
29 and, if deemed advisable by the Board, for a period not
30 exceeding two (2) years after the estimated date of com-
31 pletion of construction, the cost of engineering and

1 architectural surveys, plans and specifications; the
2 cost of consulting and legal services and other expenses
3 necessary or incident to determining the feasibility or
4 practicability of constructing or acquiring such hospital
5 facilities; the cost of administrative and other expenses
6 necessary or incident to the construction or acquisition
7 of such hospital facilities, the cost of any service fees
8 to the Corporation; and the financing of the construction
9 or acquisition thereof, including reasonable provision for
10 working capital and a reserve for debt service; and the
11 cost of reimbursing any governmental agency or any lessee
12 of any hospital facilities any amounts expended for items
13 that would have been proper costs of such hospital facili-
14 ties within the meaning of this definition had such
15 expenditure been made directly by the Board; it shall also
16 mean the cost of refunding any indebtedness incurred for
17 any purpose for which bonds or notes may be issued pursuant
18 to this Chapter;

19 (e) 'Hospital facilities' means any one or more
20 buildings, structures, additions, extensions, improvements
21 or other facilities, which may, if the Board so decides, be
22 built to the specifications of the lessee, whether or not
23 located on the same site or sites, machinery, equipment,
24 furnishings or other real or personal property suitable for
25 health care or medical care; and includes, without limita-
26 tion, general hospitals, chronic diseases, maternity,
27 mental, tuberculosis and other specialized hospitals;
28 facilities for intensive care and self-care; clinics and
29 out-patient facilities; clinical, pathological and other
30 laboratories; hospital research facilities; laundries;
31 residences and training facilities for nurses, interns,

1 physicians and other staff members; food preparation and
2 food service facilities; administration buildings, central
3 service and other administrative facilities; communication,
4 computer and other electronic facilities, fire fighting
5 facilities, pharmaceutical and recreational facilities;
6 storage space, X-ray, laser, radiotherapy and other apparatus
7 and equipment; dispensaries; utilities; vehicular parking
8 lots and garages; office facilities for hospital staff
9 members and physicians; and such other health and hospital
10 facilities customarily under the jurisdiction of or
11 provided by hospitals, or any combination of the foregoing,
12 with all necessary, convenient or related interests in land,
13 machinery, apparatus, appliances, equipment, furnishings,
14 appurtenances, site preparation, landscaping and physical
15 amenities; hospital facilities shall not include any
16 property used or to be used for sectarian instruction or
17 study or as a place for devotional activities or religious
18 worship;

19 (f) 'Indenture' means a resolution adopted or an
20 agreement entered into and approved or adopted by a majority
21 of all members of the Board and the Governor, and by the
22 Legislature by resolution, providing for the issuance of
23 bonds or notes;

24 (g) 'Nonprofit agency' means any nonprofit corporation
25 existing or hereafter created and empowered to acquire, by
26 lease or otherwise, operate and maintain hospital facilities

27 (h) 'Organic Act' means the Organic Act of Guam as
28 amended and in effect on the effective date of this Chapter;

29 (i) 'Public agency' means any entity established by
30 the laws of Guam, whose governing and policy determining
31 body is appointed by the Governor or Legislature of the

1 territory of Guam, and whose functions or purposes include
2 the provision or operation of hospital facilities for the
3 people of Guam; it also means any municipality, other
4 political subdivision or agency or instrumentality of
5 the territory of Guam;

6 (j) 'Territory' means the territory of Guam.

7 Section 53608.02. Additional powers of the Board.

8 In addition to all powers heretofore or hereafter conferred
9 upon it by law, the Board shall have the power and is
10 hereby authorized:

11 (a) To incur indebtedness, and to issue bonds or
12 notes therefor, as provided in this Chapter, in order to
13 finance and refinance, acquire, construct, equip, provide,
14 operate, own, repair, maintain, extend, improve, rehabili-
15 tate, renovate and furnish any hospital facilities, and
16 to issue revenue bonds and revenue refunding bonds for
17 such purposes;

18 (b) To pledge or assign any money, rents, charges,
19 fees or other revenues and any proceeds derived by the
20 Corporation from sales of property, insurance, condemnation
21 awards or other sources;

22 (c) To pledge or assign the revenues and receipts
23 from any hospital facilities and any agreement of lease
24 or the rent and income received thereunder;

25 (d) To fix, revise, charge and collect or cause to
26 be fixed, revised, charged and collected rents, fees
27 and charges for the use of, or services rendered by, any
28 hospital facilities financed pursuant to this Chapter;

29 (e) To employ fiscal consultants, consulting engineers,
30 architects, attorneys, hospital consultants, appraisers
31 and such other consultants and employees as may be required

1 in their judgment and to fix and pay their compensation,
2 from funds available therefor;

3 (f) To conduct studies and surveys respecting the
4 need for hospital facilities and their location, financing
5 and construction;

6 (g) To apply to, accept, receive and agree to and
7 comply with the terms and conditions governing grants,
8 loans, advances, contributions, interest subsidies and other
9 aid with respect to hospital facilities from federal and
10 territorial agencies or instrumentalities and to accept,
11 receive and agree to and comply with the terms and condi-
12 tions governing payments under any health insurance program

13 Section 53608.03. Criteria and requirements. In
14 undertaking any hospital facilities pursuant to this Chapter
15 the Board shall be guided by and shall observe the following
16 criteria and requirements; provided that the determination
17 of the Board as to its compliance with such criteria and
18 requirements shall be final and conclusive:

19 (1) There is a need for the hospital facilities
20 in the area in which the hospital facilities are to
21 be located;

22 (2) No hospital facilities shall be leased to
23 any public or nonprofit agency unless the financial
24 feasibility of the financing is supported by a
25 feasibility study prepared by a professional hospital
26 consultant, which may be an independent firm or
27 certified public accountants, having a favorable
28 national repute for skill and experience in such
29 work;

30 (3) Adequate provision shall be made for the
31 payment of the principal of and the interest on the

1 bonds and any necessary reserves therefor and for
2 the operation, repair and maintenance of the hospital
3 facilities at the expense of the lessee; and

4 (4) The public facilities, including utilities,
5 and public services necessary for the hospital
6 facilities will be made available.

7 Section 53608.04. Additional powers of public
8 agencies. For the purposes of this Chapter, public agencies
9 are authorized and empowered to enter into contracts and
10 agreements, including agreements of lease, with the Board
11 to facilitate the financing, acquiring, constructing,
12 equipping, providing, operating and maintaining of hospital
13 facilities and pursuant to any such agreement of lease to
14 operate, repair and maintain any hospital facilities to
15 pay the cost thereof and the rent from any funds available
16 for such purposes.

17 Section 53608.05. Procedural requirements. In addi-
18 tion to hospital facilities initiated by the Board, any
19 public or nonprofit agency may submit to the Board, and
20 the Board may consider a proposal using such forms and
21 following such instructions as may be prescribed by the
22 Board for financing hospital facilities. Such proposal
23 shall set forth the type and location of the hospital
24 facilities and may include other information and data
25 available to the public or nonprofit agency respecting the
26 hospital facilities and the extent to which such hospital
27 facilities conform to the criteria and requirements set
28 forth in this Chapter. The Board may request the proposed
29 lessee to provide additional information and data respect-
30 ing the hospital facilities. The Board is authorized to
31 make or cause to be made such investigations, surveys,

1 studies, reports and reviews as in its judgment are
2 necessary and desirable to determine the feasibility and
3 desirability of the hospital facilities, the extent to
4 which the hospital facilities will contribute to the health
5 and welfare of the area in which they will be located, the
6 powers, experience, background, financial condition,
7 record of service and capability of the management of the
8 proposed lessee, the extent to which the hospital facilities
9 otherwise conform to the criteria and requirements
10 of this Article, and such other factors as may be deemed
11 relevant or convenient in carrying out the purposes of
12 this Article.

13 Section 53608.06. Operation of hospital facilities;
14 agreements of lease; conveyance of hospital facilities
15 to lessee. All hospital facilities shall be operated to
16 serve and benefit the general public and there shall be
17 no discrimination against any person based on race, creed,
18 color or national origin.

19 The Board may lease any hospital facilities to a
20 public or nonprofit agency for operation and maintenance
21 in such manner as shall effectuate the purposes of this
22 Chapter, under an agreement of lease in form and substance
23 not inconsistent herewith. Any such agreement of lease
24 may include provisions that:

25 (1) The lessee shall, at its own expense, operate,
26 repair and maintain the hospital facilities leased
27 thereunder;

28 (2) The rent payable under the lease shall in the
29 aggregate be not less than an amount sufficient to
30 pay all of the interest, principal and any redemption

1 premium on the bonds or notes issued by the Board to
2 pay the cost of the hospital facilities leased
3 thereunder;

4 (3) The lessee shall pay all other costs incurred
5 by the Board in connection with the providing of the
6 hospital facilities leased, except such costs as
7 may be paid out of the proceeds of bonds or notes
8 or otherwise, including, but without limitation,
9 any service charges to the Corporation, insurance
10 costs, the cost of administering the indenture
11 authorizing and securing such bonds or notes and
12 the fees and expenses of trustees, paying agents,
13 attorneys, consultants and others;

14 (4) The lease shall terminate not earlier
15 than on the date on which all such bonds and
16 all other obligations incurred by the Board in
17 connection with the hospital facilities leased
18 thereunder shall be paid in full or adequate
19 funds for such payment shall be deposited in
20 trust; and

21 (5) The lessee's obligation to pay rent shall
22 not be subject to cancellation, termination or
23 abatement by the lessee until the bonds have
24 been paid or sufficient funds have been made
25 available for such payment.

26 All obligations payable by a public agency under
27 an agreement of lease, including the obligation to
28 pay rent and to pay the costs of operating, repairing
29 and maintaining hospital facilities, shall be payable
30 solely from the revenues of the hospital facilities

1 being leased and shall not be payable from or charged
2 upon any funds of the public agency other than the
3 revenues pledged to such payment.

4 When the principal of and interest on bonds of
5 the Corporation issued to finance the cost of a
6 particular hospital facility, including any refunding
7 bonds issued to refund and refinance such bonds, have
8 been fully paid and retired, or when adequate provision
9 has been made to fully pay and retire the same, and all
10 other conditions of the indenture authorizing and
11 securing the same have been satisfied and the lien
12 of such indenture has been released in accordance
13 with the provisions thereof, the Corporation shall
14 promptly do such things and execute such deeds and
15 conveyances as are necessary and required to convey
16 title to such project or projects to such participa-
17 ting hospital facility free and clear of all liens and
18 encumbrances, all to the extent that title to such project
19 or projects shall not, at the time then be vested in such
20 participating hospital facility.

21 Section 53608.07. Construction contracts. Contracts
22 for the construction of any project, or any part thereof,
23 may be awarded by the Board in such manner as in its
24 judgment will best promote free and open competition,
25 including advertisement for competitive bids in a newspaper
26 of general circulation in Guam provided, however, that if
27 the Board shall determine that the purposes of this
28 Chapter will thereby be more effectively served, the
29 Board in its discretion may award contracts for the
30 construction of any project, or any part thereof, upon a
31 negotiated basis as determined by the Board. The Board

1 shall prescribe such bid security requirements and other
2 procedures in connection with the award of such contracts
3 as in its judgment shall protect the public interest.
4 The Board may by written contract engage the services of
5 the lessee or prospective lessee of any project in the
6 construction of such project and may provide in such
7 contract that the lessee or prospective lessee may act as
8 an agent of, or an independent contractor for, the Board
9 for the the performance of the functions described therein,
10 subject to such conditions and requirements, consistent
11 with the provisions of this Chapter as shall be prescribed
12 in such contract, including such functions as the acqui-
13 sition of the site and other real property for such
14 project, the preparation of plans, specifications and
15 contract documents, the award of construction and other
16 contracts upon a competitive or negotiated basis, the
17 construction of such project, or any part thereof,
18 directly by such lessee or prospective lessee, the inspec-
19 tion and supervision of construction, the employment of
20 engineers, architects, builders and other contractors and
21 the provision of money to pay the cost thereof pending
22 reimbursement by the Board. Any such contract may provide
23 that the Board may, out of proceeds of bonds, make
24 advances to or reimburse the lessee or prospective lessee
25 for its costs incurred in the performance of such func-
26 tions and shall set forth the supporting documents
27 required to be submitted to the Board and the reviews,
28 examinations and audits that shall be required in connec-
29 tion therewith to assure compliance with the provisions
30 of this Chapter and such contract.

31 Section 53608.08. Credit of territory not pledged.

1 Bonds or notes issued under the provisions of this
2 Chapter shall not be deemed to constitute a debt, liabi-
3 lity or obligation of the territory or of any political
4 subdivision thereof or a pledge of the faith and credit
5 of the territory or of any such political subdivision,
6 but shall be payable solely from the revenues and other
7 funds provided therefor. Each bond or note issued under
8 this Chapter shall contain on the face thereof a state-
9 ment to the effect that the Board shall not be obligated
10 to pay the same nor the interest thereon except from the
11 revenues and other funds pledged therefor and that
12 neither the faith and credit nor the taxing power of the
13 territory or of any political subdivision thereof is
14 pledged to the payment of the principal of or the interest
15 on such bond or note.

16 Expenses incurred by the Board in carrying out the
17 provisions of this Chapter may be made payable from funds
18 provided pursuant to, or made available for use under, this
19 Chapter and no liability shall be incurred by the Board
20 hereunder beyond the extent to which moneys shall have
21 been so provided.

22 Section 53603.09. Bonds and notes. The Board is
23 hereby authorized to provide for the issuance, at one
24 time or from time to time, of bonds or notes in anticipa-
25 tion of the issuance of bonds, useful or necessary in
26 carrying out and effectuating the purposes provided in
27 the indenture authorizing the issuance of such bonds. The
28 principal of and the interest on such bonds or notes shall
29 be payable solely from funds provided under this Chapter
30 for such payment. Any such notes may be made payable from
31 the proceeds of bonds or renewal notes or, in the event

1 bond or renewal note proceeds are not available, such
2 notes may be paid from any available revenues or other
3 funds provided therefor. The bonds or notes of each issue
4 shall be dated and may be made redeemable before maturity
5 at the option of the Board at such price or prices and
6 upon such terms and conditions as may be determined by the
7 Board. Any such bonds or notes shall bear interest at
8 such rate or rates as may be determined by the Board.
9 Notes shall mature at such time or times not exceeding
10 five (5) years from their date or dates and bonds shall
11 mature at such time or times not exceeding forty (40) years
12 from their date or dates, as may be determined by the Board.
13 The Board shall further determine the form and manner of
14 execution of the bonds or notes, including any interest
15 coupons to be attached thereto, and shall fix the
16 denomination or denominations and the place or places
17 of payment of principal and interest, which shall be a
18 Federal Reserve member trustee bank within or without the
19 territory. In case any officer whose signature or a facsi-
20 mile of whose signature shall appear on any bonds or notes
21 or coupons attached thereto shall cease to be such officer
22 before the delivery thereof, such signature or such
23 facsimile shall nevertheless be valid and sufficient for
24 all purposes the same as if he had remained in office
25 until such delivery. The Board may also provide for the
26 authentication of the bonds or notes by a trustee or
27 fiscal agent. The bonds or notes may be issued in
28 coupon or in registered form, or both as the Board may
29 determine, and provision may be made for the registration
30 of any coupon bonds or notes as to principal alone and
31 also as to both principal and interest, and for the

1 reconversion into coupon bonds or notes of any bonds
2 or notes registered as to both principal and interest,
3 and for the interchange of registered and coupon bonds
4 or notes.

5 Such bonds or notes may be sold in such manner,
6 either at public or private sale, and for such price
7 as the Board shall determine to be for the best interests
8 of the Corporation and effectuate best the purposes of
9 this Chapter, except that the discount on any bonds so
10 sold shall not exceed five percent (5%) without the written
11 consent of the Governor.

12 The proceeds of any bonds or notes shall be used
13 solely for the purposes for which issued and shall be
14 disbursed in such manner and under such restrictions,
15 if any, as the Board may provide in the indenture
16 authorizing and securing the issuance of such bonds or
17 notes.

18 Prior to the preparation of definitive bonds, the
19 Board may, under like restrictions, issue interim
20 receipts or temporary bonds, with or without coupons,
21 exchangeable for definitive bonds when such bonds shall
22 have been executed and are available for delivery. The
23 Board may also provide for the replacement of any bonds
24 or notes which shall become mutilated or shall be des-
25 troyed or lost.

26 Bonds or notes may be issued under the provisions
27 of this Chapter without obtaining, except as otherwise
28 expressly provided in this Chapter, the consent of any
29 department, division, commission, board, body, bureau or
30 agency of the territory, and without any other proceedings
31 or the happening of any conditions or things other than

1 those proceedings, conditions or things which are speci-
2 fically required by this Chapter and the provisions of
3 the indenture authorizing and securing the issuance of,
4 such bonds or notes.

5 Section 53608.10. Covenants and agreements that
6 may be contained in the indenture. Bonds or notes may
7 be issued in accordance with the provisions of this
8 Chapter pursuant to an indenture approved or adopted by
9 the Board and approved as well by the Governor and the
10 Legislature by resolution. Such indenture, which may
11 be secured by a trust agreement by and between the Board
12 and a Federal Reserve member trustee bank, may include
13 any and all covenants and agreements on the part of the
14 Authority as are authorized by this Chapter or as the
15 Board deems necessary or advisable for the better security
16 of the bonds issued thereunder, including, without
17 limiting the generality of the foregoing the power to
18 pledge or assign all or any part of the revenues of the
19 Board received pursuant to this Chapter, including,
20 without limitation, fees, rents, charges, insurance
21 proceeds, condemnation awards and any other revenues
22 and funds received in connection with any hospital
23 facilities, and may also mortgage any hospital facility,
24 or part thereof, as additional security for any bonds
25 issued under this Act. Such indenture may contain such
26 provisions for protecting and enforcing the rights and
27 remedies of the holders of any such bonds or notes as
28 may be reasonable and proper and not in violation of
29 law, including covenants setting forth the duties of the
30 Board in relation to the purposes to which bond or note
31 proceeds may be applied, the disposition or pledging of

1 the revenues of the Board, the duties of the Board with
2 respect to the acquisition, construction, maintenance,
3 repair and operation of any hospital facilities, the
4 fees, rents and charges to be fixed and collected in
5 connection therewith, the terms and conditions for the
6 issuance of additional bonds or notes, and the custody,
7 safeguarding and application of all moneys. It shall
8 be lawful for any Federal Reserve member trustee bank
9 which may act as depository of the proceeds of bonds or
10 notes, revenues or other money hereunder to furnish such
11 indemnifying bonds or to pledge such securities as may
12 be required by the Board. Any such indenture may set
13 forth the rights and remedies of the holders of any
14 bonds or notes and of the trustee, and may restrict the
15 individual right of action by any such holders. Such
16 indenture may also contain such other provisions as the
17 Board may deem reasonable and proper for the security
18 of the holders of any bonds or notes. Expenses incurred
19 in carrying out the provisions of such indenture as well
20 as any service charges to the Corporation may be treated
21 as a part of the cost of any hospital facilities or paid
22 from the revenues pledged or assigned to the payment of
23 the principal of and the interest on bonds or notes or
24 from any other funds available to the Board. In addition
25 to the foregoing the indenture may provide that the
26 Governor and the Director of Revenue and Taxation and all
27 other officers and agencies of the territory shall be
28 bound by all the covenants and agreements on the part of
29 the Board set forth in such indenture and that such
30 officers will also perform all such covenants and agreements
31 which, under the Organic Act or any provision of this

1 Code or any other statute of the territory, can be taken
2 for or on behalf or in lieu of the Board only by the
3 Governor, the Director of Revenue and Taxation or such
4 other officer or agency.

5 Section 53608.11. Revenues; pledges of revenues.

6 (a) The Board is hereby authorized to fix and to collect
7 fees, rents and charges for the use of any hospital faci-
8 lities, and any part or section thereof, and to contract
9 with any public or nonprofit agency for the use thereof.
10 The Board may require that the lessee or users of any
11 hospital facilities or any part thereof shall operate,
12 repair and maintain such facilities and shall bear the
13 cost thereof and other costs of the Board including any
14 appropriate service charges, in connection therewith, as
15 may be provided in the agreement of lease or other contract
16 with the Board, in addition to other obligations imposed
17 under such agreement or contract.

18 (b) The fees, rents and charges shall be fixed so as
19 to provide a fund sufficient, with such other funds as
20 may be made available therefor, (i) to pay the costs of
21 operating, repairing and maintaining the hospital
22 facilities, to the extent that adequate provision for the
23 payment of such costs has not otherwise been provided,
24 for, (ii) to pay the principal of and the interest on all
25 the bonds as the same shall become due and payable and
26 (iii) to create and maintain any reserves provided for
27 in the indenture authorizing and securing the issuance
28 of such bonds; provided, however, that nothing herein
29 shall prohibit the application of fees, rents and charges
30 to the payment of debt service on the bonds prior to the
31 payment of the costs of operating, repairing and maintaining

1 the hospital facilities.

2 (c) All pledges of fees, rents, charges and other
3 revenues under the provisions of this Article shall be
4 valid and binding from the time when such pledges are
5 made. All such revenues so pledged and thereafter received
6 by the Board shall immediately be subject to the lien of
7 such pledge without any physical delivery thereof or
8 further act, and the lien of any such pledge shall be
9 valid and binding as against all parties having claims
10 of any kind in tort, contract or otherwise against the
11 Board, irrespective of whether such parties have notice
12 thereof. The indenture by which a pledge is created
13 or any lease need not be filed or recorded except in the
14 records of the Board.

15 Section 53608.12. Federal Reserve member bank as
16 trustee for Board and holders of bonds. (a) A Federal
17 Reserve member bank shall act as trustee for the Board
18 and the holders of bonds issued hereunder, and the Board
19 may authorize the trustee to act on behalf of the holders
20 of the bonds, or any stated percentage thereof, and to
21 exercise and prosecute on behalf of the holders of the
22 bonds such rights and remedies as may be available to
23 the holders.

24 (b) The indenture shall provide for the deposit of
25 all revenues with the trustee and for the holding thereof
26 by the trustee and for the transfer to such trustee of
27 such portions of revenues as are provided as security for
28 the bonds and for the holding thereof by such trustee.
29 All money so held shall be disbursed only as provided in
30 this Chapter and in the indenture.

31 Section 53608.13. Trust funds. Notwithstanding any
32 other provisions of law to the contrary, all moneys

1 received pursuant to the authority of this Chapter,
2 including, without limitation, fees, rents, charges,
3 insurance proceeds, condemnation awards and any other
4 revenues and funds received in connection with any
5 hospital facilities, shall be deemed to be trust funds
6 to be held and applied solely as provided in this
7 Chapter. The indenture authorizing and securing the
8 issuance of any bonds or notes may provide that any of
9 such moneys may be temporarily invested pending the
10 disbursement thereof in such securities and subject to
11 such limitations as are specified in the indenture, and
12 shall provide that the Federal Reserve member bank with
13 which such moneys shall be deposited shall act as trustee
14 of such moneys and shall hold and apply the same for the
15 purposes of this Chapter, subject to such regulations as
16 this Chapter and the indenture may provide.

17 Section 53608.14. Remedies. Any holder of bonds or
18 notes issued under the provisions of this Article or any
19 coupons appertaining thereto, and the trustee under any
20 indenture authorizing the issuance of such bonds or notes,
21 except to the extent the rights herein given may be res-
22 tricted by such indenture, may, either at law or in
23 equity, by suit, action, mandamus or other proceeding,
24 protect and enforce any and all rights under the laws
25 of the territory or granted hereunder or under such
26 indenture or under any other contract executed by the
27 Board pursuant to this Chapter, and may enforce and compel
28 the performance of all duties required by this Chapter
29 or by such indenture to be performed by the Board or by
30 any officer thereof.

31 Section 53608.15. Negotiable instruments. Notwith-
32 standing any of the foregoing provisions of this Chapter

1 or any recitals in any bonds or notes issued under the
2 provisions of this Chapter, all such bonds or notes and
3 interest coupons appertaining thereto shall be and are
4 hereby made negotiable instruments under the laws of
5 this territory, subject only to any applicable provisions
6 for registration.

7 Section 53603.16. Bonds or notes eligible for
8 investment. Bonds or notes issued under the provisions
9 of this Chapter are hereby made securities in which all
10 public officers and public bodies of the territory and
11 its political subdivisions, all insurance companies,
12 trust companies, banking associations, investment companies,
13 executors, administrators, trustees and other fiduciaries
14 may properly and legally invest funds, including
15 capital in their control or belonging to them. Such
16 bonds or notes are hereby made securities which may pro-
17 perly and legally be deposited with and received by any
18 territory or municipal officer or any agency or political
19 subdivision of the territory for any purpose for which the
20 deposit of bonds, notes or obligations of the territory is
21 now or may hereafter be authorized by law.

22 Section 53603.17. Refunding bonds or notes. The
23 Board is hereby authorized to provide pursuant to an
24 indenture for the issuance of refunding bonds or notes
25 for the purpose of refunding any bonds, notes or other
26 forms of indebtedness then outstanding which shall have
27 been issued by a nonprofit or public agency for any
28 purpose for which bonds or notes may be issued pursuant
29 to this Chapter, including the payment of any redemption
30 premium thereon and any interest accrued or to accrue to
31 the date of redemption of such bonds, notes or other forms

1 of indebtedness and, if deemed advisable by the Board, for
2 any corporate purpose of the Board, including, without
3 limitation:

4 (1) Constructing improvements, additions,
5 extensions or enlargements of the hospital facilities
6 in connection with which the bonds, notes or other
7 forms of indebtedness to be refunded shall have been
8 issued, and

9 (2) Paying all or any part of the cost of any
10 additional hospital facilities.

11 The issuance of such bonds or notes, the maturities
12 and other details thereof, the rights of the holders
13 thereof, and the rights, duties and obligations of the
14 Board in respect of the same shall be governed by the
15 provisions of this Chapter which relate to the issuance
16 of bonds or notes, insofar as such provisions may be
17 appropriate therefor.

18 Refunding bonds or notes may be sold or exchanged
19 for such outstanding bonds, notes or other forms of indebted-
20 ness and, if sold, the proceeds thereof may be applied,
21 in addition to any other authorized purposes, to the pur-
22 chase, redemption or payment of such outstanding bonds,
23 notes or other forms of indebtedness. Pending the appli-
24 cation of the proceeds of any such refunding bonds or
25 notes, with any other available funds, to the payment of
26 the principal, accrued interest and any redemption premium
27 on the bonds, notes or other forms of indebtedness being
28 refunded, and, if so provided or permitted in the inden-
29 ture securing and authorizing the issuance of such bonds
30 or notes, to the payment of any interest on such refunding
31 bonds, notes or other forms of indebtedness and any

1 expenses in connection with such refunding, such proceeds
2 may be invested in such securities and subject to such
3 limitations as are specified in the indenture.

4 Section 53608.18. Officers not liable. No member
5 or officer of the Board shall be subject to any personal
6 liability or accountability by reason of his execution
7 of any bonds or notes or the issuance thereof.

8 Section 53608.19. Tax exemptions. Bonds issued
9 pursuant to the provisions of this Chapter and the
10 interest or income therefrom are exempt from taxation
11 in accordance with the provisions of the last sentence
12 of Section 11 of the Organic Act.

13 The exercise of the powers granted by this Chapter
14 will be in all respects for the benefit of the people of
15 the territory and will promote their health and welfare,
16 and the Board shall not be required to pay any tax or
17 assessment on any property owned by the Board under the
18 provisions of this Chapter or upon the income therefrom.

19 Section 53608.20. Conflict of interest. If any
20 member, officer or employee of the Board shall be interested
21 either directly or indirectly, or shall be an officer or
22 employee of or have an ownership interest in any firm or
23 corporation interested directly or indirectly in any
24 contract with the Board, such interest shall be disclosed
25 to the Board and shall be set forth in the minutes of
26 the Board, and the member, officer or employee having
27 such interest therein shall not participate on behalf of
28 the Board in the authorization of any such contract.

29 Section 53608.21. Additional method. The foregoing
30 sections of this Chapter shall be deemed to provide an
31 additional and alternative method for the doing of the

1 things authorized thereby and shall be regarded as supple-
2 mental and additional to powers conferred by other laws, and
3 shall not be regarded as in derogation of any powers now
4 existing; provided, however, that the issuance of bonds or
5 notes under the provisions of this Chapter need not comply
6 with the requirements of any other law applicable to the
7 issuance of bonds or notes.

8 Section 53608.22. Liberal construction. This Chapter,
9 being necessary for the health and welfare of the people of
10 the territory, shall be liberally construed to effect the
11 purposes thereof.

12 Section 53608.23. Inconsistent laws inapplicable.
13 Insofar as the provisions of this Chapter are inconsistent
14 with the provisions of any general or special laws, or
15 parts thereof, the provisions of this Chapter shall be
16 controlling.

17 Section 53608.24. Publication of notice of adoption of
18 resolution. Statute of limitations on actions involving
19 bonds. Within fifteen (15) days of the adoption of a reso-
20 lution by the Board constituting an indenture providing for
21 the issuance of bonds under this Chapter, the Board shall
22 publish notice of adoption of the resolution, stating the
23 aggregate principal amount of bonds proposed to be issued,
24 once in a newspaper of general circulation in Guam. No
25 action attacking, questioning or affecting in any way the
26 validity of any bonds issued under such a resolution, or
27 seeking to enjoin the issuance of such bonds, may be com-
28 menced by any person more than sixty (60) days after the
29 date of publication of the notice of adoption of such
30 resolution."

31 Section 6. There is hereby appropriated from any available
32 funds in the Unappropriated Surplus of the General Fund the

1 sum of Five Thousand Nine Hundred Twenty Dollars and Eight
2 Cents (\$5,920.08) to the Legislature Operations Fund, reimbursing
3 said Fund for expenses incurred in sending a delegation of three
4 (3) senators to Washington to seek reinstatement of Program 20.

5 Section 7. There is hereby appropriated from any available
6 funds in the Unappropriated Surplus of the General Fund the
7 sum of Four Thousand Sixty Dollars and Two Cents (\$4,060.02)
8 for reimbursement of expenses incurred in sending a delegation
9 of two (2) members of the Executive Branch to Washington to
10 seek reinstatement of Program 20.

11 Section 8. There is hereby appropriated from any available
12 funds in the Unappropriated Surplus of the General Fund the sum
13 of Five Thousand Dollars (\$5,000.00) for the construction of a
14 basketball court at the Brodie Memorial School in Tumon.

15 Section 9. Lot No. P19.5-3Rem is hereby designated as
16 a recreational area for the residents of Afame, Sinajana.

17 Section 10. The Governor is hereby authorized to exchange
18 Lot No. P19.5-3Rem with government of Guam land.