

EDDIE BAZA CALVO
Governor



RAY TENORIO
Lieutenant Governor

Office of the Governor of Guam

September 1, 2011

Honorable Judith T. Won Pat, Ed.D.
Speaker
I Mina' Trentai Unu na Liheslaturan Guåhan
155 Hesler Place
Hagatna, Guam 96932

31-11-842
Office of the Speaker
Judith T. Won Pat, Ed. D.
Date 9/1/2011
Time 5:25 PM
Received by ED POCALIGUE

2011 SEP - 2 AM 7:57 -
pc

Dear Madam Speaker,

Pursuant to Section 1423h of the Organic Act of Guam, I am hereby calling a special session of *I Liheslaturan Guåhan* to take place tomorrow, September 2, 2011, at 8:00 a.m. at the Speaker Antonio R. Unpingco Legislative Session Hall. In this regard, please immediately alert all sitting members of *I Liheslaturan Guåhan* to appear for the convening of this special session. I am calling this special session for the sole purpose that *I Mina' Trentai Unu na Liheslaturan Guåhan* consider and vote upon the proposed legislation I am introducing, which you will find attached to this letter. It is my solemn opinion that the public interest requires I call this special session for *I Liheslaturan Guåhan* to consider and vote upon the attached proposed budget bill, since I found it necessary to veto the inferior Bill No. 145-31 (COR), and because it is our collective duty to forge a more responsible budget bill, as found in the form I have attached hereto, before the quickly approaching start of the next fiscal year.

Please note that the Organic Act of Guam, at Section 1423h, legally mandates that the Governor of Guam "may call special sessions of the Legislature at any time ...". Thus controlling law directs that *I Mina' Trentai Unu na Liheslaturan Guåhan* suspend its current regular session for this call to special session, until such time as the matter identified for the special session has been voted upon after full and fair consideration.

Furthermore, Section 1423h of the Organic Act of Guam states: "No legislation shall be considered at any special session other than that specified in the call therefor or in any special message by the Governor to the Legislature while in such session." Thus I would remind *I Liheslaturan Guåhan* that the attached proposed legislation is the only matter which may be considered and acted upon during this special session, and no other matter may be addressed.

Thank you in advance for your diligence and quick action to assemble all the sitting members of *I Mina' Trentai Unu na Liheslaturan Guåhan* for the special session I have called. I look forward to this opportunity for you and your colleagues to fulfill your duty to the people of Guam by passing a government budget bill that truly serves their best interests.

Senseramente,



EDDIE BAZA CALVO

842

I MINA'TRENTAI UNU NA LIHESLATURAN GUÅHAN
2011 (FIRST) Regular Session

2011 SEP-2 11 9:18 AM

Bill No. 1 (1-5)

Committee on Rules; Federal Foreign & Micronesian
Affairs; and Human and Natural Resources

Introduced by:

by request of *I Maga'låhen Guåhan*, the
Governor of Guam, in accordance with the
Organic Act of Guam.

**AN ACT MAKING APPROPRIATIONS FOR THE
OPERATIONS OF THE EXECUTIVE, LEGISLATIVE,
AND JUDICIAL BRANCHES OF THE GOVERNMENT
OF GUAM FOR FISCAL YEAR ENDING SEPTEMBER
30, 2012, MAKING OTHER APPROPRIATIONS, AND
ESTABLISHING MISCELLANEOUS AND
ADMINISTRATIVE PROVISIONS.**

BE IT ENACTED BY THE PEOPLE OF GUAM:

CHAPTER I

GENERAL PROVISIONS

Section 1. Short Title. This Act *shall* be known as the “**General Appropriations Act of 2012.**” *Except* as otherwise provided by this Act, the appropriations made by this Act *shall* be available to pay for obligations incurred on or after October 1, 2011, but *no later than* September 30, 2012. *If* any appropriation in this Act is found contrary to federal law, all other portions of this Act *shall* remain valid.

1 **Section 2. Estimated Revenues for Fiscal Year 2012. I Liheslaturan**

2 *Guðhan* adopts the following revenue estimates for Fiscal Year 2012 as the basis
3 for the appropriations contained in this Act.

4	I. GENERAL FUND REVENUES	AMOUNT
5	TOTAL GENERAL FUND REVENUE	<u>\$678,802,003</u>
6	PROVISION FOR TAX REFUND PAYMENTS	(\$105,000,000)
7	TOTAL GENERAL FUND REVENUE AVAILABLE	
8	FOR OPERATIONS	<u>\$573,802,003</u>
9	A. TAXES	
10	Income Tax	
11	Corporate	\$111,802,336
12	Individual	\$81,651,368
13	Withholding Taxes, Interest and Penalties	\$209,256,708
14	Provision for Tax Refund Payments	(\$105,000,000)
15	TOTAL INCOME TAXES	\$297,710,412
16	Business Privilege Tax	\$215,900,178
17	Business Privilege Tax (GMHA Pharmaceutical Fund)	(\$8,636,007)
18	Other Taxes	<u>\$3,529,781</u>
19	TOTAL TAXES	\$508,504,364
20	B. FEDERAL SOURCES	
21	Federal Income Tax Collection - Section 30	\$56,037,150
22	Overpayment reconciliation of Section 30 (2 of 4)	(\$5,808,295)
23	Immigration Fees and Indirect Cost	\$0
24	TOTAL FEDERAL SOURCES	\$50,228,855
25	C. USE OF MONEY AND PROPERTY	\$672,804
26	D. LICENSES, FEES, AND PERMITS	
27	Licenses, Fees and Permits	\$5,547,355

1	Licenses, Fees and Permits (Better Public Service Fund)	(\$547,542)
2	TOTAL LICENSES, FEES AND PERMITS	\$4,999,813
3	E. DEPARTMENT CHARGES	\$1,850,178
4	<u>F. SECTION 2718 FUND</u>	<u>\$7,545,989</u>
5	TOTAL GENERAL FUND NET REVENUE COLLECTIONS	<u>\$573,802,003</u>
6	2% GENERAL FUND RESERVE	<u>(\$11,476,040)</u>
7	(Appropriations Cap of 98% of General Fund Revenue; §22436, Chapter 22 of	
8	Title 5 GCA)	
9	TOTAL GENERAL FUND REVENUE	
10	AVAILABLE FOR APPROPRIATION	<u>\$562,325,963</u>
11	II. SPECIAL FUND REVENUES	AMOUNT
12	A. Air Pollution Control Special Fund	\$192,020
13	B. Autonomous Agency Collections Fund	\$875,000
14	C. Better Public Service Fund	\$1,422,747
15	D. <i>Chamorro</i> Land Trust Operations Fund	\$735,657
16	E. Corrections Revolving Fund	\$915,203
17	F. Customs, Agriculture and Quarantine Inspection Services Fund	\$7,911,999
18	G. DPW Building and Design Fund	\$504,712
19	H. Enhanced 911 Emergency Reporting System Fund	\$1,608,278
20	I. Environmental Health Fund	\$1,030,000
21	J. Fire, Life and Medical Emergency Fund	\$600,000
22	K. GMHA Pharmaceuticals Fund	\$8,636,007
23	L. Guam Board of Accountancy Fund	\$421,600
24	M. Guam Contractors License Board Fund	\$852,725
25	N. Guam Environmental Trust Fund	\$375,356
26	O. Guam Highway Fund	\$18,459,079
27	Guam Highway Fund (Better Public Service Fund)	(\$875,205)

1	Guam Highway Fund (Public Transit Fund)	(\$431,092)
2	Total Guam Highway Fund	\$17,152,782
3	P. Guam Plant Inspection and Permit Fund	\$83,817
4	Q. Healthy Futures Fund	\$14,219,231
5	R. Indirect Cost Fund	\$1,826,894
6	S. Land Survey Revolving Fund	\$2,885,837
7	T. Manpower Development Fund	\$2,240,640
8	U. Police Services Fund	\$581,860
9	V. Professional Engineers, Architects and Land Surveyors Board Fund	\$244,062
10	W. Public Recreation Services Fund	\$193,304
11	X. Public School Library Resources Fund	\$652,440
12	Y. Public Transit Fund	\$431,092
13	Z. Safe Streets Fund	\$241,000
14	AA. School Lunch/ Child Nutritional Meal Reimbursement Fund	
15	Federal Sources (100% Federal Grant)	\$10,069,218
16	Cash Collection (Department of Education)	\$1,095,091
17	Total School Lunch/ Child Nutritional Meal Reimbursement Fund	\$11,164,309
18	AB. Solid Waste Operations Fund	\$13,781,645
19	AC. Street Light Fund	\$3,473,531
20	AD. Tax Collection Enhancement Fund	\$696,830
21	AE. Territorial Education Facilities Fund	\$21,619,104
22	AF. Tourist Attraction Fund	\$23,160,585
23	AG. Water Protection Fund	\$71,672
24	AH. Water Research and Development Fund	<u>\$76,975</u>
25	TOTAL SPECIAL FUND REVENUE	\$140,878,914
26	III. FEDERAL MATCHING GRANTS-IN-AID	
27	Federal Grants-in-Aid Requiring Local Match:	

1	A. Agriculture	\$279,000
2	B. Guam Community College	\$1,471,408
3	C. Guam Council on the Arts and Humanities Agency	\$300,000
4	D. Guam Fire Department	\$102,000
5	E. Guam Police Department	\$726,136
6	F. Integrated Services for Individuals with Disabilities	\$2,052,208
7	G. Labor	\$42,100
8	H. Office of the Attorney General	\$6,392,529
9	I. Mental Health and Substance Abuse	\$225,862
10	J. Military Affairs	\$1,547,700
11	K. Public Health and Social Services	\$24,752,122
12	L. University of Guam	<u>\$2,943,706</u>
13	TOTAL FEDERAL MATCHING GRANTS-IN-AID REVENUES	<u>\$40,834,772</u>
14	IV. REVENUE AVAILABLE FOR OPERATIONS SUMMARY:	
15	TOTAL GENERAL FUND REVENUE	<u>\$573,802,003</u>
16	PROVISION FOR TAX REFUND PAYMENTS	(\$105,000,000)
17	2% GENERAL FUND RESERVE	<u>(\$11,476,040)</u>
18	TOTAL GENERAL FUND REVENUE	
19	AVAILABLE FOR APPROPRIATION	<u>\$562,325,963</u>
20	TOTAL SPECIAL FUND REVENUE	\$140,878,914
21	TOTAL FEDERAL MATCHING GRANTS-IN-AID REVENUES	<u>\$40,834,772</u>
22	GRAND TOTAL	<u>\$744,039,649</u>
23	Section 3. Debt Service Continuing Appropriations. The following are	
24	continuing appropriations for debt service requirements:	
25	A. LIMITED OBLIGATION HIGHWAY REFUNDING	
26	BOND 2001 SERIES A	[\$6,024,425] 1/

1	(P.L. No. 24-70; due FY 2012 as the final year; source of payment from Liquid	
2	Fuel Taxes)	
3	1/L.O. Highway Bond 2001 A Bond Reserve and Bond Funds; <i>not</i> part of	
4	adopted revenues. Debt service matures in FY 2012	
5	B. LIMITED OBLIGATION (SECTION 30) BONDS	
6	SERIES A, 2001 (SECTION 30 FUNDS)	\$9,825,631 2/
7	(Water System Revenue Bond; P.L. 26-58, amended by P.L. 26-59; Section 30	
8	fund pledged; due FY 2012 as the final year)	
9	2/Section 30 Funds (General Fund)	
10	C. 2002 SHORT TERM FINANCING	
11	(SECTION 30 FUNDS)	\$1,281,818 3/
12	(Line of Credit; P.L. 26-84 amended by P.L. 26-122 and P.L. 26-130; due FY	
13	2012 as the final year; source of payment Section 30 Funds)	
14	3/Section 30 Funds (General Fund)	
15	D. LIMITED OBLIGATION HOTEL OCCUPANCY TAX (HOT)	
16	REVENUE BONDS, SERIES 2011A	\$3,801,287 4/
17	(Refunding of LO Infrastructure Improvement Bonds, 1997 Series A, acquire,	
18	construct, or equip a new Guam Museum, projects that benefit the tourism	
19	industry; payment from the Tourist Attraction Fund, pursuant to P.L. 30-228)	
20	4/Tourist Attraction Fund	
21	E. 2008 SHORT TERM FINANCING	\$3,470,840 5/
22	(Line of Credit; P.L. 29-69 amended by P.L. 29-82 & P.L. 29-87; due FY 2012	
23	as the final year; source of payment General Fund, secondary Section 30 Funds)	
24	5/General Fund	
25	F. GENERAL OBLIGATION BONDS, SERIES 2007 A	\$7,874,700 6/

1	(Partial refunding of GOB, 1993 Series A, funding capital projects and certain	
2	obligations of the Government of Guam; due FY 2037 as the final year; P.L.	
3	29-19, and P.L. 29-21)	
4	6/General Fund	
5	G. GENERAL OBLIGATION BONDS, SERIES 1993 A	\$2,808,214 7/
6	(For education capital projects; Real Property Taxes pledged; due FY 2018 as	
7	the final year; P.L. 29-19 and P.L. 29-21, net of UOG Bond Payment	
8	Obligation \$2,114,429)	
9	7/Territorial Educational Facilities Fund	
10	H. LIMITED OBLIGATION (SECTION 30)	
11	BONDS, SERIES 2009A	\$7,135,019 8/
12	(To finance cost for the new landfill and the closure of Ordot Dump; P.L. 30-1	
13	amended by P.L. 30-7; Due FY 2035 as the final year).	
14	8/Solid Waste Operations Fund	
15	I. GENERAL OBLIGATION BONDS, 2009 SERIES A	\$21,436,781 9/
16	(To finance certain expenses affecting General Fund Deficit; P.L. 29-113	
17	amended by P.L. 30-7; Due FY 2040 as the final year)	
18	9/General Fund	
19	J. GUAM DEPARTMENT OF EDUCATION (GDOE)	
20	SERIES 2010A, CERTIFICATES OF PARTICIPATION	
21	(JOHN F. KENNEDY HIGH SCHOOL PROJECT)	\$4,348,433 10/
22	(To finance certain expenses affecting General Fund Deficit; P.L. 29-113	
23	amended by P.L. 30-7; Due FY 2040 as the final year)	
24	10/General Fund	
25	GRAND TOTAL DEBT SERVICE	\$61,982,723

CHAPTER II
EDUCATION

PART I – GUAM DEPARTMENT OF EDUCATION

1 **Section 1. Legislative Findings and Intent.** *I Liheslaturan Guåhan* finds
2 that the Guam Department of Education (GDOE) appropriations for FY 2012 have
3 been duly passed by *I Liheslaturan Guåhan* and enacted into law as Public Law
4 31-75. The passage and enactment of Public Law 31-75 signifies *I Liheslaturan*
5 *Guåhan's* intent in placing education as a priority through providing adequate
6 funding to sustain the operations of the GDOE for FY 2012.

CHAPTER II

PART II – UNIVERSITY OF GUAM

1 **Section 1. Legislative Intent.** It is the intent of *I Liheslaturan Guåhan* to
2 provide a lump sum appropriation to the University of Guam. The funds *shall* be
3 expended in accordance to the budget request submitted and the priorities
4 stipulated by the University of Guam’s Board of Regents.

5 It is also the intent of *I Liheslaturan Guåhan* that external funds available to
6 agencies and departments *shall* be taken into consideration to determine the current
7 appropriation level needed. *I Liheslatura* further intends to maximize the use of
8 these funds and that material external funds received *shall* be used to maximize
9 services and programs of the agencies through pursuit of indirect cost
10 reimbursements to reduce the local funding where applicable.

11 **Section 2. Appropriations to the University of Guam.** The amounts in
12 the Subsections below are appropriated from the respective Funds, and for the
13 following purposes, to the University of Guam for Fiscal Year 2012:

14 (a) **General Fund Appropriation for Operations.** The sum of
15 Nineteen Million Nine Hundred Fifty-Four Thousand Seven Hundred Ninety
16 Dollars (**\$19,954,790**) is appropriated from the General Fund to the
17 University of Guam for its operations in Fiscal Year 2012.

18 (b) **Federal Matching Grants-in-Aid.** The sum of Two Million
19 Nine Hundred Forty-Three Thousand Seven Hundred Six Dollars
20 (**\$2,943,706**) is authorized from Federal Matching Grants-in-Aid to the
21 University of Guam for its operations in Fiscal Year 2012.

22 (c) **Guam Board of Accountancy Fund Appropriation for**
23 **Operations.**

24 (1) The sum of One Million Dollars (**\$1,000,000**) is
25 appropriated from the Unreserved Fund Balance of the Guam Board

1 of Accountancy Fund to the University of Guam for its operations in
2 Fiscal Year 2012.

3 (2) The University of Guam and the Guam Board of
4 Accountancy (GBOA) *may* enter into a Memorandum of
5 Understanding allowing the GBOA to make installment payments to
6 the University of Guam over the course of FY 2012, in specific
7 amounts to be agreed-upon by both parties.

8 **Section 3. Appropriations to the University of Guam for Scholarships**
9 **and Training Programs.** The following appropriations are made to the University
10 of Guam:

11 (a) **Student Scholarships, Financial Assistance Programs and**
12 **Program Administration.** The sum of Two Million Four Hundred Twenty-
13 Three Thousand One Hundred Thirty-Seven Dollars (**\$2,423,137**) is
14 appropriated from the General Fund to the University of Guam for Fiscal
15 Year 2012 for: Merit Awards, Student Loans, Nursing Training Program,
16 Professional and Technical Awards, Reserve Officer Training Corps
17 (ROTC), Regent Scholarships, Marine Lab Graduate Assistance Programs,
18 Early High School Admission Program, Pedro “Doc” Sanchez Scholarship
19 Program, John F. Quan Memorial Scholarship Program, and the
20 administration of all student financial assistance programs. The President of
21 the University of Guam *shall* allocate this appropriation in order to fund said
22 student scholarships, financial assistance programs and program
23 administration subject to §15113 of Chapter 15, Title 17, Guam Code
24 Annotated. *Not more than* ten percent (10%) of the total appropriation
25 herein *shall* be used for the administration of all student financial assistance
26 programs. The Nursing Training Program *shall* receive *no less than* Five
27 Hundred Thousand Dollars (**\$500,000**), and the Pedro “Doc” Sanchez

1 Scholarship Program *shall* receive *no less than* Three Hundred Thousand
2 Dollars (**\$300,000**) of the appropriation contained herein, *except* that *if* a
3 surplus exists, such remaining funds *shall* be distributed to fund other
4 scholarship programs contained in this Subsection.

5 For new recipients of the student financial assistance programs
6 contained in this Subsection beginning Academic Year 2012-2013, the
7 stipends awarded in the respective programs *shall* be as follows:

8 (1) **Merit Awards.** Award recipients are entitled to a
9 monthly stipend to be disbursed in nine (9) monthly installments
10 during the academic year, as follows: First- and Second-year Students:
11 Two Hundred Dollars (**\$200**) per month; Third- and Fourth-year
12 Students: Four Hundred Dollars (**\$400**) per month; and Graduate
13 Students: Five Hundred Dollars (**\$500**) per month.

14 (2) **Nursing Training Program.** Award recipients are
15 entitled to a monthly stipend to be disbursed in nine (9) monthly
16 installments during the academic year, as follows: First- and Second-
17 year Students: Two Hundred Dollars (**\$200**) per month and Third- and
18 Fourth-year Students: Four Hundred Dollars (**\$400**) per month.

19 (b) **Dr. Antonio C. Yamashita Educator Corps.** The sum of One
20 Million One Hundred Seventy-Six Thousand Two Hundred Twenty-One
21 Dollars (**\$1,176,221**) is appropriated from the General Fund to the
22 University of Guam for Fiscal Year 2012. The President of the University
23 of Guam *shall* disburse, pursuant to the directives and policies of the
24 Educator Corps Council, stipends for the Dr. Antonio C. Yamashita
25 Educator Corps, and funds for the administration of said program pursuant
26 to Chapter 18, Title 17, Guam Code Annotated, and §15107 of Title 17 of
27 the Guam Code Annotated, as amended. Not more than ten percent (10%)

1 of the total appropriation herein *shall* be used for the administration of this
2 program.

3 (c) **Dr. Antonio C. Yamashita Educator Corps.** §151304 (b) of
4 Article 13, Chapter 15, Title 17 GCA, is hereby *amended* to read as follows:

5 “(b) Applications for the Yamashita Teacher Corps
6 scholarship programs *shall* be received by April 30 of every year for
7 Fall semester admissions and September 30 of every year for Spring
8 semester admissions at the University of Guam. Applicants *shall* be
9 interviewed at a time and place designated by the Committee. Awards
10 *shall* be granted *no later than* the first week of the Spring and Fall
11 semesters in a written notice to the selected applicant, and the
12 applicant’s school administrator, if applicable.”

13 The President of the University of Guam *shall* post on the University of
14 Guam’s website all reports mandated by this Act regarding the Dr. Antonio C.
15 Yamashita Educator Corps.

16 **Section 4. Appropriation for the Aquaculture Development and**
17 **Training Center.** The sum of One Hundred Twenty-Five Thousand Two Hundred
18 Fifty-Four Dollars (**\$125,254**) is appropriated from the General Fund to the
19 University of Guam for Fiscal Year 2012 for the *sole* purpose of funding the
20 continued operations of the Aquaculture Development and Training Center. Said
21 funds *shall not* be transferred *or* used for any other purpose.

22 **Section 5. Appropriation for WERI’s Guam Hydrologic Survey.** The
23 sum of One Hundred Eighty-Two Thousand Six Hundred Ninety-Four Dollars
24 (**\$182,694**) is appropriated from the General Fund to the University of Guam for
25 Fiscal Year 2012 for the *sole* purpose of funding the Guam Hydrologic Survey
26 (GHS) administered by the Water and Environmental Research Institute of the
27 Western Pacific (WERI). WERI *shall* continue to administer the GHS for those

1 purposes previously established by Guam law. Such funds *shall not* be transferred
2 *or* used for any other purpose.

3 **Section 6. Appropriation for WERI's Comprehensive Water Resource**
4 **Monitoring Program.** The sum of One Hundred Fifty-Five Thousand Six
5 Hundred Twenty-Six Dollars (**\$155,626**) is appropriated from the General Fund to
6 the University of Guam for Fiscal Year 2012 to fund the Water and Environmental
7 Research Institute of the Western Pacific (WERI). Such funds *shall* be used for the
8 sole purpose of matching the Federal funding for the Comprehensive Water
9 Resource Monitoring Program. WERI *shall* continue to administer the
10 Comprehensive Water Resource Monitoring Program for those purposes
11 previously established by Guam law. Such funds *shall not* be transferred *or* used
12 for any other purpose.

13 **Section 7. Appropriation to the University of Guam for the Northern**
14 **and Southern Soil and Water Conservation Districts (SWCD) Program.** The
15 sum of One Hundred Forty-Nine Thousand Three Hundred Eighty-Four Dollars
16 (**\$149,384**) is appropriated from the General Fund to the University of Guam for
17 the operations and activities of the Northern and Southern Soil and Water
18 Conservation Districts (SWCD) Program for FY 2012, and *shall* be equally
19 divided between the Northern and Southern Soil and Water Conservation Districts.
20 Expenditures from this appropriation *shall* be made upon the approval of the
21 District Directors, with the consent of the SWCD Board, and *shall not* require
22 further approval by the University of Guam *or* any other government entity. Such
23 funds *shall not* be transferred *or* used for any other purpose.

24 **Section 8. Appropriation to the University of Guam for KPRG (Public**
25 **Radio).** The sum of Eighty-Nine Thousand Four Hundred Sixty-Seven Dollars
26 (**\$89,467**) is appropriated from the General Fund to the University of Guam for the
27 KPRG Fiscal Year 2012 operations. The President of the University of Guam *shall*

1 disburse the funds to KPRG. *No later than* thirty (30) days after the close of each
2 fiscal quarter of FY 2012, the General Manager of KPRG *shall* submit to the
3 President of the University of Guam, and post on KPRG’s website, all reports
4 mandated by this Act.

5 **Section 9. Appropriation to the Guampedia Foundation.** The sum of
6 One Hundred Forty Thousand Dollars (**\$140,000**) is appropriated from the Tourist
7 Attraction Fund to the University of Guam for the operations of the Guampedia
8 Foundation. Notwithstanding the general provisions of §30107.1 of Title 11,
9 Guam Code Annotated, and this Act, this appropriation *shall* continue to be
10 available until expended.

11 **Section 10. University of Guam Capital Improvements Fund**
12 **Continuing Appropriation.** The sum of Five Hundred Thousand Dollars
13 (**\$500,000**) is appropriated from the Guam Highway Fund to the University of
14 Guam Capital Improvements Fund for the purpose of paying for the debt service
15 pursuant to §16132, Chapter 16 of Title 17, Guam Code Annotated.

16 **Section 11. Program Revenue and Expenditure Reports.** *No later than*
17 thirty (30) days after the end of each fiscal quarter, the President of the University
18 of Guam *shall* post on the University of Guam’s website and submit to *I*
19 *Maga’låhen Guåhan* and the Speaker of *I Liheslaturan Guåhan*, in a Microsoft
20 Excel file and written report, quarterly program revenue and expenditure reports
21 for the Aquaculture Development and Training Center, the WERI Guam
22 Hydrologic Survey, the WERI Comprehensive Water Resource Monitoring
23 Program, the Northern and Southern Soil and Water Conservation Districts
24 Programs, and KPRG. Said reports *shall* be in the format of basic financial
25 statements *or* such format as may be prescribed by *I Liheslaturan Guåhan*.

26 **Section 12. Program Annual Reports.** The President of the University of
27 Guam *shall* post on the University of Guam’s website and *shall* submit to *I*

1 *Maga'låhen Guåhan* and the Speaker of *I Liheslaturan Guåhan*, in a Microsoft
2 Excel file and written report, annual reports for the Aquaculture Development and
3 Training Center, the WERI Guam Hydrologic Survey, the WERI Comprehensive
4 Water Resource Monitoring Program, the Northern and Southern Soil and Water
5 Conservation Districts Programs, and KPRG. At a minimum, said reports *shall*
6 include: program mission statements, objectives, sources of revenue, expenditures
7 by budget classification, number of employees, contracts, and *shall* describe
8 program accomplishments in the fiscal year reported.

9 **Section 13. Scholarships, Financial Assistance and Other Reports.**

10 Sixty (60) days after the end of Fiscal Year 2012, the President of the University of
11 Guam *shall* submit to *I Maga'låhen Guåhan* and the Speaker of *I Liheslaturan*
12 *Guåhan*, in a Microsoft Excel file and written report, and post on the University of
13 Guam's website, a report of expenditures from appropriations made in this Act for
14 student scholarships, student financial assistance, the Dr. Antonio C. Yamashita
15 Educator Corps, and the Educator Corps Council. Said report *shall* include each
16 program's name, the number of scholarships *or* loans issued by each program, the
17 names of the recipients awarded by each program, the university or college each
18 award recipient is attending by each program, the date the scholarship *or* loan was
19 awarded by each program, the anticipated date of cohort graduation by each
20 program, the total amount of awards *or* loans, the total amount of loans repaid to
21 date by each program, the balance of the outstanding awards *or* loans by each
22 program, the amount of collections to date for outstanding loans and repayments
23 due by each program, the number of awards for each field of study by each
24 program, and the number of recipients working to complete their academic and
25 financial obligations by each program.

26 **Section 14. Appropriation to the Guam Cancer Trust Fund.** The sum of
27 Seven Hundred Ten Thousand Nine Hundred Sixty-Two Dollars (**\$710,962**) is

1 appropriated from the Healthy Futures Fund to the University of Guam for the
2 administration of the Guam Cancer Trust Fund, pursuant to §26603(d)(2) of
3 Article 6, Chapter 26, Title 11, GCA. This appropriation *shall* be used to fund
4 cancer screening, treatment and support services for Fiscal Year 2012.

5 **Section 15. Transfer Authority for the University Of Guam.**

6 Appropriations for the operations of the University of Guam, contained in Section
7 2 of Part II of Chapter II of this Act *or* for the prior years, may be transferred by
8 the President of UOG out of operations and into the appropriation for statutorily
9 mandated scholarship programs contained in Section 3, Part II, Chapter II of this
10 Act.

11 **Section 16. Continuing Appropriation.** The appropriations made to the
12 Student Financial Assistance Program, the Dr. Antonio C. Yamashita Educator
13 Corps and the University of Guam for Fiscal Year 2011 *shall not* lapse and *shall*
14 continue until fully expended, to include payment of prior year obligations.

CHAPTER II

PART III – GUAM COMMUNITY COLLEGE

1 **Section 1. Legislative Intent.** It is the intent of *I Liheslaturan Guåhan* to
2 provide a lump sum appropriation to the Guam Community College (GCC). The
3 funds *shall* be expended in accordance to the budget request submitted and the
4 priorities stipulated by the GCC Board of Trustees.

5 It is also the intent of *I Liheslaturan Guåhan* that external funds available to
6 agencies and departments *shall* be taken into consideration to determine the current
7 appropriation level needed. *I Liheslatura* further intends to maximize the use of
8 these funds and that material external funds received *shall* be used to maximize
9 services and programs of the agencies through pursuit of indirect cost
10 reimbursements to reduce the local funding where applicable.

11 **Section 2. Appropriations to the Guam Community College.** The
12 amounts in the Subsections below are appropriated from the following Funds, and
13 for the following purposes, to the GCC for Fiscal Year 2012:

14 (a) **General Fund Appropriation for Operations.** The sum of
15 Eleven Million Four Hundred Thousand One Hundred Thirty Dollars
16 (**\$11,400,130**) is appropriated from the General Fund to GCC for its
17 operations in Fiscal Year 2012.

18 (b) **Appropriation to the Guam Community College LPN and**
19 **Vocational Guidance Programs.** The sum of Seven Hundred Five
20 Thousand Fifty-Eight Dollars (**\$705,058**) is appropriated from the General
21 Fund to the GCC for Fiscal Year 2012 to support the operations of the
22 Licensed Practical Nursing Program and the Vocational Guidance Program.

23 (c) **Appropriation to the Guam Community College Lodging**
24 **Management Program/ProStart Program.** The sum of Twenty-Four
25 Thousand One Hundred Fifty-Four Dollars (**\$24,154**) is appropriated from

1 the Tourist Attraction Fund to the GCC for Fiscal Year 2012 for the Lodging
2 Management Program/ProStart Program. Unexpended funds appropriated
3 for the GCC Lodging Management Program/ProStart Program *shall not*
4 lapse and *shall* remain available for use in succeeding fiscal years until all
5 said sums are expended.

6 (d) **Appropriation to the Guam Community College**
7 **Apprenticeship Program.** The sum of One Million Six Hundred Eighty-
8 Eight Thousand Four Hundred Forty-Eight Dollars (**\$1,688,448**) is
9 appropriated from the Manpower Development Fund to the GCC for the
10 GCC Apprenticeship Program for Fiscal Year 2012. In addition to the
11 authorization contained in §71720 of Chapter 7, Title 22, Guam Code
12 Annotated, this appropriation herein *shall* be available and authorized to be
13 used by the GCC to fund the operations of other programs at GCC, as
14 approved by the Board and Administration of the College, after all program
15 requirements and obligations have been fully funded.

16 (e) **Federal Matching Grants-in-Aid.** The sum of One Million
17 Four Hundred Seventy-One Thousand Four Hundred Eight Dollars
18 (**\$1,471,408**) is authorized from Federal Matching Grants-in-Aid to the
19 Guam Community College for its operations in Fiscal Year 2012.

20 **Section 3. Reports.** The President of GCC *shall* submit quarterly reports
21 to *I Maga'låhen Guåhan* and the Speaker of *I Liheslaturan Guåhan*, in a Microsoft
22 Excel file and written report, thirty (30) days after the end of each fiscal quarter
23 and post said report on the GCC website. Said reports *shall* include, but are *not*
24 limited to, the number of participants in each GCC program, the amounts expended
25 from appropriations in this Act by object classification, a description of each
26 program, the academic courses offered, and the requirements for participation in
27 each program.

CHAPTER II

PART IV – GUAM CERTIFICATION OFFICE

1 **Section 1. Guam Certification Office.** The amount below in this
2 Subsection is appropriated from the General Fund to the Guam Certification Office
3 for its operations in Fiscal Year 2012 in providing administrative support to the
4 Guam Certification Office in accordance with Chapter 27 of 17GCA, the Guam
5 Academy Charter School Council in accordance with §1211(e) of 17GCA, and the
6 Council on Post-Secondary Institutions Certification in accordance with §44104(e)
7 of 17GCA. This appropriation *shall* be expended in accordance with object class
8 allocations outlined below:

9 **SUMMARY OF BASE OPERATIONAL APPROPRIATION**

10	APPROP. CLASS	OBJ. CLASS	GEN FUND	SPCL FUND	TOTAL
11	REG SALARIES	111	\$111,750	\$0	\$111,750
12	OT/SP	112	\$0	\$0	\$0
13	BENEFITS	113	\$34,794	\$0	\$34,794
14	TRAVEL/MILE	220	\$0	\$0	\$0
15	CONT. SERV.	230	\$10,750	\$0	\$10,750
16	OFF. RENTAL	233	\$6,000	\$0	\$6,000
17	SUP. & MAT.	240	\$391	\$0	\$391
18	EQUIPMENT	250	\$0	\$0	\$0
19	WORK. COMP.	270	\$0	\$0	\$0
20	DRUG TEST	271	\$0	\$0	\$0
21	SUBGRANT	280	\$0	\$0	\$0
22	MISC	290	\$4,200	\$0	\$4,200
23	POWER	361	\$0	\$0	\$0

1	WATER/SEWER	362	\$0	\$0	\$0
2	PHONE/TOLL	363	\$4,800	\$0	\$4,800
3	CAP. OUTLAY	450	\$0	\$0	\$0
4	GRAND TOTAL		\$172,685	\$0	\$172,685

5 **SUMMARY OF BASE OPERATIONAL APPROPRIATION FUNDING**

6 **SOURCE**

GENERAL FUND	\$172,685
FEDERAL MATCHING GRANTS-IN-AID	\$0
SPECIAL FUNDS	<u>\$0</u>
TOTAL	\$172,685

CHAPTER II

Part V – MISCELLANEOUS EDUCATIONAL PROVISIONS

1 **Section 1. Purchasing in Economies of Scale.** All agencies receiving
2 appropriations pursuant to this Chapter *shall* take all measures necessary to reduce
3 costs by purchasing services, supplies and materials to realize economies of scale.

4 **Section 2. Local Funds Reimbursement.** Funds appropriated to the
5 Guam Department of Education (GDOE) in accordance with the appropriations to
6 the GDOE in this Act, and with the appropriations set forth in Public Law 31-75 by
7 *I Liheslaturan Guåhan*, *shall not* be used to pay for federally-funded program
8 activities and expenditures *unless* such payment is specifically authorized by Guam
9 statute *or unless* such payment is made pursuant to grants that require that local
10 expenditures be made prior to receiving federal reimbursement. The
11 Superintendent of GDOE *shall* submit a report to *I Liheslaturan Guåhan*, *I*
12 *Maga'låhen Guåhan* and the Office of Public Accountability, in a Microsoft Excel
13 file and written report, of all local funds expended in Fiscal Year 2012 for
14 federally-funded programs, the details of such expenditures by object class, the
15 number of FTEs working in said programs, the amounts reimbursed by federal
16 funds and the amounts that have *not or will not* be reimbursed by federal funds.
17 Said report *shall* cite the authority to expend local funds for federal programs, *shall*
18 name the certifying office, and *shall* give the date of every expenditure.

19 **Section 3. Continuing Appropriation for Guam Certification Office.**
20 The unexpended balance of funds appropriated to the Guam Certification Office
21 (GCO) for Fiscal 2011 *shall not* lapse and is available to the GCO for expenditures
22 in Fiscal Year 2012.

CHAPTER III

HEALTH

PART I - GUAM MEMORIAL HOSPITAL AUTHORITY

1 **Section 1. Legislative Intent.** It is the intent of *I Liheslaturan Guåhan* to
2 provide a lump sum appropriation to the Guam Memorial Hospital Authority
3 (GMHA). The funds *shall* be expended in accordance to the budget request
4 submitted and the priorities stipulated by the GMHA Board of Trustees (Board)
5 and the GMHA's management.

6 *I Liheslaturan Guåhan* is resolved to continue to support and establish
7 policies which are in the best interest of the GMHA and its mission. *I Liheslaturan*
8 *Guåhan's* intent to reduce the credits applied against the appropriations to the
9 GMHA Pharmaceuticals Fund towards the payment of bills for services incurred
10 by qualified Medically Indigent Program (MIP) recipients will help increase
11 GMHA revenues.

12 Furthermore, *I Liheslaturan Guåhan* broadened the scope of borrowing
13 options available to the GMHA through the passing and enactment of Public Law
14 30-200, as amended by Public Law 30-235. Through such efforts, the GMHA was
15 able to borrow Twelve Million Dollars (**\$12,000,000**) in an effort to bring fiscal
16 stability to the GMHA. *I Liheslaturan Guåhan* has provided its support to the
17 GMHA with One Million Dollars (\$1,000,000) per year from the Healthy Futures
18 Fund in accordance with Public Law 30-166, towards providing the GMHA the
19 ability to utilize these funds for the debt service payment for the Government of
20 Guam General Obligation: Guam Memorial Hospital Authority Loan 2011.

21 **Section 2.** Guam Memorial Hospital Authority Pharmaceuticals Fund
22 credit toward Medicaid payments *shall not exceed* the sum of Six Million Four
23 Hundred Seventy-Seven Thousand Five Dollars (**\$6,477,005**) in Fiscal Year 2012.
24 Billings in excess of the seventy-five percent (75%) credit *shall* be paid by other

1 appropriated funds. The Department of Public Health and Social Services *shall*
2 remit all adjudicated claims for processing for MIP payments in accordance with
3 §9902 of Chapter 9 of Title 10 of the Guam Code Annotated and Chapter III, Part
4 II, Section 10 of this Act.

5 **Section 3. Guam Memorial Hospital Authority Pharmaceuticals Fund**
6 **Appropriation.** Pursuant to §§26208 and 26208.1 of Chapter 26, Division 2 of
7 Title 11, Guam Code Annotated, the sum of Eight Million Six Hundred Thirty-Six
8 Thousand Seven Dollars (**\$8,636,007**) is appropriated from the Guam Memorial
9 Hospital Authority Pharmaceuticals Fund to the GMHA for Fiscal Year 2012.

10 **Section 4. Guam Memorial Hospital Authority Healthy Futures Fund**
11 **Appropriations.**

12 (a) Pursuant to §§26208 and 26208.1 of Chapter 26, Title 11,
13 Guam Code Annotated, the sum of One Million Seven Hundred Six
14 Thousand Three Hundred Eight Dollars (**\$1,706,308**) is appropriated from
15 the Healthy Futures Fund to the GMHA for Fiscal Year 2012 operational
16 expenses.

17 (b) Pursuant to §26603(d) of Article 6, Chapter 26, Title 11, Guam
18 Code Annotated, the sum of One Million Dollars (**\$1,000,000**) is
19 appropriated from the Healthy Futures Fund to the GMHA for Fiscal Year
20 2012, for the line of credit pursuant to §80104 (t), Chapter 80 Division 4,
21 Title 10, Guam Code Annotated.

22 **Section 5. Guam Memorial Hospital Authority General Fund**
23 **Appropriation.** The sum of Two Million Sixty Thousand Nine Hundred
24 Eighteen Dollars (**\$2,060,918**) is appropriated from the General Fund to the
25 GMHA for Fiscal Year 2012.

CHAPTER III

HEALTH

PART II – DEPARTMENT OF PUBLIC HEALTH AND SOCIAL SERVICES

1 **Section 1. Legislative Intent.** It is the intent of *I Liheslaturan Guåhan* for
2 the Department of Public Health & Social Services (DPHSS) to expend their funds
3 in accordance with the object class appropriations.

4 **Section 2. Appropriation.** Funds provided in this Section are hereby
5 appropriated and authorized out of the General Fund, Special Funds and Federal
6 Matching Grants-in-Aid to the Department of Public Health and Social Services
7 for its operations in Fiscal Year 2012. This appropriation *shall* be expended in
8 accordance with object class allocations outlined below.

1 **SUMMARY OF BASE OPERATIONAL APPROPRIATION**

2	APPROP. CLASS	OBJ. CLASS	GEN. FUND	SPCL. FUND	TOTAL
3	REG. SALARIES	111	\$2,905,230	\$3,804,796	\$6,710,025
4	OT/SP	112	\$0	\$0	\$0
5	BENEFITS	113	\$1,020,902	\$1,098,056	\$2,118,959
6	TRAVEL	220	\$31,850	\$0	\$31,850
7	CONT. SERV.	230	\$10,980,947	\$82,205	\$11,063,152
8	OFF. RENTAL	233	\$511,192	\$0	\$511,192
9	SUP. & MAT.	240	\$321,034	\$3,500	\$324,534
10	EQUIPMENT	250	\$0	\$3,000	\$3,000
11	WRK. COMP.	270	\$3,000	\$0	\$3,000
12	DRUG TEST	271	\$600	\$75	\$675
13	SUBGRANT	280	\$113	\$0	\$113
14	MISC.	290	\$17,363,611	\$0	\$17,363,611
15	POWER	361	\$0	\$0	\$0
16	WATER/SEWER	362	\$0	\$0	\$0
17	PHONE/TOLL	363	\$458,977	\$0	\$458,977
18	CAP. OUTLAY	450	\$0	\$0	\$0
19	GRAND TOTAL		\$33,597,456	\$4,991,632	\$38,589,088

20 **Healthy Futures Fund - \$4,268,795(111-\$3,299,970, 113-\$968,825)**

21 **Environmental Health Fund - \$722,837 (111-\$504,826,113-\$129,232,230-**
 22 **\$82,205,240-\$3,500,250-\$3,000,271-\$75)**

1 **SUMMARY OF BASE OPERATIONAL APPROPRIATION FUNDING**

2 **SOURCE**

3	GENERAL FUND	\$33,597,402
4	FEDERAL MATCHING GRANTS-IN-AID	\$24,752,122
5	SPECIAL FUNDS	<u>\$4,991,632</u>
6	TOTAL	\$63,341,156

1 **Section 3. Public Assistance Program Payments.** *Up to* the sum of Four
2 Million Six Hundred Eighty-Six Thousand Nine Hundred Six Dollars (**\$4,686,906**)
3 from the Base Operational Appropriation is authorized as the Local Match for
4 Federal Matching Grants-In-Aid to the DPHSS for Public Assistance Program
5 payments and administration for Fiscal Year 2012. Nine Million Eighty-Three
6 Thousand Six Hundred Seventy-Two Dollars (**\$9,083,672**) is authorized from
7 Federal Matching Grants-In-Aid.

8 **Section 4. Medically Indigent Program (MIP) Appropriations.**

9 (a) The sum of Fifteen Million Three Hundred Seventeen
10 Thousand Five Hundred Fifty-One Dollars (**\$15,317,551**) is appropriated
11 from the General Fund to the Medically Indigent Program Payment
12 Revolving Fund (MIPPR) for the MIP for Fiscal Year 2012.

13 (b) The sum of One Million Four Hundred Twenty-One Thousand
14 Nine Hundred Twenty-Three Dollars (**\$1,421,923**) is appropriated from
15 Healthy Futures Fund to the MIPPR for the MIP to fund cancer screening,
16 treatment and support services for Fiscal Year 2012.

17 (c) *No more than* fifteen percent (15%) of the appropriations from
18 local fund sources in this Section are authorized to pay for FY 2011
19 Obligations of the MIP program.

20 **Section 5. Medicaid Program.** The sum of Twelve Million Seventy
21 Thousand Seven Dollars (**\$12,070,007**) from the Base Operational Appropriation is
22 authorized as the local match requirement of the Medicaid Program and Fourteen
23 Million Eight Hundred Ninety-Five Thousand Forty Dollars (**\$14,895,040**) is
24 authorized from Federal Matching Grants-In-Aid to the DPHSS for said purpose
25 for Fiscal Year 2012. *No more than* fifteen percent (15%) of the appropriations
26 from local fund sources in this Section are authorized to pay for FY 2011
27 Obligations of the Medicaid program.

1 **Section 6. Medicines and Vacant Positions for the DPHSS Community**
2 **Health Centers.** The sum Three Hundred Forty-Six Thousand Four Hundred
3 Fifty-Nine Dollars (**\$346,459**) is appropriated from the Healthy Futures Fund to the
4 DPHSS Community Health Centers for Fiscal Year 2012.

5 **Section 7. Enhanced Allotment Plan.** The sum of Six Hundred Thirty-
6 Nine Thousand Eight Hundred Two Dollars (**\$639,802**) from the Base Operational
7 Appropriation is authorized as the local match requirement of the Enhanced
8 Allotment Plan (Medicaid Part D) Program and Seven Hundred Seventy-Three
9 Thousand Four Hundred Ten Dollars (**\$773,410**) is authorized from Federal
10 Matching Grants-In-Aid to the DPHSS for said purpose for Fiscal Year 2012.

11 **Section 8. Department of Public Health and Social Services Carry-**
12 **Over Authorization.** The unexpended balance of appropriations from the General
13 Fund and Special Funds to the DPHSS for Fiscal Year 2011 *shall not* revert to the
14 General Fund and *shall* be available until fully expended for the original purposes
15 of said appropriations. The Director of DPHSS *shall* submit a report to the Speaker
16 of *I Liheslaturan Guåhan* regarding the allocation, demographics and expenditures
17 of the appropriations contained herein *no later than* thirty (30) days after the end of
18 each quarter and post the same on DPHSS's website. The Director of
19 Administration *shall* pay MIP and Medicaid vendors on a first-in first-out basis.

20 **Section 9. Appropriation to the Guam Cancer Registry.** Pursuant to
21 §26603(d)(4) of Title 11 of the Guam Code Annotated, the sum of One Hundred
22 Forty-Two Thousand Ninety-Two Dollars (**\$142,092**) is appropriated from the
23 Healthy Futures Fund to the DPHSS to maintain the Guam Cancer Registry
24 pursuant to §3201.1 of Title 10 of the Guam Code Annotated. The DPHSS *shall*
25 provide funding to the University of Guam for services, supplies and/or materials
26 in executing the Memorandum of Agreement between the University of Guam and
27 the Department of Public Health and Social Services regarding the collection of

1 data and the maintenance of the Guam Cancer Registry. Any funds pursuant to this
2 Section *not* expended in Fiscal Year 2011 *shall* revert to the Guam Cancer Trust
3 Fund.

4 **Section 10. Prompt Payment of MIP Patient Claims Generated at the**
5 **Guam Memorial Hospital Authority.** The DPHSS *shall* process all MIP patient
6 claims generated at the Guam Memorial Hospital Authority *no later than* forty-five
7 (45) days from receipt of said claim as required by §9902 of Chapter 9 of Title 10
8 of the Guam Code Annotated.

9 **Section 11. Appropriation to the Department of Public Health and**
10 **Social Services for the Division of Environmental Health.** The sum of Two
11 Hundred Ninety-One Thousand Three Hundred Forty-Five Dollars (\$291,345) is
12 appropriated from the Environmental Health Fund, and the sum of One Hundred
13 Twenty-Three Thousand Dollars (\$123,000) is appropriated from the Unreserved
14 Fund Balance of the DPHSS Sanitary Inspection Revolving Fund to the
15 Department of Public Health and Social Services - Division of Environmental
16 Health to fund *up to* fifteen (15) positions, to include environmental health
17 specialists, environmental health engineers, an administrative assistant, and a
18 customer service representative pursuant to Public Law 30-64.

CHAPTER III
PART III - DEPARTMENT OF MENTAL HEALTH AND SUBSTANCE
ABUSE

1 **Section 1. Legislative Intent.** It is the intent of *I Liheslaturan Guåhan*
2 that the Department of Mental Health and Substance Abuse (DMHSA) *shall*
3 expend the funds appropriated in accordance with the object class appropriation
4 levels. The DMHSA *shall not* have the authority to transfer any funds between
5 object classes. Funds *shall only* be transferred to the travel object class in so much
6 as the funds transferred represent the local match to authorized federal travel.

7 It is further the intent of *I Liheslaturan Guåhan* that the DMHSA *shall*
8 expend *no less than* One Million Seventy Thousand Dollars (**\$1,070,000**) for the
9 operation of the Child Adolescent Services Division and the *I Famagu'on-ta*
10 Program.

11 It is further the intent of *I Liheslaturan Guåhan* to provide adequate funding
12 towards the implementation of the Federal Management Team Plan of Action, as
13 approved by the District Court of Guam, as well as provide the authorizations
14 necessary to administer the Federal Management Team Plan of Action in
15 accordance with the administrative procedures as agreed upon by both the
16 government of Guam and the Federal Management Team.

17 **Section 2. Appropriation.** Funds provided in this Section are hereby
18 appropriated and authorized out of the General Fund, Special Funds and Federal
19 Matching Grants-in-Aid to the DMHSA for its operations in Fiscal Year 2012.
20 This appropriation *shall* be expended in accordance with the object class
21 allocations outlined below.

22

1 **SUMMARY OF BASE OPERATIONAL APPROPRIATION**

2	APPROP. CLASS	OBJ. CLASS	GEN FUND	SPCL FUND	TOTAL
3	REG SALARIES	111	\$3,367,977	\$1,907,604	\$5,275,582
4	OT/SP	112	\$38,387	\$38,203	\$76,590
5	BENEFITS	113	\$1,040,949	\$598,852	\$1,639,801
6	TRAVEL/MILE	220	\$0	\$0	\$0
7	CONT. SERV.	230	\$4,605,831	\$0	\$4,605,831
8	OFF. RENTAL	233	\$194,600	\$0	\$194,600
9	SUP. & MAT.	240	\$1,067,500	\$11,000	\$1,078,500
10	EQUIPMENT	250	\$10,750	\$5,500	\$16,250
11	WORK. COMP.	270	\$0	\$0	\$0
12	DRUG TEST	271	\$0	\$0	\$0
13	SUBGRANT	280	\$0	\$0	\$0
14	MISC	290	\$64,397	\$0	\$64,397
15	POWER	361	\$0	\$0	\$0
16	WATER/SEWER	362	\$0	\$0	\$0
17	PHONE/TOLL	363	\$120,000	\$0	\$120,000
18	CAP. OUTLAY	450	\$0	\$0	\$0
19	GRAND TOTAL		\$10,510,391	\$2,561,160	\$13,071,551

20 Healthy Futures Fund \$2,561,160

21

1	SUMMARY OF BASE OPERATIONAL APPROPRIATION FUNDING	
2	SOURCE	
3	GENERAL FUND	\$10,510,391
4	FEDERAL MATCHING GRANTS –IN-AID	\$225,862
5	SPECIAL FUNDS	<u>\$2,561,160</u>
6	TOTAL	\$13,297,413

1 **Section 3. Department of Mental Health and Substance Abuse –**
2 **Detoxification & Rehabilitation Services.** The sum of Eight Hundred Thirty-
3 Nine Thousand Forty Dollars(**\$839,040**)is appropriated from the General Fund to
4 the DMHSA for Fiscal Year 2012 for outsourcing of drug and alcohol
5 detoxification, rehabilitation, and prevention services, *provided* that the
6 expenditure of such funds *shall* comply with Title 48 USC §1421b(p).

7 **Section 4. Oasis Empowerment Center for Women Alcohol Substance**
8 **and Homeless Program.** For each Fiscal Year 2012 and 2013, the sum of Fifty
9 Thousand Dollars (**\$50,000**) is appropriated from the General Fund to the DMHSA
10 for the Oasis Empowerment Center for Women Alcohol Substance and Homeless
11 Program.

12 **Section 5. Department of Mental Health and Substance Abuse for the**
13 **Amended Permanent Injunction and Plan of Action.** Pursuant to Court Order
14 No. CV 01-0041 CBM, the sum of Three Million Dollars (**\$3,000,000**) is hereby
15 appropriated from the General Fund to the DMHSA for Fiscal Year 2012 for the
16 payment of court ordered deposits that are due in Fiscal Year 2012 in accordance
17 with the modified funding schedule, for the implementation of the Amended
18 Permanent Injunction and Plan of Action.

19 **Section 6. Expenditures Related to the Federal Management Team**
20 **(FMT) Plan of Action (POA).** Funds reimbursed to the government of Guam
21 from the Federal Management Team Community First Guam Federal Credit Union
22 DMHSA Amended Permanent Injunction Trustee Account *shall* be deposited into
23 and recorded in the existing Permanent Injunction – DMHSA Fund. The sum of up
24 to Ten Million Dollars (**\$10,000,000**) is authorized from the Federal Management
25 Team Community First Guam Federal Credit Union DMHSA Amended Permanent
26 Injunction Trustee Account funds reimbursed to the government of Guam *only* to

- 1 fund personnel and operational expenditures identified by the FMT POA as filed in
- 2 the District Court of Guam under Case No. CV 01-0041.

CHAPTER III

PART IV - DEPARTMENT OF INTEGRATED SERVICES FOR INDIVIDUALS WITH DISABILITIES

1 **Section 1. Legislative Intent.** It is the intent of *I Liheslaturan Guåhan*
2 that the Department of Integrated Services for Individuals with Disabilities
3 (DISID) *shall* retain its funding levels according to the maintenance of effort and
4 according to its expenditure levels in Fiscal Year 2011.

5 **Section 2. Appropriation.** Funds provided in this Section are hereby
6 appropriated and authorized out of the General Fund, Special Funds and Federal
7 Matching Grants-in-Aid to the DISID for its operations in Fiscal Year 2012.

8 This appropriation *shall* be expended in accordance with object class
9 allocations outlined below.

1 **SUMMARY OF BASE OPERATIONAL APPROPRIATION**

2	APPROP. CLASS	OBJ. CLASS	GEN FUND	SPCL FUND	TOTAL
3	REG SALARIES	111	\$372,766	\$0	\$372,766
4	OT/SP	112	\$0	\$0	\$0
5	BENEFITS	113	\$113,601	\$0	\$113,601
6	TRAVEL/MILE	220	\$0	\$0	\$0
7	CONT. SERV.	230	\$70,424	\$513,881	\$584,305
8	OFF. RENTAL	233	\$118,128	\$0	\$118,128
9	SUP. & MAT.	240	\$4,000	\$0	\$4,000
10	EQUIPMENT	250	\$0	\$0	\$0
11	WORK. COMP.	270	\$0	\$0	\$0
12	DRUG TEST	271	\$0	\$0	\$0
13	SUBGRANT	280	\$0	\$0	\$0
14	MISC	290	\$555,426	\$0	\$555,426
15	POWER	361	\$0	\$0	\$0
16	WATER/SEWER	362	\$0	\$0	\$0
17	PHONE/TOLL	363	\$16,000	\$0	\$16,000
18	CAP. OUTLAY	450	\$0	\$0	\$0
19	GRAND TOTAL		\$1,250,344	\$513,881	\$1,764,225
20	Healthy Futures Fund \$513,881				

1 **SUMMARY OF BASE OPERATIONAL APPROPRIATION FUNDING**

2 **SOURCE**

3	GENERAL FUND	\$1,250,344
4	FEDERAL MATCHING GRANTS-IN-AID	\$2,052,208
5	SPECIAL FUNDS	<u>\$513,881</u>
6	TOTAL	\$3,816,433

CHAPTER IV
UNIFIED JUDICIARY

1 **Section 1. Appropriation.** The amounts specified in this Section are
2 appropriated and authorized from the General Fund and Federal Matching Grants-
3 in-Aid to the Unified Judiciary for its operations in Fiscal Year 2012.

4 It is the intent of *I Liheslaturan Guåhan* that external funds available to
5 agencies and departments *shall* be taken into consideration to determine the current
6 appropriation level needed. *I Liheslaturan* further intends to maximize the use of
7 these funds and that material external funds received *shall* be used to maximize
8 services and programs of the agencies through pursuit of indirect cost
9 reimbursements to reduce the local funding where applicable.

10 **SUMMARY OF BASE OPERATIONAL APPROPRIATION FUNDING**
11 **SOURCE**

12 GENERAL FUND	\$21,352,213
13 FEDERAL MATCHING GRANTS-IN-AID	\$0
14 SPECIAL FUNDS	\$0
15 TOTAL	\$21,352,213

16 **Section 2. Court-Appointed Attorney Fees.** The sum of Seven Hundred
17 Forty-Five Thousand Four Hundred Thirty-Three Dollars (**\$745,433**) is
18 appropriated from the General Fund to the Unified Judiciary for the *sole* purpose of
19 paying court-appointed attorney fees arising from the defense of indigent clients
20 for Fiscal Year 2012. Said funds *shall* be deposited in the Judicial Client Services
21 Fund account, as created by Title 7, Guam Code Annotated, Division 1, Chapter
22 9.6, and *shall not* be subject to any transfer authority. Any unexpended funds
23 appropriated herein *shall* revert to the General Fund at the end of FY 2012.

24 **Section 3. Adult and Juvenile Drug Courts.** The sum of Six Hundred
25 Fifty-One Thousand Two Hundred Seventy-Seven Dollars (**\$651,277**) is

1 appropriated from the General Fund to the Unified Judiciary for the operations of
2 the Adult and Juvenile Drug Courts for Fiscal Year 2012.

3 **Section 4. Family Visitation Center.** The sum of One Hundred Forty-
4 Five Thousand Dollars (**\$145,000**) is appropriated from the Safe Streets Fund, to
5 the Unified Judiciary for Fiscal Year 2012, to pay for contractual services for the
6 operation of the Family Visitation Center, *provided*, that the Judiciary must comply
7 with §18125 (c) and (d) of Title 16, Guam Code Annotated, and §9211 (b) of Title
8 7, Guam Code Annotated.

9 **Section 5. Transfer Authority of the Judiciary of Guam.** The Unified
10 Judiciary in FY 2012 is authorized to transfer funds from the appropriation made in
11 Chapter IV Section 1 into the appropriations made in Chapter IV Sections 2, 3 and
12 4, but *shall not* transfer appropriations out from the appropriations made in Chapter
13 IV Sections 2, 3 and 4 into Chapter IV Section 1.

14 **Section 6. Judicial Building Fund FY 2012 Budget.** The Unified
15 Judiciary of Guam *shall* report its Judicial Building Fund FY 2012 Budget to *I*
16 *Maga'låhen Guåhan* and the Speaker of *I Liheslaturan Guåhan*, in a Microsoft
17 Excel file and a written report, on or before October 30, 2011, and post the same
18 on its website.

19 **Section 7. Judicial Building Fund Revenues and Expenditures**
20 **Reporting.** The Unified Judiciary of Guam *shall* report all revenues and
21 expenditures for the Judicial Building Fund to *I Maga'låhen Guåhan* and the
22 Speaker of *I Liheslaturan Guåhan*, in a Microsoft Excel file and a written report,
23 on a quarterly basis and post the same on its website. Each quarterly report *shall*
24 be due *no later than* thirty (30) days after the end of each quarter.

25 **Section 8. Continuing Appropriation to the Judiciary.** The unexpended
26 balance of the funds appropriated to the Unified Judiciary for Fiscal Year 2011

1 *shall not* lapse and is available to the Unified Judiciary for expenditures in Fiscal
2 Year 2012.

3 **Section 9. Unified Judiciary Authorization to Fund any Operational**
4 **Shortfall.** The Judiciary of Guam is authorized to fund any operational shortfall
5 for Fiscal Year 2012 from the Judicial Building Fund consistent with the covenants
6 and provisions of the Loan Documents between the Judiciary a the Bank of Guam.

CHAPTER V
EXECUTIVE BRANCH

1 **Section 1. Appropriation.** The amounts specified in the Summary of Base
2 Operational Appropriation in Subsections (a) through (ee) are hereby appropriated
3 and authorized out of the General Fund, Special Funds and Federal Matching
4 Grants-in-Aid, specified in the respective Summary of Base Operational
5 Appropriation Funding Source, to the agencies, departments and offices in each
6 Subsection for its operations in Fiscal Year 2012. This appropriation *shall* be
7 expended in accordance with object class allocations outlined below.

8

1 **(a) OFFICE OF *I MAGA'LÅHI***

2 **(1) Appropriations to the Office of *I Maga'lahren*.** The amounts
3 in the Subsections below are to support the operations of the Office of *I*
4 *Maga'lahren Guåhan*, inclusive of the Medical Referral Office, Government
5 House, Bureau of Information Technology, Guam Liaison
6 Office/Washington, D.C., *I Segundu Na Maga'lahren Guåhan* and the Guam
7 State Clearinghouse from the respective Funds, and for the following
8 purposes, to the Office of *I Maga'lahren Guåhan* for Fiscal Year 2012:

9 **(i) General Fund Appropriation for Operations.** The
10 sum of Six Million Two Hundred Three Thousand Seven Hundred
11 Fifty Three Dollars (**\$6,203,753**) is appropriated from the General
12 Fund to the Office of *I Maga'lahren Guåhan* for its operations in
13 Fiscal Year 2012.

14 **(ii) Indirect Cost Fund Appropriation for Operations.**
15 The sum of Three Hundred Eleven Thousand Three Hundred Fifty
16 Seven Dollars (**\$311,357**) is appropriated from the Indirect Cost Fund
17 to the Office of *I Maga'lahren Guåhan* for its operations in Fiscal Year
18 2012.

19

1 (b) COMMISSION ON DECOLONIZATION

2 SUMMARY OF BASE OPERATIONAL APPROPRIATION

3	APPROP. CLASS	OBJ. CLASS	GEN FUND	SPCL FUND	TOTAL
4	REG SALARIES	111	\$65,000	\$0	\$65,000
5	OT/SP	112	\$0	\$0	\$0
6	BENEFITS	113	\$19,898	\$0	\$19,898
7	TRAVEL/MILE	220	\$0	\$0	\$0
8	CONT. SERV.	230	\$4,840	\$0	\$4,840
9	OFF. RENTAL	233	\$0	\$0	\$0
10	SUP. & MAT.	240	\$4,170	\$0	\$4,170
11	EQUIPMENT	250	\$7,530	\$0	\$7,530
12	WORK. COMP.	270	\$0	\$0	\$0
13	DRUG TEST	271	\$0	\$0	\$0
14	SUBGRANT	280	\$0	\$0	\$0
15	MISC	290	\$0	\$0	\$0
16	POWER	361	\$0	\$0	\$0
17	WATER/SEWER	362	\$0	\$0	\$0
18	PHONE/TOLL	363	\$3,000	\$0	\$3,000
19	CAP. OUTLAY	450	\$0	\$0	\$0
20	GRAND TOTAL		\$104,438	\$0	\$104,438

21

1 **SUMMARY OF BASE OPERATIONAL APPROPRIATION FUNDING**

2 **SOURCE**

3	GENERAL FUND	\$104,438
4	FEDERAL MATCHING GRANTS-IN-AID	\$0
5	SPECIAL FUNDS	<u>\$0</u>
6	TOTAL	\$104,438

7

1 (c) ANCESTRAL LANDS COMMISSION

2 SUMMARY OF BASE OPERATIONAL APPROPRIATION

3	APPROP. CLASS	OBJ. CLASS	GEN FUND	SPCL FUND	TOTAL
4	REG SALARIES	111	\$125,094	\$0	\$125,094
5	OT/SP	112	\$0	\$0	\$0
6	BENEFITS	113	\$38,096	\$0	\$38,096
7	TRAVEL/MILE	220	\$0	\$0	\$0
8	CONT. SERV.	230	\$3,040	\$0	\$3,040
9	OFF. RENTAL	233	\$0	\$0	\$0
10	SUP. & MAT.	240	\$8,066	\$0	\$8,066
11	EQUIPMENT	250	\$775	\$0	\$775
12	WORK. COMP.	270	\$0	\$0	\$0
13	DRUG TEST	271	\$0	\$0	\$0
14	SUBGRANT	280	\$0	\$0	\$0
15	MISC	290	\$0	\$0	\$0
16	POWER	361	\$0	\$0	\$0
17	WATER/SEWER	362	\$0	\$0	\$0
18	PHONE/TOLL	363	\$3,400	\$0	\$3,400
19	CAP. OUTLAY	450	\$0	\$0	\$0
20	GRAND TOTAL		\$178,471	\$0	\$178,471

21

1 **SUMMARY OF BASE OPERATIONAL APPROPRIATION FUNDING**

2 **SOURCE**

3	GENERAL FUND	\$178,471
4	FEDERAL MATCHING GRANTS-IN-AID	\$0
5	SPECIAL FUNDS	<u>\$0</u>
6	TOTAL	\$178,471

7

1 (d) VETERANS AFFAIRS OFFICE

2 SUMMARY OF BASE OPERATIONAL APPROPRIATION

3	APPROP. CLASS	OBJ. CLASS	GEN FUND	SPCL FUND	TOTAL
4	REG SALARIES	111	\$205,407	\$0	\$205,407
5	OT/SP	112	\$0	\$0	\$0
6	BENEFITS	113	\$62,869	\$0	\$62,869
7	TRAVEL/MILE	220	\$0	\$0	\$0
8	CONT. SERV.	230	\$10,000	\$0	\$10,000
9	OFF. RENTAL	233	\$0	\$0	\$0
10	SUP. & MAT.	240	\$7,707	\$0	\$7,707
11	EQUIPMENT	250	\$0	\$0	\$0
12	WORK. COMP.	270	\$0	\$0	\$0
13	DRUG TEST	271	\$0	\$0	\$0
14	SUBGRANT	280	\$0	\$0	\$0
15	MISC	290	\$0	\$0	\$0
16	POWER	361	\$0	\$0	\$0
17	WATER/SEWER	362	\$0	\$0	\$0
18	PHONE/TOLL	363	\$8,000	\$0	\$8,000
19	CAP. OUTLAY	450	\$0	\$0	\$0
20	GRAND TOTAL		\$293,983	\$0	\$293,983

21

1 **SUMMARY OF BASE OPERATIONAL APPROPRIATION FUNDING**

2 **SOURCE**

3	GENERAL FUND	\$293,983
4	FEDERAL MATCHING GRANTS-IN-AID	\$0
5	SPECIAL FUNDS	<u>\$0</u>
6	TOTAL	\$293,983

7

(e) **BUREAU OF BUDGET AND MANAGEMENT RESEARCH**
SUMMARY OF BASE OPERATIONAL APPROPRIATION

APPROP. CLASS	OBJ. CLASS	GEN FUND	SPCL FUND	TOTAL
REG SALARIES	111	\$782,622	\$228,256	\$1,010,878
OT/SP	112	\$0	\$0	\$0
BENEFITS	113	\$231,330	\$71,510	\$302,840
TRAVEL/MILE	220	\$0	\$0	\$0
CONT. SERV.	230	\$0	\$14,813	\$14,813
OFF. RENTAL	233	\$0	\$0	\$0
SUP. & MAT.	240	\$5,640	\$0	\$5,640
EQUIPMENT	250	\$0	\$0	\$0
WORK. COMP.	270	\$0	\$0	\$0
DRUG TEST	271	\$0	\$150	\$150
SUBGRANT	280	\$0	\$0	\$0
MISC	290	\$0	\$0	\$0
POWER	361	\$0	\$0	\$0
WATER/SEWER	362	\$0	\$0	\$0
PHONE/TOLL	363	\$0	\$14,333	\$14,333
CAP. OUTLAY	450	\$0	\$0	\$0
GRAND TOTAL		\$1,019,592	\$329,062	\$1,348,654
Indirect Cost Fund			\$329,062	

1 **SUMMARY OF BASE OPERATIONAL APPROPRIATION FUNDING**

2 **SOURCE**

3	GENERAL FUND	\$1,019,592
4	FEDERAL MATCHING GRANTS-IN-AID	\$0
5	SPECIAL FUNDS	<u>\$329,062</u>
6	TOTAL	\$1,348,654

7

1 (f) CIVIL SERVICE COMMISSION

2 SUMMARY OF BASE OPERATIONAL APPROPRIATION

3	APPROP. CLASS	OBJ. CLASS	GEN FUND	SPCL FUND	TOTAL
4	REG SALARIES	111	\$502,895	\$0	\$502,895
5	OT/SP	112	\$0	\$0	\$0
6	BENEFITS	113	\$149,654	\$0	\$149,654
7	TRAVEL/MILE	220	\$0	\$0	\$0
8	CONT. SERV.	230	\$20,984	\$0	\$20,984
9	OFF. RENTAL	233	\$85,470	\$0	\$85,470
10	SUP. & MAT.	240	\$1,000	\$0	\$1,000
11	EQUIPMENT	250	\$0	\$0	\$0
12	WORK. COMP.	270	\$0	\$0	\$0
13	DRUG TEST	271	\$0	\$0	\$0
14	SUBGRANT	280	\$0	\$0	\$0
15	MISC	290	\$31,540	\$0	\$31,540
16	POWER	361	\$0	\$0	\$0
17	WATER/SEWER	362	\$0	\$0	\$0
18	PHONE/TOLL	363	\$10,780	\$0	\$10,780
19	CAP. OUTLAY	450	\$0	\$0	\$0
20	GRAND TOTAL		\$802,323	\$0	\$802,323

21

1 **SUMMARY OF BASE OPERATIONAL APPROPRIATION FUNDING**

2 **SOURCE**

3	GENERAL FUND	\$802,323
4	FEDERAL MATCHING GRANTS-IN-AID	\$0
5	SPECIAL FUNDS	<u>\$0</u>
6	TOTAL	\$802,323

7

1 (g) DEPARTMENT OF ADMINISTRATION

2 SUMMARY OF BASE OPERATIONAL APPROPRIATION

3	APPROP. CLASS	OBJ. CLASS	GEN FUND	SPCL FUND	TOTAL
4	REG SALARIES	111	\$4,907,716	\$622,717	\$5,530,433
5	OT/SP	112	\$0	\$0	\$0
6	BENEFITS	113	\$1,471,438	\$208,290	\$1,679,728
7	TRAVEL/MILE	220	\$0	\$0	\$0
8	CONT. SERV.	230	\$594,691	\$36,586	\$631,277
9	OFF. RENTAL	233	\$0	\$0	\$0
10	SUP. & MAT.	240	\$30,000	\$0	\$30,000
11	EQUIPMENT	250	\$0	\$0	\$0
12	WORK. COMP.	270	\$0	\$0	\$0
13	DRUG TEST	271	\$375	\$0	\$375
14	SUBGRANT	280	\$0	\$0	\$0
15	MISC	290	\$0	\$0	\$0
16	POWER	361	\$0	\$0	\$0
17	WATER/SEWER	362	\$0	\$0	\$0
18	PHONE/TOLL	363	\$375,000	\$0	\$375,000
19	CAP. OUTLAY	450	\$0	\$0	\$0
20	GRAND TOTAL		\$7,379,220	\$867,593	\$8,246,813

21 Indirect Cost Fund **\$867,593**

22

1 **SUMMARY OF BASE OPERATIONAL APPROPRIATION FUNDING**

2 **SOURCE**

3	GENERAL FUND	\$7,379,220
4	FEDERAL MATCHING GRANTS-IN-AID	\$0
5	SPECIAL FUNDS	<u>\$867,593</u>
6	TOTAL	\$8,246,813

7 (1) **Support of Child in Custody (Title 19 GCA §5116).** The
8 sum of Six Hundred Forty-Nine Thousand Nine Hundred Sixty-Two Dollars
9 (**\$649,962**) is appropriated from the General Fund to the Department of
10 Administration (DOA) for Fiscal Year 2012 for the *sole* purpose of paying
11 orders of the court pursuant to §5116, Title 19, Guam Code Annotated.

12 (2) **Residential Treatment Fund.** The sum of One Million Two
13 Hundred Thousand Dollars (**\$1,200,000**) is appropriated from the General
14 Fund to the DOA in Fiscal Year 2012 to pay the expenses of persons under
15 the jurisdiction of the Superior Court of Guam who require residential care
16 because of physical, mental or emotional disabilities, or severe emotional
17 disturbances. All such persons and their escorts referred off-Guam for
18 treatment and care *shall* submit to the Director of DOA appropriate
19 documentation to justify and receive reimbursement of their travel expenses.
20 The Director of Administration *shall* submit reports, in a Microsoft Excel
21 file and written report, to *I Maga'låhen Guåhan* and the Speaker of *I*
22 *Liheslaturan Guåhan* describing all expenditures made pursuant to this
23 appropriation *no later than* thirty (30) days after the end of each quarter of
24 Fiscal Year 2012, and post the same on the DOA website.

25 (3) **Government Claims Fund.** The sum of One Hundred
26 Thousand Dollars (**\$100,000**) is appropriated from the General Fund to the
27 DOA for the Government Claims Fund for payment of approved

1 government claims in Fiscal Year 2012. The Director of DOA *shall, no*
2 *later than* thirty (30) days after the close of each quarter of Fiscal Year 2012,
3 submit a report to the Speaker of *I Liheslaturan Guåhan*, in a Microsoft
4 Excel file and written report, describing expenditures made pursuant to this
5 appropriation, and post the same on the Department's website.

6 **(4) Government of Guam's General Purpose Financial**
7 **Statement and Single Audit Report.** The sum of Three Hundred Seventy-
8 Seven Thousand Dollars (**\$377,000**) is appropriated from the General Fund
9 to the DOA for the Fiscal Year 2011 Audit of the Government of Guam's
10 General Purpose Financial Statement and the Single Audit Report. The
11 Public Auditor *shall* administer said funds and *shall* oversee the annual
12 audit.

13 **(5) Single Audit Report on the Tourist Attraction Fund.** The
14 sum of Eighteen Thousand Dollars (**\$18,000**) is appropriated from the
15 Tourist Attraction Fund to the DOA for the Fiscal Year 2011 Audit of the
16 Government of Guam's Tourist Attraction Fund Financial Statement and
17 Single Audit Report. The Public Auditor *shall* administer said funds and
18 *shall* oversee the annual audit.

19 **(6) Single Audit Report on the Guam Highway Fund.** The sum
20 of Eighteen Thousand Dollars (**\$18,000**) is appropriated from the Guam
21 Highway Fund to the DOA for the Fiscal Year 2011 Audit of the
22 Government of Guam's Highway Fund Financial Statement and Single
23 Audit Report. The Public Auditor *shall* administer said funds and *shall*
24 oversee the annual audit.

25 **(7) Interest-Only Payments to the Government of Guam**
26 **Retirement Fund Pursuant to Public Law 28-38.** The sum of Three
27 Hundred Thirty-Two Thousand Seven Hundred Fifty-Three Dollars

1 **(\$332,753)** is appropriated from the General Fund to DOA for “interest
2 only” payments for the GDOE and GMHA deficiency to the GGRF pursuant
3 to this Section. Any balance remaining from this appropriation *shall* revert
4 to the General Fund.

5

1 (h) GUAM ELECTION COMMISSION

2 SUMMARY OF BASE OPERATIONAL APPROPRIATION

3	APPROP. CLASS	OBJ. CLASS	GEN FUND	SPCL FUND	TOTAL
4	REG SALARIES	111	\$319,877	\$0	\$319,877
5	OT/SP	112	\$24,752	\$0	\$24,752
6	BENEFITS	113	\$111,151	\$0	\$111,151
7	TRAVEL/MILE	220	\$0	\$0	\$0
8	CONT. SERV.	230	\$200,000	\$0	\$200,000
9	OFF. RENTAL	233	\$117,960	\$0	\$117,960
10	SUP. & MAT.	240	\$6,000	\$0	\$6,000
11	EQUIPMENT	250	\$0	\$0	\$0
12	WORK. COMP.	270	\$0	\$0	\$0
13	DRUG-TEST	271	\$0	\$0	\$0
14	SUBGRANT	280	\$0	\$0	\$0
15	MISC	290	\$100,000	\$0	\$100,000
16	POWER	361	\$0	\$0	\$0
17	WATER/SEWER	362	\$0	\$0	\$0
18	PHONE/TOLL	363	\$12,850	\$0	\$12,850
19	CAP. OUTLAY	450	\$0	\$0	\$0
20	GRAND TOTAL		\$892,590	\$0	\$892,590

21

1 **SUMMARY OF BASE OPERATIONAL APPROPRIATION FUNDING**

2 **SOURCE**

3	GENERAL FUND	\$892,590
4	FEDERAL MATCHING GRANTS -IN-AID	\$0
5	SPECIAL FUNDS	<u>\$0</u>
6	TOTAL	\$892,590

7

1 (i) DEPARTMENT OF REVENUE AND TAXATION

2 SUMMARY OF BASE OPERATIONAL APPROPRIATION

3	APPROP. CLASS	OBJ. CLASS	GEN FUND	SPCL FUND	TOTAL
4	REG SALARIES	111	\$5,900,873	\$273,807	\$6,174,680
5	OT/SP	112	\$0	\$0	\$0
6	BENEFITS	113	\$1,800,443	\$85,946	\$1,886,388
7	TRAVEL/MIL	220	\$0	\$9,500	\$9,500
8	CONT. SERV.	230	\$0	\$1,367,097	\$1,367,097
9	OFF. RENTAL	233	\$1,059,635	\$15,785	\$1,075,420
10	SUP. & MAT.	240	\$8,201	\$61,075	\$69,276
11	EQUIPMENT	250	\$0	\$0	\$0
12	WORK. COMP.	270	\$0	\$0	\$0
13	DRUG-TEST	271	\$1,500	\$0	\$1,500
14	SUBGRANT	280	\$0	\$0	\$0
15	MISC	290	\$0	\$0	\$0
16	POWER	361	\$0	\$0	\$0
17	WATER/SEWER	362	\$0	\$0	\$0
18	PHONE/TOLL	363	\$0	\$101,400	\$101,400
19	CAP. OUTLAY	450	\$0	\$0	\$0
20	GRAND TOTAL		\$8,770,652	\$1,914,610	\$10,685,262

21 Better Public Service Fund \$1,422,747 (220 - \$9,500; 230 - \$1,367,097; 240
22 - \$46,150)

23 Tax Collection Enhancement Fund \$491,863 (111 - \$273,807; 113 -
24 \$85,946; 233 - \$15,785; 240 - \$14,925; 363 - \$101,400)

1 **SUMMARY OF BASE OPERATIONAL APPROPRIATION FUNDING**

2 **SOURCE**

3	GENERAL FUND	\$8,770,652
4	FEDERAL MATCHING GRANTS-IN-AID	\$0
5	SPECIAL FUNDS	<u>\$1,914,610</u>
6	TOTAL	\$10,685,262

7 (1) **Personnel Costs for the Department of Revenue and Taxation.**

8 The sum of Seven Hundred Twenty-Six Thousand One Hundred Ninety-Five
9 Dollars (**\$726,195**) is appropriated from the General Fund to the Department of
10 Revenue and Taxation (DRT) in Object Class 111 and the sum of Two Hundred
11 Forty-Two Thousand Sixty-Five Dollars (**\$242,065**) is appropriated from the
12 General Fund to DRT in Object Class 113 for the payment of personnel costs at
13 DRT.

14

1 (j) BUREAU OF STATISTICS AND PLANS

2 SUMMARY OF BASE OPERATIONAL APPROPRIATION

3	APPROP. CLASS	OBJ. CLASS	GEN FUND	SPCL FUND	TOTAL
4	REG SALARIES	111	\$868,320	\$0	\$868,320
5	OT/SP	112	\$0	\$0	\$0
6	BENEFITS	113	\$257,702	\$0	\$257,702
7	TRAVEL/MILE	220	\$0	\$0	\$0
8	CONT. SERV.	230	\$0	\$0	\$0
9	OFF. RENTAL	233	\$21,000	\$0	\$21,000
10	SUP. & MAT.	240	\$6,391	\$0	\$6,391
11	EQUIPMENT	250	\$0	\$0	\$0
12	WORK. COMP.	270	\$0	\$0	\$0
13	DRUG-TEST	271	\$0	\$0	\$0
14	SUBGRANT	280	\$0	\$0	\$0
15	MISC.	290	\$0	\$0	\$0
16	POWER	361	\$0	\$0	\$0
17	WATER/SEWER	362	\$0	\$0	\$0
18	PHONE/TOLL	363	\$9,000	\$0	\$9,000
19	CAP. OUTLAY	450	\$0	\$0	\$0
20	GRAND TOTAL		\$1,162,413	\$0	\$1,162,413

21

1 **SUMMARY OF BASE OPERATIONAL APPROPRIATION FUNDING**

2 **SOURCE**

3	GENERAL FUND	\$1,162,413
4	FEDERAL MATCHING GRANTS-IN-AID	\$0
5	SPECIAL FUNDS	<u>\$0</u>
6	TOTAL	\$1,162,413

7

1 (k) DEPARTMENT OF PUBLIC WORKS

2 SUMMARY OF BASE OPERATIONAL APPROPRIATION

3	APPROP. CLASS	OBJ. CLASS	GEN FUND	SPCL FUND	TOTAL
4	REG SALARIES	111	\$6,490,836	\$3,715,036	\$10,205,872
5	OT/SP	112	\$0	\$40,653	\$40,653
6	BENEFITS	113	\$1,965,468	\$1,153,435	\$3,118,904
7	TRAVEL/MILE	220	\$0	\$21,777	\$21,777
8	CONT. SERV.	230	\$0	\$803,336	\$803,336
9	OFF. RENTAL	233	\$0	\$0	\$0
10	SUP. & MAT.	240	\$0	\$2,957,081	\$2,957,081
11	EQUIPMENT	250	\$0	\$95,632	\$95,632
12	WORK. COMP.	270	\$0	\$1,250	\$1,250
13	DRUG TEST	271	\$0	\$7,688	\$7,688
14	SUBGRANT	280	\$0	\$0	\$0
15	MISC	290	\$0	\$0	\$0
16	POWER	361	\$0	\$0	\$0
17	WATER/SEWER	362	\$0	\$0	\$0
18	PHONE/TOLL	363	\$0	\$119,291	\$119,291
19	CAP. OUTLAY	450	\$0	\$67,000	\$67,000
20	GRAND TOTAL		\$8,456,304	\$8,982,179	\$17,438,483

21 DPW Building & Design Fund \$497,806 (111 - \$109,647; 113 - \$33,113;
22 230 - \$83,051; 240 - \$97,634; 250 - \$50,232; 270 - \$500; 271 - \$1,875; 363
23 - \$72,754; 450 - \$49,000)

1 Guam Highway Fund \$8,484,373 (111 - \$3,605,389; 112 - \$40,653; 113 -
2 \$1,120,322; 220 - \$21,777; 230 - \$720,285; 240 - \$2,859,447; 250 -
3 \$45,400; 270 - \$750; 271 - \$5,813; 363 - \$46,537; 450 - \$18,000)

4 **SUMMARY OF BASE OPERATIONAL APPROPRIATION FUNDING**
5 **SOURCE**

6 GENERAL FUND	\$8,456,304
7 FEDERAL MATCHING GRANTS-IN-AID	\$0
8 SPECIAL FUNDS	<u>\$8,982,179</u>
9 TOTAL	\$17,438,483

10 (1) **Guam Solid Waste Authority Appropriation.** The sum of
11 Six Million Two Hundred Forty-Six Thousand Six Hundred Twenty-Six
12 Dollars (**\$6,246,626**) is appropriated from the Solid Waste Operations Fund
13 to the Guam Solid Waste Authority pursuant to Public Law 31-20 for its
14 Fiscal Year 2012 operations.

15

1 (I) CONTRACTORS LICENSE BOARD

2 SUMMARY OF BASE OPERATIONAL APPROPRIATION

3	APPROP. CLASS	OBJ. CLASS	GEN FUND	SPCL FUND	TOTAL
4	REG SALARIES	111	\$0	\$383,393	\$383,393
5	OT/SP	112	\$0	\$0	\$0
6	BENEFITS	113	\$0	\$120,254	\$120,254
7	TRAVEL/MILE	220	\$0	\$16,000	\$16,000
8	CONT. SERV.	230	\$0	\$169,054	\$169,054
9	OFF. RENTAL	233	\$0	\$0	\$0
10	SUP. & MAT.	240	\$0	\$74,106	\$74,106
11	EQUIPMENT	250	\$0	\$35,620	\$35,620
12	WORK. COMP.	270	\$0	\$0	\$0
13	DRUG TEST	271	\$0	\$288	\$288
14	SUBGRANT	280	\$0	\$0	\$0
15	MISC	290	\$0	\$9,600	\$9,600
16	POWER	361	\$0	\$0	\$0
17	WATER/SEWER	362	\$0	\$0	\$0
18	PHONE/TOLL	363	\$0	\$12,000	\$12,000
19	CAP. OUTLAY	450	\$0	\$0	\$0
20	GRAND TOTAL		\$0	\$820,315	\$820,315

21 Contractors License Board Fund \$820,315

22

1 **SUMMARY OF BASE OPERATIONAL APPROPRIATION FUNDING**

2 **SOURCE**

3	GENERAL FUND	\$0
4	FEDERAL MATCHING GRANTS-IN-AID	\$0
5	SPECIAL FUNDS	<u>\$820,315</u>
6	TOTAL	\$820,315

7

1 (m) PEALS BOARD

2 SUMMARY OF BASE OPERATIONAL APPROPRIATION

3	APPROP. CLASS	OBJ. CLASS	GEN FUND	SPCL FUND	TOTAL
4	REG SALARIES	111	\$0	\$25,810	\$25,810
5	OT/SP	112	\$0	\$0	\$0
6	BENEFITS	113	\$0	\$8,195	\$8,195
7	TRAVEL/MILE	220	\$0	\$3,800	\$3,800
8	CONT. SERV.	230	\$0	\$56,312	\$56,312
9	OFF. RENTAL	233	\$0	\$18,000	\$18,000
10	SUP. & MAT.	240	\$0	\$2,900	\$2,900
11	EQUIPMENT	250	\$0	\$4,600	\$4,600
12	WORK. COMP.	270	\$0	\$0	\$0
13	DRUG TEST	271	\$0	\$40	\$40
14	SUBGRANT	280	\$0	\$0	\$0
15	MISC	290	\$0	\$1,750	\$1,750
16	POWER	361	\$0	\$0	\$0
17	WATER/SEWER	362	\$0	\$0	\$0
18	PHONE/TOLL	363	\$0	\$2,900	\$2,900
19	CAP. OUTLAY	450	\$0	\$0	\$0
20	GRAND TOTAL		\$0	\$124,307	\$124,307

21 PEALS Fund \$124,307

22

1 **SUMMARY OF BASE OPERATIONAL APPROPRIATION FUNDING**

2 **SOURCE**

3	GENERAL FUND	\$0
4	FEDERAL MATCHING GRANTS-IN-AID	\$0
5	SPECIAL FUNDS	<u>\$124,307</u>
6	TOTAL	\$124,307

7

1 (n) GUAM POLICE DEPARTMENT

2 SUMMARY OF BASE OPERATIONAL APPROPRIATION

3	APPROP. CLASS	OBJ. CLASS	GEN FUND	SPCL FUND	TOTAL
4	REG SALARIES	111	\$15,582,380	\$0	\$15,582,380
5	OT/SP	112	\$771,652	\$0	\$771,652
6	BENEFITS	113	\$5,444,446	\$0	\$5,444,446
7	TRAVEL/MILE	220	\$0	\$0	\$0
8	CONT. SERV.	230	\$0	\$464,719	\$464,719
9	OFF. RENTAL	233	\$232,200	\$0	\$232,200
10	SUP. & MAT.	240	\$215,000	\$35,000	\$250,000
11	EQUIPMENT	250	\$0	\$0	\$0
12	WORK. COMP.	270	\$20,000	\$0	\$20,000
13	DRUG TEST	271	\$0	\$0	\$0
14	SUBGRANT	280	\$0	\$0	\$0
15	MISC	290	\$44,559	\$82,141	\$126,700
16	POWER	361	\$0	\$0	\$0
17	WATER/SEWER	362	\$0	\$0	\$0
18	PHONE/TOLL	363	\$52,929	\$0	\$52,929
19	CAP. OUTLAY	450	\$0	\$0	\$0
20	GRAND TOTAL		\$22,363,165	\$581,860	\$22,945,025

21 Police Services Fund \$581,860

22

1 **SUMMARY OF BASE OPERATIONAL APPROPRIATION FUNDING**

2 **SOURCE**

3	GENERAL FUND	\$22,363,165
4	FEDERAL MATCHING GRANTS-IN-AID	\$726,136
5	SPECIAL FUNDS	<u>\$581,860</u>
6	TOTAL	\$23,671,161

7 (1) **Special Pay.** The amount below in this Subsection is
8 appropriated from the General Fund to the Guam Police Department in
9 Object Class 111 and *shall* be used to fund all Special Pay, to include
10 Holiday Pay, Night Differential Pay, ten percent (10%) Hazardous Pay, four
11 percent (4%) Hazardous Pay, and Additional Pay six (6) hours, in Fiscal
12 Year 2012 for eligible classified employees funded within this Subsection.

13	SPECIAL PAY	111 Total	\$2,423,651
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14

1 (o) DEPARTMENT OF CORRECTIONS

2 SUMMARY OF BASE OPERATIONAL APPROPRIATION

3	APPROP. CLASS	OBJ. CLASS	GEN FUND	SPCL FUND	TOTAL
4	REG SALARIES	111	\$8,877,024	\$0	\$8,877,024
5	OT/SP	112	\$970,527	\$0	\$970,527
6	BENEFITS	113	\$3,237,883	\$0	\$3,237,883
7	TRAVEL/MILE	220	\$0	\$0	\$0
8	CONT. SERV.	230	\$543,865	\$915,203	\$1,459,068
9	OFF. RENTAL	233	\$0	\$0	\$0
10	SUP. & MAT.	240	\$102,515	\$96,000	\$198,515
11	EQUIPMENT	250	\$12,925	\$0	\$12,925
12	WORK. COMP.	270	\$0	\$0	\$0
13	DRUG TEST	271	\$0	\$0	\$0
14	SUBGRANT	280	\$0	\$0	\$0
15	MISC	290	\$79,800	\$0	\$79,800
16	POWER	361	\$0	\$0	\$0
17	WATER/SEWER	362	\$0	\$0	\$0
18	PHONE/TOLL	363	\$70,000	\$0	\$70,000
19	CAP. OUTLAY	450	\$80,000	\$0	\$80,000
20	GRAND TOTAL		\$13,974,539	\$1,011,203	\$14,985,742

21 DOC Revolving Fund \$915,203 (230)

22 Safe Streets Fund \$96,000 (240)

23

1 **SUMMARY OF BASE OPERATIONAL APPROPRIATION FUNDING**

2 **SOURCE**

3	GENERAL FUND	\$13,974,539
4	FEDERAL MATCHING GRANTS-IN-AID	\$0
5	SPECIAL FUNDS	<u>\$1,011,203</u>
6	TOTAL	\$14,985,742

7 (1) **Special Pay.** The amount below in this Subsection is
8 appropriated from the General Fund to the Department of Corrections in
9 Object Class 111, and *shall* be used to fund all Special Pay, to include Night
10 Differential Pay and ten percent (10%) Hazardous Pay, in Fiscal Year 2012
11 for eligible classified employees funded within this Subsection.

12	SPECIAL PAY	111 Total	\$854,496
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13 (2) **Prior Years Cost of Care and Custody for Prisoners**
14 **Confined in Federal Facilities.** The sum of Six Hundred Seventy-Six
15 Thousand Four Hundred Fifty-Seven Dollars (**\$676,457**) is appropriated
16 from the General Fund, and Two Million Dollars (**\$2,000,000**) is
17 appropriated from the Territorial Educational Facilities Fund to the
18 Department of Corrections for Fiscal Year 2012 for the payment of prior and
19 current year obligations for prisoners confined in federal facilities of the
20 Federal Bureau of Prisons.

21

1 (p) DEPARTMENT OF AGRICULTURE

2 SUMMARY OF BASE OPERATIONAL APPROPRIATION

3	APPROP. CLASS	OBJ. CLASS	GEN FUND	SPCL FUND	TOTAL
4	REG SALARIES	111	\$1,789,789	\$0	\$1,789,789
5	OT/SP	112	\$14,561	\$0	\$14,561
6	BENEFITS	113	\$583,689	\$0	\$583,689
7	TRAVEL/MILE	220	\$5,400	\$0	\$5,400
8	CONT. SERV.	230	\$14,577	\$15,100	\$29,677
9	OFF. RENTAL	233	\$0	\$0	\$0
10	SUP. & MAT.	240	\$15,606	\$18,817	\$34,423
11	EQUIPMENT	250	\$0	\$5,000	\$5,000
12	WORK. COMP.	270	\$0	\$0	\$0
13	DRUG TEST	271	\$0	\$0	\$0
14	SUBGRANT	280	\$0	\$0	\$0
15	MISC	290	\$0	\$3,400	\$3,400
16	POWER	361	\$0	\$0	\$0
17	WATER/SEWER	362	\$0	\$0	\$0
18	PHONE/TOLL	363	\$18,000	\$6,000	\$24,000
19	CAP. OUTLAY	450	\$0	\$0	\$0
20	GRAND TOTAL		\$2,441,622	\$48,317	\$2,489,939

21 Guam Plant Inspection & Permit Fund \$48,317

22

1 **SUMMARY OF BASE OPERATIONAL APPROPRIATION FUNDING**
2 **SOURCE**

3	GENERAL FUND	\$2,441,622
4	FEDERAL MATCHING GRANTS-IN-AID	\$279,000
5	SPECIAL FUNDS	<u>\$48,317</u>
6	TOTAL	\$2,768,939

7 **(1) Ranking Structure for Conservation Law Enforcement**
8 **Officers Appropriation.** The sum of Sixty Thousand Dollars (**\$60,000**) is
9 appropriated from the General Fund to the Department of Agriculture for
10 Fiscal Year 2012 *only* for personnel costs as a result of the implementation
11 of the Ranking Structure for Conservation Law Enforcement Officers.

12 **(2) Animal Shelter.** The sum of Ninety-Eight Thousand Eighty-
13 Three Dollars (**\$98,083**) is appropriated from the General Fund to the
14 Department of Agriculture for Fiscal Year 2012 for the operations of the
15 Guam Animals in Need (GAIN) animal shelter in *Yigo*, Guam.
16

1 (q) GUAM PUBLIC LIBRARY SYSTEM

2 SUMMARY OF BASE OPERATIONAL APPROPRIATION

3	APPROP. CLASS	OBJ. CLASS	GEN FUND	SPCL FUND	TOTAL
4	REG SALARIES	111	\$735,482	\$0	\$735,482
5	OT/SP	112	\$0	\$0	\$0
6	BENEFITS	113	\$229,996	\$0	\$229,996
7	TRAVEL/MILE	220	\$0	\$0	\$0
8	CONT. SERV.	230	\$104,678	\$0	\$104,678
9	OFF. RENTAL	233	\$0	\$0	\$0
10	SUP. & MAT.	240	\$30,000	\$0	\$30,000
11	EQUIPMENT	250	\$0	\$0	\$0
12	WORK. COMP.	270	\$0	\$0	\$0
13	DRUG TEST	271	\$200	\$0	\$200
14	SUBGRANT	280	\$0	\$0	\$0
15	MISC	290	\$0	\$0	\$0
16	POWER	361	\$0	\$0	\$0
17	WATER/SEWER	362	\$0	\$0	\$0
18	PHONE/TOLL	363	\$36,000	\$0	\$36,000
19	CAP. OUTLAY	450	\$0	\$0	\$0
20	GRAND TOTAL		\$1,136,356	\$0	\$1,136,356

21

1 **SUMMARY OF BASE OPERATIONAL APPROPRIATION FUNDING**

2 **SOURCE**

3	GENERAL FUND	\$1,136,356
4	FEDERAL MATCHING GRANTS-IN-AID	\$0
5	SPECIAL FUNDS	<u>\$0</u>
6	TOTAL	\$1,136,356

7

1 (r) DEPARTMENT OF YOUTH AFFAIRS

2 SUMMARY OF BASE OPERATIONAL APPROPRIATION

3	APPROP. CLASS	OBJ. CLASS	GEN FUND	SPCL FUND	TOTAL
4	REG SALARIES	111	\$2,225,656	\$180,884	\$2,406,540
5	OT/SP	112	\$39,202	\$0	\$39,202
6	BENEFITS	113	\$809,441	\$59,683	\$869,123
7	TRAVEL/MILE	220	\$0	\$0	\$0
8	CONT. SERV.	230	\$40,104	\$26,122	\$66,226
9	OFF. RENTAL	233	\$0	\$0	\$0
10	SUP. & MAT.	240	\$99,516	\$25,939	\$125,455
11	EQUIPMENT	250	\$0	\$9,410	\$9,410
12	WORK. COMP.	270	\$0	\$0	\$0
13	DRUG TEST	271	\$225	\$0	\$225
14	SUBGRANT	280	\$0	\$0	\$0
15	MISC	290	\$0	\$0	\$0
16	POWER	361	\$0	\$0	\$0
17	WATER/SEWER	362	\$0	\$0	\$0
18	PHONE/TOLL	363	\$43,500	\$0	\$43,500
19	CAP. OUTLAY	450	\$0	\$0	\$0
20	GRAND TOTAL		\$3,257,644	\$302,037	\$3,559,681

21 Healthy Futures Fund \$302,037

22

1 **SUMMARY OF BASE OPERATIONAL APPROPRIATION FUNDING**
2 **SOURCE**

3	GENERAL FUND	\$3,257,644
4	FEDERAL MATCHING GRANTS-IN-AID	\$0
5	SPECIAL FUNDS	<u>\$302,037</u>
6	TOTAL	\$3,559,681

7 **(1) Special Pay.** The amount below in this Subsection is
8 appropriated from the General Fund to the Department of Youth Affairs in
9 Object Class 111, and *shall* be used to fund all Special Pay, to include
10 Holiday Pay, Night Differential Pay and ten percent (10%) Hazardous Pay,
11 in Fiscal Year 2012 for eligible classified employees funded within this
12 Subsection.

13	SPECIAL PAY	111 Total	\$407,226
14	General Fund - \$391,182; Healthy Futures Fund \$16,043		

15 **(2) Youth Program Appropriation.** The sum of Three Hundred
16 Forty-Six Thousand Three Hundred Twenty-Five Dollars (**\$346,325**) is
17 appropriated from the General Fund to the Department of Youth Affairs
18 (DYA) for Fiscal Year 2012 to fund programs contracted out to non-
19 governmental organizations for youths who are runaways, homeless, or
20 victims of abuse.

21

(s) **GUAM ENVIRONMENTAL PROTECTION AGENCY**
SUMMARY OF BASE OPERATIONAL APPROPRIATION

APPROP. CLASS	OBJ. CLASS	GEN FUND	SPCL FUND	TOTAL
REG SALARIES	111	\$0	\$262,999	\$262,999
OT/SP	112	\$0	\$0	\$0
BENEFITS	113	\$0	\$80,738	\$80,738
TRAVEL/MILE	220	\$0	\$0	\$0
CONT. SERV.	230	\$0	\$117,724	\$117,724
OFF. RENTAL	233	\$0	\$0	\$0
SUP. & MAT.	240	\$0	\$25,606	\$25,606
EQUIPMENT	250	\$0	\$0	\$0
WORK. COMP.	270	\$0	\$0	\$0
DRUG TEST	271	\$0	\$0	\$0
SUBGRANT	280	\$0	\$0	\$0
MISC	290	\$0	\$76,182	\$76,182
POWER	361	\$0	\$0	\$0
WATER/SEWER	362	\$0	\$0	\$0
PHONE/TOLL	363	\$0	\$39,542	\$39,542
CAP. OUTLAY	450	\$0	\$0	\$0
GRAND TOTAL		\$0	\$602,791	\$602,791

Guam Environmental Fund \$311,645 (111 - \$111,096; 113 - \$33,976; 230 - \$56,824; 240 - \$14,564; 290 - \$75,182; 363 - \$20,003)

Air Pollution Control Fund \$164,901 (111 - \$88,546; 113 - \$27,375; 230 - \$34,000; 240 - \$3,974; 290 - \$1,000; 363 - \$10,006)

1 Water Protection Fund \$61,520 (111 - \$29,421; 113 - \$9,270; 230 - \$13,710;
2 240 - \$3,616; 363 - \$5,503)

3 Water Research and Development Fund \$64,726 (111 - \$33,936; 113 -
4 \$10,118; 230 - \$13,190; 240 - \$3,452; 363 - \$4,030)

5 **SUMMARY OF BASE OPERATIONAL APPROPRIATION FUNDING**
6 **SOURCE**

7	GENERAL FUND	\$0
8	FEDERAL MATCHING GRANTS-IN-AID	\$0
9	SPECIAL FUNDS	<u>\$602,791</u>
10	TOTAL	\$602,791

11 **(1) Closure, Monitoring, and Opening of the Island's Landfills.**

12 The sum of Two Hundred Thousand Dollars (**\$200,000**) is hereby
13 appropriated from the Solid Waste Operations Fund to the Guam
14 Environmental Protection Agency. The appropriation recognizes the duties
15 and responsibilities of the Agency related to the closure, monitoring, and
16 opening of the island's landfills.

17 **(2) Beach Monitoring.** The sum of One Hundred Thousand
18 Dollars (**\$100,000**) is hereby appropriated from the Tourist Attraction Fund
19 to the Guam Environmental Protection Agency for the *sole* purpose of beach
20 monitoring. The Tourist Attraction Fund *shall* provide resources to the
21 Guam Environmental Protection Agency for tasks performed by the Agency
22 related to the monitoring of the island's beaches and any other tourist
23 infrastructure. As tourism represents a major contributor to the island's
24 economy, this appropriation ensures that the island's beaches are safe for
25 recreational and commercial use.

26 This appropriation *shall* continue to be available until expended. This
27 appropriation is *not* subject to transfer or use for any other purpose.

1 (t) DEPARTMENT OF LABOR/AHRD

2 SUMMARY OF BASE OPERATIONAL APPROPRIATION

3	APPROP. CLASS	OBJ. CLASS	GEN FUND	SPCL FUND	TOTAL
4	REG SALARIES	111	\$692,532	\$276,648	\$969,180
5	OT/SP	112	\$0	\$0	\$0
6	BENEFITS	113	\$209,996	\$84,342	\$294,338
7	TRAVEL/MILE	220	\$0	\$5,388	\$5,388
8	CONT. SERV.	230	\$40,946	\$4,140	\$45,086
9	OFF. RENTAL	233	\$115,902	\$73,888	\$189,790
10	SUP. & MAT.	240	\$15,144	\$4,200	\$19,344
11	EQUIPMENT	250	\$0	\$0	\$0
12	WORK. COMP.	270	\$0	\$0	\$0
13	DRUG TEST	271	\$150	\$397	\$547
14	SUBGRANT	280	\$0	\$0	\$0
15	MISC	290	\$42,100	\$0	\$42,100
16	POWER	361	\$0	\$0	\$0
17	WATER/SEWER	362	\$0	\$0	\$0
18	PHONE/TOLL	363	\$27,146	\$6,000	\$33,146
19	CAP. OUTLAY	450	\$0	\$0	\$0
20	GRAND TOTAL		\$1,143,916	\$455,003	\$1,598,919

21 Manpower Development Fund \$455,004

22

1 **SUMMARY OF BASE OPERATIONAL APPROPRIATION FUNDING**

2 **SOURCE**

3	GENERAL FUND	\$1,143,916
4	FEDERAL MATCHING GRANTS-IN-AID	\$42,100
5	SPECIAL FUNDS	<u>\$455,004</u>
6	TOTAL	\$1,641,020

7 (1) **Appropriation to the Worker's Compensation Fund.** The
8 sum of Seven Hundred Ninety-Eight Thousand Five Hundred Ninety-Three
9 Dollars (**\$798,593**) is appropriated from the General Fund to the Department
10 of Labor for the Worker's Compensation Fund for Fiscal Year 2012 for
11 Worker's Compensation payments pursuant to §9144, Title 22, Guam Code
12 Annotated, to include obligations incurred in past years and in the future.
13 Said appropriation may be used to pay for medical, surgical, and other
14 treatment; nurses; hospital services; medical travel and per diem costs;
15 medicine; crutches; and equipment required by a claimant for such period as
16 the injury and recovery therefrom may require. Said appropriation *shall not*
17 be expended for disability compensation payments for FTE's funded by this
18 Act. The Director of Labor may use *no more than* Forty Thousand Dollars
19 (**\$40,000**) from said appropriation to pay for legal services for Worker's
20 Compensation hearings.

21

1 (u) DEPARTMENT OF PARKS AND RECREATION

2 SUMMARY OF BASE OPERATIONAL APPROPRIATION

3	APPROP. CLASS	OBJ. CLASS	GEN FUND	SPCL FUND	TOTAL
4	REG SALARIES	111	\$2,061,558	\$0	\$2,061,558
5	OT/SP	112	\$0	\$0	\$0
6	BENEFITS	113	\$624,011	\$0	\$624,011
7	TRAVEL/MILE	220	\$0	\$0	\$0
8	CONT. SERV.	230	\$0	\$81,652	\$81,652
9	OFF. RENTAL	233	\$0	\$0	\$0
10	SUP. & MAT.	240	\$0	\$81,652	\$81,652
11	EQUIPMENT	250	\$0	\$30,000	\$30,000
12	WORK. COMP.	270	\$0	\$0	\$0
13	DRUG TEST	271	\$0	\$0	\$0
14	SUBGRANT	280	\$0	\$0	\$0
15	MISC	290	\$0	\$0	\$0
16	POWER	361	\$0	\$0	\$0
17	WATER/SEWER	362	\$0	\$0	\$0
18	PHONE/TOLL	363	\$30,000	\$0	\$30,000
19	CAP. OUTLAY	450	\$0	\$0	\$0
20	GRAND TOTAL		\$2,715,569	\$193,304	\$2,908,873

21 Public Recreation Services Fund \$193,304

22

1 **SUMMARY OF BASE OPERATIONAL APPROPRIATION FUNDING**
2 **SOURCE**

3	GENERAL FUND	\$2,715,569
4	FEDERAL MATCHING GRANTS-IN-AID	\$0
5	SPECIAL FUNDS	<u>\$193,304</u>
6	TOTAL	\$2,908,873

7 **(1) Maintenance and Repair of Public Restrooms.** The sum of
8 **Four Hundred Thousand One Hundred Sixty-Six Dollars (\$400,166)** is
9 appropriated from the Tourist Attraction Fund to the Department of Parks
10 and Recreation for the maintenance and repair of restroom facilities in public
11 parks island-wide for Fiscal Year 2012. *No later than* thirty (30) days after
12 the end of every fiscal quarter, the Director of the Department of Parks and
13 Recreation *shall* submit a quarterly report to the Public Auditor and the
14 Speaker of *I Liheslaturan Guåhan*, in a Microsoft Excel file and written
15 report, of the expenditures from this appropriation, and post the same on the
16 Department’s website.

17 **(2) Maintenance of Pool Facilities.** The sum of Three Hundred
18 Forty-Nine Thousand Two Hundred Eleven Dollars (**\$349,211**) is
19 appropriated from the Tourist Attraction Fund to the Department of Parks
20 and Recreation for the maintenance of pool facilities for Fiscal Year 2012.
21 These funds *shall* be used for the Northern Pool and the *Hagåtña* Pool. *No*
22 *later than* thirty (30) days after the end of every fiscal quarter, the Director
23 of the Department of Parks and Recreation *shall* submit a quarterly report to
24 the Public Auditor and the Speaker of *I Liheslaturan Guåhan*, in a Microsoft
25 Excel file and written report, of the expenditures from this appropriation,
26 and post the same on the Department’s website.

27

1 (v) DEPARTMENT OF LAND MANAGEMENT

2 SUMMARY OF BASE OPERATIONAL APPROPRIATION

3	APPROP. CLASS	OBJ. CLASS	GEN FUND	SPCL FUND	TOTAL
4	REG SALARIES	111	\$0	\$1,708,886	\$1,708,886
5	OT/SP	112	\$0	\$0	\$0
6	BENEFITS	113	\$0	\$510,239	\$510,239
7	TRAVEL/MILE	220	\$0	\$0	\$0
8	CONT. SERV.	230	\$83,826	\$356,201	\$440,027
9	OFF. RENTAL	233	\$557,106	\$0	\$557,106
10	SUP. & MAT.	240	\$0	\$28,000	\$28,000
11	EQUIPMENT	250	\$0	\$0	\$0
12	WORK. COMP.	270	\$0	\$0	\$0
13	DRUG TEST	271	\$0	\$0	\$0
14	SUBGRANT	280	\$0	\$0	\$0
15	MISC	290	\$0	\$7,200	\$7,200
16	POWER	361	\$0	\$0	\$0
17	WATER/SEWER	362	\$0	\$0	\$0
18	PHONE/TOLL	363	\$0	\$23,198	\$23,198
19	CAP. OUTLAY	450	\$0	\$0	\$0
20	GRAND TOTAL		\$640,932	\$2,633,724	\$3,274,656

21 Land Survey Revolving Fund \$2,633,724

22

1 **SUMMARY OF BASE OPERATIONAL APPROPRIATION FUNDING**

2 **SOURCE**

3	GENERAL FUND	\$640,932
4	FEDERAL MATCHING GRANTS-IN-AID	\$0
5	SPECIAL FUNDS	<u>\$2,633,724</u>
6	TOTAL	\$3,274,656

7

1 (w) CHIEF MEDICAL EXAMINER

2 SUMMARY OF BASE OPERATIONAL APPROPRIATION

3	APPROP. CLASS	OBJ. CLASS	GEN FUND	SPCL FUND	TOTAL
4	REG SALARIES	111	\$258,360	\$0	\$258,360
5	OT/SP	112	\$0	\$0	\$0
6	BENEFITS	113	\$78,411	\$0	\$78,411
7	TRAVEL/MILE	220	\$8,440	\$0	\$8,440
8	CONT. SERV.	230	\$44,820	\$0	\$44,820
9	OFF. RENTAL	233	\$0	\$0	\$0
10	SUP. & MAT.	240	\$6,198	\$0	\$6,198
11	EQUIPMENT	250	\$0	\$0	\$0
12	WORK. COMP.	270	\$0	\$0	\$0
13	DRUG TEST	271	\$0	\$0	\$0
14	SUBGRANT	280	\$0	\$0	\$0
15	MISC	290	\$35	\$0	\$35
16	POWER	361	\$0	\$0	\$0
17	WATER/SEWER	362	\$0	\$0	\$0
18	PHONE/TOLL	363	\$2,630	\$0	\$2,630
19	CAP. OUTLAY	450	\$0	\$0	\$0
20	GRAND TOTAL		\$398,894	\$0	\$398,894

21

1 **SUMMARY OF BASE OPERATIONAL APPROPRIATION FUNDING**

2 **SOURCE**

3	GENERAL FUND	\$398,894
4	FEDERAL MATCHING GRANTS-IN-AID	\$0
5	SPECIAL FUNDS	<u>\$0</u>
6	TOTAL	\$398,894

7

1 (x) CUSTOMS AND QUARANTINE AGENCY

2 SUMMARY OF BASE OPERATIONAL APPROPRIATION

3	APPROP. CLASS	OBJ. CLASS	GEN FUND	SPCL FUND	TOTAL
4	REG SALARIES	111	\$0	\$5,820,158	\$5,820,158
5	OT/SP	112	\$0	\$0	\$0
6	BENEFITS	113	\$0	\$1,436,320	\$1,436,320
7	TRAVEL/MILE	220	\$0	\$0	\$0
8	CONT. SERV.	230	\$0	\$95,746	\$95,746
9	OFF. RENTAL	233	\$0	\$5,391	\$5,391
10	SUP. & MAT.	240	\$0	\$59,212	\$59,212
11	EQUIPMENT	250	\$0	\$0	\$0
12	WORK. COMP.	270	\$0	\$0	\$0
13	DRUG TEST	271	\$0	\$0	\$0
14	SUBGRANT	280	\$0	\$0	\$0
15	MISC	290	\$0	\$0	\$0
16	POWER	361	\$0	\$0	\$0
17	WATER/SEWER	362	\$0	\$0	\$0
18	PHONE/TOLL	363	\$0	\$38,500	\$38,500
19	CAP. OUTLAY	450	\$0	\$0	\$0
20	GRAND TOTAL		\$0	\$7,455,327	\$7,455,327

21 Customs, Agriculture, and Quarantine Inspection Services Fund \$7,455,327

22

1 **SUMMARY OF BASE OPERATIONAL APPROPRIATION FUNDING**

2 **SOURCE**

3	GENERAL FUND	\$0
4	FEDERAL MATCHING GRANTS-IN-AID	\$0
5	SPECIAL FUNDS	<u>\$7,455,327</u>
6	TOTAL	\$7,455,327

7

1 (y) DEPARTMENT OF CHAMORRO AFFAIRS

2 SUMMARY OF BASE OPERATIONAL APPROPRIATION

3	APPROP. CLASS	OBJ. CLASS	GEN FUND	SPCL FUND	TOTAL
4	REG SALARIES	111	\$510,555	\$0	\$510,555
5	OT/SP	112	\$0	\$0	\$0
6	BENEFITS	113	\$156,149	\$0	\$156,149
7	TRAVEL/MILE	220	\$0	\$0	\$0
8	CONT. SERV.	230	\$71,210	\$0	\$71,210
9	OFF. RENTAL	233	\$182,529	\$0	\$182,529
10	SUP. & MAT.	240	\$3,737	\$0	\$3,737
11	EQUIPMENT	250	\$0	\$0	\$0
12	WORK. COMP.	270	\$0	\$0	\$0
13	DRUG TEST	271	\$0	\$0	\$0
14	SUBGRANT	280	\$0	\$0	\$0
15	MISC	290	\$0	\$0	\$0
16	POWER	361	\$0	\$0	\$0
17	WATER/SEWER	362	\$0	\$0	\$0
18	PHONE/TOLL	363	\$3,521	\$0	\$3,521
19	CAP. OUTLAY	450	\$0	\$0	\$0
20	GRAND TOTAL		\$927,701	\$0	\$927,701

21

1 **SUMMARY OF BASE OPERATIONAL APPROPRIATION FUNDING**

2 **SOURCE**

3	GENERAL FUND	\$927,701
4	FEDERAL MATCHING GRANTS-IN-AID	\$0
5	SPECIAL FUNDS	<u>\$0</u>
6	TOTAL	\$927,701

7

1 (z) DEPARTMENT OF MILITARY AFFAIRS

2 SUMMARY OF BASE OPERATIONAL APPROPRIATION

3	APPROP. CLASS	OBJ. CLASS	GEN FUND	SPCL FUND	TOTAL
4	REG SALARIES	111	\$219,709	\$0	\$219,709
5	OT/SP	112	\$0	\$0	\$0
6	BENEFITS	113	\$76,400	\$0	\$76,400
7	TRAVEL/MILE	220	\$5,750	\$0	\$5,750
8	CONT. SERV.	230	\$33,742	\$0	\$33,742
9	OFF. RENTAL	233	\$0	\$0	\$0
10	SUP. & MAT.	240	\$18,433	\$0	\$18,433
11	EQUIPMENT	250	\$0	\$0	\$0
12	WORK. COMP.	270	\$0	\$0	\$0
13	DRUG TEST	271	\$0	\$0	\$0
14	SUBGRANT	280	\$0	\$0	\$0
15	MISC	290	\$8,524	\$0	\$8,524
16	POWER	361	\$0	\$0	\$0
17	WATER/SEWER	362	\$0	\$0	\$0
18	PHONE/TOLL	363	\$8,428	\$0	\$8,428
19	CAP. OUTLAY	450	\$0	\$0	\$0
20	GRAND TOTAL		\$370,986	\$0	\$370,986

21

1 **SUMMARY OF BASE OPERATIONAL APPROPRIATION FUNDING**

2 **SOURCE**

3	GENERAL FUND	\$370,986
4	FEDERAL MATCHING GRANTS-IN-AID	\$1,547,700
5	SPECIAL FUNDS	<u>\$0</u>
6	TOTAL	\$1,918,686

7

1 **(aa) COUNCIL ON THE ARTS AND HUMANITIES AGENCY**
2 **SUMMARY OF BASE OPERATIONAL APPROPRIATION**

3	APPROP. CLASS	OBJ. CLASS	GEN FUND	SPCL FUND	TOTAL
4	REG SALARIES	111	\$90,397	\$0	\$90,397
5	OT/SP	112	\$0	\$0	\$0
6	BENEFITS	113	\$37,768	\$0	\$37,768
7	TRAVEL/MILE	220	\$4,270	\$0	\$4,270
8	CONT. SERV.	230	\$19,302	\$0	\$19,302
9	OFF. RENTAL	233	\$33,500	\$0	\$33,500
10	SUP. & MAT.	240	\$2,000	\$0	\$2,000
11	EQUIPMENT	250	\$0	\$0	\$0
12	WORK. COMP.	270	\$15,531	\$0	\$15,531
13	DRUG TEST	271	\$0	\$0	\$0
14	SUBGRANT	280	\$94,362	\$0	\$94,362
15	MISC	290	\$0	\$0	\$0
16	POWER	361	\$0	\$0	\$0
17	WATER/SEWER	362	\$0	\$0	\$0
18	PHONE/TOLL	363	\$2,870	\$0	\$2,870
19	CAP. OUTLAY	450	\$0	\$0	\$0
20	GRAND TOTAL		\$300,000	\$0	\$300,000

21

1 **SUMMARY OF BASE OPERATIONAL APPROPRIATION FUNDING**

2 **SOURCE**

3	GENERAL FUND	\$300,000
4	FEDERAL MATCHING GRANTS-IN-AID	\$300,000
5	SPECIAL FUNDS	<u>\$0</u>
6	TOTAL	\$600,000

7 **(1) Guam Territorial Band.** The sum of Forty Thousand Dollars
8 (**\$40,000**) is appropriated from the Tourist Attraction Fund to the Guam
9 Council on the Arts and Humanities Agency, and *shall* be used to fund the
10 operations of the Guam Territorial Band in Fiscal Year 2012.
11 Notwithstanding the general provisions of §30107.1, Title 11, Guam Code
12 Annotated, and this Act, this appropriation *shall* continue to be available
13 until expended.

14

1 (bb) GUAM FIRE DEPARTMENT

2 SUMMARY OF BASE OPERATIONAL APPROPRIATION

3	APPROP. CLASS	OBJ. CLASS	GEN FUND	SPCL FUND	TOTAL
4	REG SALARIES	111	\$12,603,367	\$624,346	\$13,227,714
5	OT/SP	112	\$1,944,682	\$34,500	\$1,979,182
6	BENEFITS	113	\$6,116,615	\$204,833	\$6,321,447
7	TRAVEL/MILE	220	\$0	\$0	\$0
8	CONT. SERV.	230	\$197,700	\$195,318	\$393,018
9	OFF. RENTAL	233	\$0	\$0	\$0
10	SUP. & MAT.	240	\$296,186	\$381,627	\$677,813
11	EQUIPMENT	250	\$0	\$72,473	\$72,473
12	WORK. COMP.	270	\$20,000	\$0	\$20,000
13	DRUG TEST	271	\$5,145	\$1,225	\$6,370
14	SUBGRANT	280	\$0	\$0	\$0
15	MISC	290	\$103,250	\$531,302	\$634,552
16	POWER	361	\$0	\$0	\$0
17	WATER/SEWER	362	\$0	\$0	\$0
18	PHONE/TOLL	363	\$45,000	\$48,000	\$93,000
19	CAP. OUTLAY	450	\$0	\$69,970	\$69,970
20	GRAND TOTAL		\$21,331,945	\$2,163,594	\$23,495,539

21 Enhanced 911 Emergency Reporting System Fund \$1,563,594 (111 -
22 \$624,346; 112 - \$34,500; 113 - \$204,833; 230 - \$175,318; 240 - \$371,627;
23 250 - \$57,000; 271 - \$1,225; 290 - \$8,775; 363 - \$48,000; 450 - \$37,970)

24 Fire, Life and Medical Emergency Fund \$600,000 (230 - \$20,000; 240 -
25 \$10,000; 250 - \$15,473; 290 - \$522,527; 450 - \$32,000)

1 **SUMMARY OF BASE OPERATIONAL APPROPRIATION FUNDING**
2 **SOURCE**

3	GENERAL FUND	\$21,331,945
4	FEDERAL MATCHING GRANTS-IN-AID	\$102,000
5	SPECIAL FUNDS	<u>\$2,163,594</u>
6	TOTAL	\$23,597,539

7 (1) **Special Pay.** The amount below in this Subsection is
8 appropriated from the General Fund to the Guam Fire Department in Object
9 Class 111 and *shall* be used to fund all Special Pay, to include Holiday Pay,
10 Night Differential Pay, Firefighter's 106 Hours Pay and EMT-A Duty Pay,
11 in Fiscal Year 2012 for eligible classified employees funded within this
12 Subsection.

13	SPECIAL PAY	111 Total	\$5,413,607
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14

1 (cc) **GUAM EDUCATIONAL TELECOMMUNICATIONS**
 2 **CORPORATION**

3 **SUMMARY OF BASE OPERATIONAL APPROPRIATION**

4	APPROP. CLASS	OBJ. CLASS	GEN FUND	SPCL FUND	TOTAL
5	REG SALARIES	111	\$381,043	\$0	\$381,043
6	OT/SP	112	\$0	\$0	\$0
7	BENEFITS	113	\$114,566	\$0	\$114,566
8	TRAVEL/MILE	220	\$0	\$0	\$0
9	CONT. SERV.	230	\$25,490	\$0	\$25,490
10	OFF. RENTAL	233	\$0	\$0	\$0
11	SUP. & MAT.	240	\$0	\$0	\$0
12	EQUIPMENT	250	\$0	\$0	\$0
13	WORK. COMP.	270	\$0	\$0	\$0
14	DRUG TEST	271	\$0	\$0	\$0
15	SUBGRANT	280	\$0	\$0	\$0
16	MISC	290	\$0	\$0	\$0
17	POWER	361	\$0	\$0	\$0
18	WATER/SEWER	362	\$0	\$0	\$0
19	PHONE/TOLL	363	\$0	\$0	\$0
20	CAP. OUTLAY	450	\$0	\$0	\$0
21	GRAND TOTAL		\$521,099	\$0	\$521,099

22

1 **SUMMARY OF BASE OPERATIONAL APPROPRIATION FUNDING**

2 **SOURCE**

3	GENERAL FUND	\$521,099
4	FEDERAL MATCHING GRANTS-IN-AID	\$0
5	SPECIAL FUNDS	<u>\$0</u>
6	TOTAL	\$521,099

7

1 (dd) **CHAMORRO LAND TRUST COMMISSION**

2 **SUMMARY OF BASE OPERATIONAL APPROPRIATION**

3	APPROP. CLASS	OBJ. CLASS	GEN FUND	SPCL FUND	TOTAL
4	REG SALARIES	111	\$0	\$371,064	\$371,064
5	OT/SP	112	\$0	\$0	\$0
6	BENEFITS	113	\$0	\$111,819	\$111,819
7	TRAVEL/MILE	220	\$0	\$0	\$0
8	CONT. SERV.	230	\$0	\$124,570	\$124,570
9	OFF. RENTAL	233	\$0	\$0	\$0
10	SUP. & MAT.	240	\$0	\$29,571	\$29,571
11	EQUIPMENT	250	\$0	\$0	\$0
12	WORK. COMP.	270	\$0	\$0	\$0
13	DRUG TEST	271	\$0	\$0	\$0
14	SUBGRANT	280	\$0	\$0	\$0
15	MISC	290	\$0	\$0	\$0
16	POWER	361	\$0	\$0	\$0
17	WATER/SEWER	362	\$0	\$0	\$0
18	PHONE/TOLL	363	\$0	\$6,600	\$6,600
19	CAP. OUTLAY	450	\$0	\$0	\$0
20	GRAND TOTAL		\$0	\$643,624	\$643,624

21 Chamorro Land Trust Fund Operations Fund \$643,624

22

1 **SUMMARY OF BASE OPERATIONAL APPROPRIATION FUNDING**

2 **SOURCE**

3	GENERAL FUND	\$0
4	FEDERAL MATCHING GRANTS-IN-AID	\$0
5	SPECIAL FUNDS	<u>\$643,624</u>
6	TOTAL	\$643,624

7

1 (ee) **GUAM REGIONAL TRANSIT AUTHORITY**

2 **SUMMARY OF BASE OPERATIONAL APPROPRIATION**

3	APPROP. CLASS	OBJ. CLASS	GEN FUND	SPCL FUND	TOTAL
4	REG SALARIES	111	\$0	\$249,603	\$249,603
5	OT/SP	112	\$0	\$0	\$0
6	BENEFITS	113	\$0	\$66,204	\$66,204
7	TRAVEL/MILE	220	\$0	\$0	\$0
8	CONT. SERV.	230	\$0	\$2,777,854	\$2,777,854
9	OFF. RENTAL	233	\$0	\$0	\$0
10	SUP. & MAT.	240	\$0	\$2,500	\$2,500
11	EQUIPMENT	250	\$0	\$0	\$0
12	WORK. COMP.	270	\$0	\$0	\$0
13	DRUG TEST	271	\$0	\$0	\$0
14	SUBGRANT	280	\$0	\$0	\$0
15	MISC	290	\$0	\$8,400	\$8,400
16	POWER	361	\$0	\$0	\$0
17	WATER/SEWER	362	\$0	\$0	\$0
18	PHONE/TOLL	363	\$0	\$6,000	\$6,000
19	CAP. OUTLAY	450	\$0	\$0	\$0
20	GRAND TOTAL		\$0	\$3,110,561	\$3,110,561

21 Guam Highway Fund \$2,679,469 (111 - \$249,603; 113 - \$66,204; 230 -
22 \$2,346,762; 240 - \$2,500; 290 - \$8,400; 363 - \$6,000)

23 Public Transit Fund \$431,092 (230)

24

1	SUMMARY OF BASE OPERATIONAL APPROPRIATION FUNDING	
2	SOURCE	
3	GENERAL FUND	\$0
4	FEDERAL MATCHING GRANTS-IN-AID	\$0
5	SPECIAL FUNDS	<u>\$3,110,561</u>
6	TOTAL	\$3,110,561

CHAPTER VI
LEGISLATIVE BRANCH

1 **Section 1. Appropriation.** The sum of Seven Million Thirty Thousand
2 Two Hundred Sixty-Four Dollars (**\$7,030,264**) is appropriated from the General
3 Fund to *I Liheslaturan Guåhan* for its operations, including personnel services, for
4 Fiscal Year 2012.

5 **Section 2. Appropriation to the Office of Finance and Budget.** The sum
6 of Three Hundred Seventy-Eight Thousand Seven Hundred Thirty-Seven Dollars
7 (**\$378,737**) is appropriated from the General Fund to *I Liheslaturan Guåhan*,
8 specifically for the Office of Finance and Budget (OFB) for its operations,
9 including personnel services, for Fiscal Year 2012.

10 **Section 3. Continuing Appropriation for *I Liheslaturan Guåhan*.** The
11 unexpended balance of funds appropriated to *I Liheslaturan Guåhan* for Fiscal
12 Year 2011 *shall not* lapse and is available to *I Liheslaturan Guåhan* for
13 expenditures in Fiscal Year 2012.

14 **Section 4. Continuing Appropriation for the Office of Finance and**
15 **Budget.** The unexpended balance of funds appropriated to *I Liheslaturan Guåhan*
16 for the Office of Finance and Budget (OFB) for Fiscal Year 2011 *shall not* lapse
17 and is available to *I Liheslaturan Guåhan* for the OFB for expenditures in Fiscal
18 Year 2012.

**CHAPTER VII
LEGAL SERVICES**

PART I - OFFICE OF THE ATTORNEY GENERAL

1 **Section 1. Legislative Intent.** It is the intent of *I Liheslaturan Guåhan*
2 that the Office of the Attorney General (OAG) *shall* expend the funds appropriated
3 in accordance with the object class appropriation levels. *I Liheslaturan Guåhan*
4 supports the efforts of the OAG to acquire the appropriate technology to replace its
5 aging APASI system. The OAG *shall* expend *up to* Three Hundred Forty
6 Thousand Dollars (**\$340,000**) from the Miscellaneous Object Category (290) for
7 the preliminary work related to the APASI system upgrade. The funds *shall* be
8 used during the Implementation of Advance Planning Document Phase (IAPD),
9 which *shall* be submitted to the Speaker of *I Liheslaturan Guåhan* upon its
10 completion. Along with the IAPD, the OAG *shall* submit to the Speaker of *I*
11 *Liheslaturan Guåhan* a formal commitment letter from the respective grantor
12 agency, pledging the total federal funds for the APASI system upgrade.

13 **Section 2. Appropriation.** The amounts below are appropriated and
14 authorized from the General Fund to the OAG for its operations in Fiscal Year
15 2012, to include office rental and local matching fund requirements. This
16 appropriation *shall* be expended in accordance with object class allocations
17 outlined below.

18 **SUMMARY OF BASE OPERATIONAL APPROPRIATION**

19	APPROP. CLASS	OBJ. CLASS	GEN FUND	SPCL FUND	TOTAL
20	REG SALARIES	111	\$6,067,827	\$0	\$6,067,827
21	OT/SP	112	\$0	\$0	\$0
22	BENEFITS	113	\$1,807,405	\$0	\$1,807,405
23	TRAVEL/MILE	220	\$20,000	\$0	\$20,000

1	CONT. SERV.	230	\$460,593	\$0	\$460,593
2	OFF. RENTAL	233	\$493,816	\$0	\$493,816
3	SUP. & MAT.	240	\$36,570	\$0	\$36,570
4	EQUIPMENT	250	\$35,253	\$0	\$35,253
5	WORK. COMP.	270	\$0	\$0	\$0
6	DRUG TEST	271	\$2,288	\$0	\$2,288
7	SUBGRANT	280	\$0	\$0	\$0
8	MISC	290	\$2,173,460	\$0	\$2,173,460
9	POWER	361	\$0	\$0	\$0
10	WATER/SEWER	362	\$0	\$0	\$0
11	PHONE/TOLL	363	\$42,000	\$0	\$42,000
12	CAP. OUTLAY	450	\$82,500	\$0	\$82,500
13	GRAND TOTAL		\$11,221,712	\$0	\$11,221,712

14 **SUMMARY OF BASE OPERATIONAL APPROPRIATION FUNDING**

15 **SOURCE**

16	GENERAL FUND	\$11,221,712
17	FEDERAL MATCHING GRANTS-IN-AID	\$6,392,529
18	SPECIAL FUNDS	<u>\$0</u>
19	TOTAL	\$17,614,241

20 **Section 3. Transfer Authority for the Office of the Attorney General**
21 **(OAG).** The OAG may transfer funds between appropriations in this Act for the
22 OAG, *provided* that the OAG notifies *I Maga'låhen Guåhan* and the Speaker of *I*
23 *Liheslaturan Guåhan* no later than fifteen (15) working days before the transfer is
24 made, *except* that no funds shall be transferred for regular salaries (Object Class
25 111) and benefits (Object Class 113).

1 **Section 4. Continuing Appropriation to the Office of the Attorney**
2 **General.** The unexpended balance of the funds appropriated to the Office of the
3 Attorney General (OAG) for Fiscal Year 2011 *shall not* lapse and is available to
4 the OAG for expenditures in Fiscal Year 2012.

CHAPTER VII

PART II – PUBLIC DEFENDER SERVICE CORPORATION

1 **Section 1. Appropriation.** Amounts specified in this Section are
2 appropriated from the General Fund to the Public Defender Service Corporation
3 for its operations in Fiscal Year 2012, to include office rental and local matching
4 fund requirements. This appropriation *shall* be expended in accordance with object
5 class allocations outlined below.

6 **SUMMARY OF BASE OPERATIONAL APPROPRIATION**

7	APPROP. CLASS	OBJ. CLASS	GEN FUND	SPCL FUND	TOTAL
8	REG SALARIES	111	\$2,346,542	\$0	\$2,346,542
9	OT/SP	112	\$0	\$0	\$0
10	BENEFITS	113	\$803,253	\$0	\$803,253
11	TRAVEL/MILE	220	\$0	\$0	\$0
12	CONT. SERV.	230	\$96,509	\$0	\$96,509
13	OFF. RENTAL	233	\$271,200	\$0	\$271,200
14	SUP. & MAT.	240	\$28,700	\$0	\$28,700
15	EQUIPMENT	250	\$23,100	\$0	\$23,100
16	WORK. COMP.	270	\$0	\$0	\$0
17	DRUG TEST	271	\$0	\$0	\$0
18	SUBGRANT	280	\$0	\$0	\$0
19	MISC	290	\$20,025	\$0	\$20,025
20	POWER	361	\$0	\$0	\$0
21	WATER/SEWER	362	\$0	\$0	\$0
22	PHONE/TOLL	363	\$31,920	\$0	\$31,920
23	CAP. OUTLAY	450	\$0	\$0	\$0

CHAPTER VIII
MAYORS COUNCIL OF GUAM

1 **Section 1. Appropriation.** The amounts below are appropriated from the
2 General Fund to the Mayors Council of Guam (MCOG) for its operations in Fiscal
3 Year 2012. This appropriation *shall* be expended in accordance with object class
4 allocations outlined below.

5 **SUMMARY OF BASE OPERATIONAL APPROPRIATION**

6	APPROP. CLASS	OBJ. CLASS	GEN FUND	SPCL FUND	TOTAL
7	REG SALARIES	111	\$5,036,956	\$0	\$5,036,956
8	OT/SP	112	\$0	\$0	\$0
9	BENEFITS	113	\$1,463,950	\$0	\$1,463,950
10	TRAVEL/MILE	220	\$0	\$0	\$0
11	CONT. SERV.	230	\$0	\$0	\$0
12	OFF. RENTAL	233	\$100,332	\$0	\$100,332
13	SUP. & MAT.	240	\$1,000	\$0	\$1,000
14	EQUIPMENT	250	\$0	\$0	\$0
15	WORK. COMP.	270	\$0	\$0	\$0
16	DRUG TEST	271	\$0	\$0	\$0
17	SUBGRANT	280	\$0	\$0	\$0
18	MISC	290	\$332,812	\$0	\$332,812
19	POWER	361	\$0	\$0	\$0
20	WATER/SEWER	362	\$0	\$0	\$0
21	PHONE/TOLL	363	\$88,187	\$0	\$88,187
22	CAP. OUTLAY	450	\$0	\$0	\$0
23	GRAND TOTAL		\$7,023,237	\$0	\$7,023,237

1 **SUMMARY OF BASE OPERATIONAL APPROPRIATION FUNDING**

2 **SOURCE**

3	GENERAL FUND	\$7,023,237
4	FEDERAL MATCHING GRANTS-IN-AID	\$0
5	SPECIAL FUNDS	<u>\$0</u>
6	TOTAL	\$7,023,237

7 **Section 2. Streets Maintenance and Beautification.** The sum of One
8 Million Thirty-Six Thousand Twenty-Six Dollars (**\$1,036,026**) is appropriated
9 from the Tourist Attraction Fund to the MCOG for Fiscal Year 2012 for the
10 maintenance and beautification of village secondary and tertiary roads, and for the
11 operations of the Mayors' offices, but *not* for personnel costs. Said funds *shall not*
12 be subject to any transfer authority of *I Maga'låhen Guåhan*, and *shall* be divided
13 among the Village Mayors as follows:

14 (a) each Mayor *shall* receive the sum of Twenty Thousand Dollars
15 (**\$20,000**); and

16 (b) the remaining balance of the fund *shall* be distributed to each
17 Mayor pro rata based on the total road mileage of the respective village as a
18 percentage of Guam's total road mileage in the most current report of Guam
19 Roads Pavement Inventory of the Department of Public Works.

20 **Section 3. Island-Wide Village Beautification Projects.** The sum of
21 Four Hundred Seventy Thousand Nine Hundred Twenty-One Dollars (**\$470,921**) is
22 appropriated from the Tourist Attraction Fund to the MCOG for Island-Wide
23 Village Beautification Projects to include:

24 (a) the maintenance and repair of village recreational facilities
25 under the jurisdiction of the Mayor;

26 (b) the maintenance and repair of main roads in each village; and

(c) the planting and maintenance of the village official flower in each village, and other flowering plants, shrubs, and trees adjacent to the village's main roads, public restrooms and recreational facilities. A Mayor may contract with a private entity to provide the services authorized by this Section, subject to the Guam Procurement Law, Chapter 5, Title 5, Guam Code Annotated.

Section 4. Grounds Maintenance for Schools. Subject to approval and scheduling of the public school principals, the Mayors are responsible for regular ground maintenance of Guam Department of Education school grounds in their respective districts where ground maintenance is *not* already subject to an existing contract for a minimum of twice a month during a regular school calendar year. Subject to approval of scheduling with the public school principals, the Mayor may contract with a private entity to provide the services authorized by this Section.

The sum of Four Hundred Forty-Seven Thousand Eight Hundred Sixty-Three Dollars (**\$447,863**) is appropriated from the General Fund to the MCOG Revolving Fund for the grounds maintenance of specified schools of the Department of Education, to be allocated as follows:

VILLAGE	SCHOOL	AMOUNT
Agana Heights	Agana Heights Elementary	\$8,628
Agat	Marcial Sablan Elementary	\$11,402
	Oceanview Middle	\$16,749
Barrigada	P.C. Lujan Elementary	\$8,881
	B.P. Carbullido Elementary	\$7,449
	L.P. Untalan Middle	\$7,867
Dededo	M.A. Ulloa Elementary	\$13,049
	Wettengel Elementary	\$17,103
	J.M. Guerrero Elementary	\$14,570

1		Liguan Elementary	\$0
2		Astumbo Elementary	\$8,235
3		Finegayan Elementary	\$19,004
4		V.S.A. Benavente Middle	\$26,605
5		Astumbo Middle	\$0
6		Okkodo High	\$0
7	Inarajan	Inarajan Elementary	\$5,866
8		Inarajan Middle	\$7,437
9	Mangilao	H.B. Price Elementary	\$7,158
10		George Washington High	\$46,114
11		Adacao Elementary	\$0
12	Merizo	Merizo Elementary	\$6,220
13	MTM	J.Q. San Miguel Elementary	\$3,864
14	Ordot/Chalan Pago	Ordot/Chalan Pago Elementary	\$8,932
15		Agueda Johnston Middle	\$14,583
16	Piti	Jose Rios Middle	\$7,132
17	Santa Rita	H.S. Truman Elementary	\$12,301
18		Southern High	\$39,275
19		Alternative School	\$4,206
20	Sinajana	C.L. Taitano Elementary	\$4,232
21	Talofof	Talofof Elementary	\$7,602
22	Tamuning	L.B. Johnson Elementary	\$3,801
23		Tamuning Elementary	\$4,434
24		Chief Brodie Elementary	\$7,602
25		JFK High School	\$0
26	Umatac	F.Q. Sanchez Elementary	\$1,267
27	Yigo	Upi Elementary	\$9,502

1	D.L. Perez Elementary	\$16,470
2	Machananao Elementary	\$8,742
3	F.B. Leon Guerrero Middle	\$16,470
4	Simon Sanchez High	\$17,357
5	Yona M.U. Lujan Elementary	<u>\$7,754</u>
6	TOTAL FOR ALL VILLAGES	\$427,863

7 **Section 5. Authorization to Reallocate Funds.** Notwithstanding any
8 other provision of Law, the MCOG is authorized to reallocate funds appropriated
9 in Fiscal Year 2012 Miscellaneous (Object Class 290) into other categories, *except*
10 personnel, within all Base Operational Appropriations, including the return of
11 funds transferred from Object Class 290 back into Object Class 290.

12 **Section 6. Public Safety and Social Education Programs.** The sum of
13 Four Hundred Sixteen Thousand Eight Hundred Sixty Dollars (**\$416,860**) is
14 appropriated from the General Fund to the MCOG, with each village to receive
15 Fifteen Thousand Dollars (**\$15,000**), and with the remaining funds to the MCOG,
16 for Fiscal Year 2012, to be expended in accordance with plans approved by the
17 MCOG or respective Village Municipal Planning Council and filed with the
18 Director of Administration, to fund public safety and social education programs
19 that enforce alcohol regulations, reduce underage drinking, support traffic safety,
20 reduce drug-related violence and abuse, to support government of Guam substance
21 abuse prevention programs, and to support organized sports programs in the
22 community.

23 **Section 7. Continuing Appropriation to the Mayors Council.** The
24 unexpended balance of the funds appropriated to the Mayors Council for Fiscal
25 Year 2011 *shall not* lapse and is available to the Mayors Council for expenditures
26 in Fiscal Year 2012.

1 **Section 8. Authority to Make Payments on Prior Year Obligations.**

2 Notwithstanding any other provision of Law, the Mayors Council of Guam
3 (MCOG) is hereby authorized to utilize unexpended funds appropriated to the
4 MCOG for Fiscal Year 2011 and carried over to Fiscal Year 2012, as mandated in
5 Section 7 of this Chapter, to pay for obligations incurred, and to carry over any
6 remaining unencumbered Fiscal Year 2011 funds appropriated to the MCOG.

CHAPTER IX
PUBLIC ACCOUNTABILITY, STANDARDS AND PRACTICES
OFFICE OF PUBLIC ACCOUNTABILITY

1 **Section 1. Legislative Intent.** It is the intent of *I Liheslaturan Guåhan*
2 that the Office of Public Accountability (OPA) *shall* expend the funds appropriated
3 for the rent increase related to the office space utilized for procurement hearings.

4 **Section 2. Appropriations.** The amounts below are appropriated from the
5 General Fund to the OPA for its operations in Fiscal Year 2012. This
6 appropriation *shall* be expended in accordance with the object class allocations
7 outlined below.

8 **SUMMARY OF BASE OPERATIONAL APPROPRIATION**

	APPROP. CLASS	OBJ. CLASS	GEN FUND	SPCL FUND	TOTAL
9	REG SALARIES	111	\$681,473	\$0	\$681,473
10	OT/SP	112	\$0	\$0	\$0
11	BENEFITS	113	\$249,405	\$0	\$249,405
12	TRAVEL/MILE	220	\$0	\$0	\$0
13	CONT. SERV.	230	\$198,385	\$0	\$198,385
14	OFF. RENTAL	233	\$102,594	\$0	\$102,594
15	SUP. & MAT.	240	\$8,400	\$0	\$8,400
16	EQUIPMENT	250	\$9,450	\$0	\$9,450
17	WORK. COMP.	270	\$0	\$0	\$0
18	DRUG TEST	271	\$0	\$0	\$0
19	SUBGRANT	280	\$0	\$0	\$0
20	MISC	290	\$3,800	\$0	\$3,800
21	POWER	361	\$0	\$0	\$0
22					

1	WATER/SEWER	362	\$0	\$0	\$0
2	PHONE/TOLL	363	\$7,000	\$0	\$7,000
3	CAP. OUTLAY	450	\$0	\$0	\$0
4	GRAND TOTAL		\$1,260,507	\$0	\$1,260,507

5 **SUMMARY OF BASE OPERATIONAL APPROPRIATION FUNDING**

6 **SOURCE**

7	GENERAL FUND			\$1,260,507
8	FEDERAL MATCHING GRANTS-IN-AID			\$0
9	SPECIAL FUNDS			<u>\$0</u>
10	TOTAL			\$1,260,507

11 **Section 3. Transfer Authority for the Office of Public Accountability.**

12 The Public Auditor may transfer funds between appropriations made in this Act for
 13 the OPA, *provided* that the Public Auditor notifies *I Maga'lâhen Guðhan* and the
 14 Speaker of *I Liheslaturan Guðhan* no later than fifteen (15) working days before
 15 the transfer is made.

16 **Section 4. Continuing Appropriation for the Office of Public**

17 **Accountability.** The unexpended or unencumbered balance of funds appropriated
 18 to the OPA for FY 2011, pursuant to Public Law 30-196, as amended by Public
 19 Laws 30-224 and 31-74, *shall not* lapse and *shall* be available to the OPA for
 20 expenditures in FY 2012 for authorized FY 2012 expenses. Any FY 2012 expenses
 21 paid by the continuing appropriations revenues *shall* reserve the FY 2012 revenues
 22 appropriated, which may be expended by Legislative appropriation.

CHAPTER X
GUAM VISITORS BUREAU

1 **Section 1. Appropriation.** The amounts below are appropriated from the
2 Tourist Attraction Fund (TAF), *not* otherwise appropriated, to the Guam Visitors
3 Bureau (GVB) for its operations in Fiscal Year 2012. This appropriation *shall* be
4 expended in accordance with the allocations outlined in this Section.

5 **SUMMARY OF BASE OPERATIONAL APPROPRIATION**

6	(a)	GENERAL ADMINISTRATION	\$2,436,026
7	(b)	MARKETING	\$8,753,193
8	(c)	PRINTING, PROMOTIONAL	\$262,715
9	(d)	RESEARCH	\$406,014
10	(e)	DESTINATION DEVELOPMENT	\$1,456,875

11 **Section 2. Appropriation to GVB for Special Projects.** The sum of One
12 Million One Hundred Seventy-Two Thousand Eight Hundred Two Dollars
13 (**\$1,172,802**) is appropriated from the TAF to the GVB to fund the *Tumon* and
14 *Hagåtña* Beach Cleaning, *Tumon* Landscaping, and Island-wide Roadways
15 Maintenance projects in Fiscal Year 2012. After all of the foregoing projects
16 within this Section are fully funded, the GVB Board of Directors *may* approve the
17 use of the surplus funds for other Board-approved projects. Notwithstanding the
18 general provisions of §30107.1, Title 11, Guam Code Annotated, and this Act, this
19 appropriation *shall* continue to be available until expended.

20 **Section 3. Appropriation to GVB for Pã'å Taotao Tåno'.** The sum of
21 Eighty Thousand Dollars (**\$80,000**) is appropriated from the TAF to the GVB for
22 the Fiscal Year 2012 operations of *Pã'å Taotao Tano* to provide for the local
23 match for the ANA Language Grant, the New *Pã'å* AmeriCorps, the *Guåhu*
24 *Taotao Tåno'* Annual Pageant, and the Northern Cultural Arts Program.
25 Notwithstanding the general provisions of §30107.1, Title 11, Guam Code

1 Annotated, and this Act, this appropriation *shall* continue to be available until
2 expended.

3 **Section 4. Appropriation to GVB for the Historic *Inalåhan***
4 **Foundation.** The sum of Thirty Thousand Dollars (**\$30,000**) is appropriated from
5 the TAF to the GVB for the Fiscal Year 2012 operations of the Historic *Inalåhan*
6 Foundation. Notwithstanding the general provisions of §30107.1, Title 11, Guam
7 Code Annotated, and this Act, this appropriation *shall* continue to be available
8 until expended.

9 **Section 5. Appropriation to GVB for the Traditions Affirming our**
10 **Seafaring Ancestry (TASA).** The sum of Fifty Thousand Dollars (**\$50,000**) is
11 appropriated from the TAF to the GVB for the Fiscal Year 2012 operations of the
12 TASA. Notwithstanding the general provisions of §30107.1, Title 11, Guam Code
13 Annotated, and this Act, this appropriation *shall* continue to be available until
14 expended.

15 **Section 6. Appropriation to GVB for the Tourism Education Council.**
16 The sum of Thirty Thousand Dollars (**\$30,000**) is hereby appropriated from the
17 TAF to the GVB for the Fiscal Year 2012 operations of the Tourism Education
18 Council. Notwithstanding the general provisions of Title 11 GCA §30107.1, and
19 this Act, this appropriation *shall* continue to be available until expended.

20 **Section 7. Appropriation to GVB for the *Håya* Cultural Preservation**
21 **Foundation (*Sinangån-ta* Outreach).** The sum of Fifteen Thousand Dollars
22 (**\$15,000**) is hereby appropriated from the TAF to the GVB for the Fiscal Year
23 2012 operations of the *Håya* Cultural Preservation Foundation (*Sinangån-ta*
24 Outreach). Notwithstanding the general provisions of Title 11 GCA §30107.1, and
25 this Act, this appropriation *shall* continue to be available until expended.

26 **Section 8. Appropriation for FESTPAC 2012.** The sum of Four
27 Hundred Thousand Dollars (**\$400,000**) is hereby appropriated from the TAF to the

1 GVB for the Guam Council on the Arts and Humanities Agency for Guam's
2 participation at the 11th Festival of Pacific Arts. Notwithstanding the general
3 provisions of Title 11 GCA §30107.1, and this Act, this appropriation *shall*
4 continue to be available until expended, and is *not* subject to transfer or use for any
5 other purpose.

6 **Section 9. Appropriation to the Guam Visitors Bureau Rainy Day**
7 **Fund.** The sum of Two Hundred Thousand Dollars (\$200,000) is hereby
8 appropriated from the TAF to the GVB for deposit in the Rainy Day Fund, in
9 accordance with the provisions set forth in Section 1(b) of Public Law 30-116, for
10 the purposes cited therein. Notwithstanding the general provisions of Title 11
11 GCA §30107.1, and this Act, this appropriation *shall* continue to be available until
12 expended, and is *not* subject to transfer *or* use for any other purpose.

13 **Section 10. Creation of the Guam FESTPAC & Folklife Festival Trust**
14 **Account.** (a) There is hereby created, separate and apart from all other funds of
15 the government of Guam, a trust account known as the Guam FESTPAC &
16 Folklife Festival Trust Account (Trust Account). The Trust Account *shall not* be
17 commingled with the General Fund or any other funds of the government of Guam,
18 and it *shall* be maintained in a separate bank account, administered by the Guam
19 Visitors Bureau.

20 (b) Monies deposited into the Trust Account *shall* be invested or
21 reinvested into interest bearing instruments, United States treasury notes,
22 investment grade and insured corporate notes, and other like instruments which are
23 readily convertible to cash needed to pay for the 12th Festival of Pacific Arts held
24 in Guam and Guam's participation in the 2015 Smithsonian Folklife Festival as
25 determined by the 12th Festival of Pacific Arts Coordinating Committee.

1 (c) Monies deposited into the Trust Fund and any interest earned *shall not*
2 be subject to any transfer authority of *I Maga'lahren Guåhan* or any representative
3 of the Guam Visitors Bureau.

4 **Section 11. Appropriation to the Guam FESTPAC & Folklife Festival**
5 **Trust Account.** The amounts in the Subsections below are appropriated to the
6 Guam Visitors Bureau for deposit into the Guam FESTPAC & Folklife Festival
7 Trust Account; notwithstanding the general provisions of Title 11 GCA §30107.1,
8 and this Act, this appropriation *shall* continue to be available until expended, and is
9 *not* subject to transfer or use for any other purpose:

10 (a) the sum of One Hundred Thousand Dollars (**\$100,000**) from the
11 appropriation made to the Guam Visitors Bureau for the Guam Tourism
12 Foundation pursuant to Item (F) of Section 25 of Chapter V of Part III of
13 Public Law 29-113;

14 (b) the sum of Eighty Five Thousand Dollars (**\$85,000**) from
15 unappropriated surplus Fiscal Year 2011 Tourist Attraction Fund revenues;
16 and

17 (c) the sum of One Million Seventy-Five Thousand Seven Hundred
18 Fourteen Dollars (**\$1,075,714**) from the Tourist Attraction Fund.

19 **Section 12. Appropriation to the University of Guam.** The sum of Two
20 Hundred Thousand Dollars (**\$200,000**) is hereby appropriated from the Tourist
21 Attraction Fund to the University of Guam for the FY 2012 operations of the
22 Rhinoceros Beetle Program. Notwithstanding the general provisions of 11 GCA
23 §30107.1 and this Act, this Appropriation *shall* continue to be available until
24 expended and is not subject to transfer or use for any other purpose.

CHAPTER XI
MISCELLANEOUS APPROPRIATIONS

Section 1. Public Streetlights Appropriations.

(a) **Special Fund Appropriations.** The sum of Three Million Four Hundred Seventy-Three Thousand Five Hundred Thirty-One Dollars (**\$3,473,531**) is appropriated from the Streetlight Fund to the Utility Cost Account (DOA) to pay the Guam Power Authority for the operation of public streetlights in Fiscal Year 2012 as further delineated in Appendix II.

(b) The sum of Two Million Three Hundred Twenty-Three Thousand One Hundred Ninety Dollars (**\$2,323,190**) is appropriated from the Guam Highway Fund to the Utility Cost Account (DOA) to pay the Guam Power Authority for the operation of public streetlights in Fiscal Year 2012 as further delineated in Appendix II.

(c) The sum of Two Hundred Twelve Thousand Four Hundred Eighty-Two Dollars (**\$212,482**) is appropriated from the Tourist Attraction Fund to the Utility Cost Account (DOA) to pay the Guam Power Authority for the operation of public streetlights in Fiscal Year 2012 as further delineated in Appendix II.

Section 2. Appropriations to Retirees for Supplemental Annuity Benefits and for Other Costs.

(a) The sum of Eleven Million Six Hundred Ninety-Six Thousand Three Hundred Three Dollars (**\$11,696,303**) is appropriated from the General Fund to the Supplemental Annuity Benefits Special Fund for Fiscal Year 2012 for direct payments to government of Guam retirees who retired prior to October 1, 1995, or their survivors, for the continuing payment of Four Thousand Two Hundred Thirty-Eight Dollars (**\$4,238**) per year in supplemental annuity benefits, consisting of the sums of One Thousand Two Hundred Dollars (**\$1,200**), One Thousand Five Hundred Dollars (**\$1,500**), Seven Hundred Dollars (**\$700**), and Eight Hundred

1 Thirty-Eight Dollars (**\$838**) in annual benefits authorized by various General
2 Appropriation Acts.

3 (b) No retiree who is eligible for Retiree Supplemental Annuity Benefits
4 provided for in Subsection (a) hereof *shall* receive said benefits *if* her or his annual
5 retirement annuity, excluding survivor benefits and excluding the supplemental
6 benefits authorized herein, is *greater than* Forty Thousand Dollars (**\$40,000**). No
7 retiree who is eligible for Retiree Supplemental Annuity Benefits *shall* receive
8 *more than* the sum of Forty Thousand Dollars (**\$40,000**) in combined retirement
9 annuities and Supplemental Annuity Benefits in any one (1) fiscal year.

10 (c) The Director of DOA *shall* coordinate with the Director of the
11 Government of Guam Retirement Fund (GGRF) and *shall* disburse to the retirees
12 or their survivors, the supplemental annuity benefits provided for in Subsection (a)
13 of this Section. The GGRF *shall* provide the Director of DOA with the information
14 needed to affect disbursement. To realize savings associated with the cost of
15 preparing separate checks and mailing separate checks for the supplemental
16 annuity for retirees, the Director of DOA may enter into a Memorandum of
17 Understanding (MOU) with the GGRF in which the Director of DOA remits the
18 supplemental annuity payments to the GGRF for disbursement to the retiree at the
19 same time the regular annuity check is issued, *or* by including the supplemental
20 annuity in the regular annuity check issued by the GGRF.

21 (d) Funds held in the Supplemental Annuity Benefits Special Fund *shall*
22 *not* be commingled with the General Fund or any other fund, *shall* be held in a
23 separate bank account that *shall* continue to be administered by the Director of
24 DOA, and *shall not* be subject to *I Maga'låhen Guåhan's* transfer authority.

25 (e) For Fiscal Year 2012, the Guam Power Authority, the A.B. Won Pat
26 International Airport Authority, the Guam Economic Development Authority, the
27 Guam Housing Corporation, the Government of Guam Retirement Fund, the Jose

1 D. Leon Guerrero Commercial Port, the Guam Waterworks Authority and the
2 Guam Visitors Bureau *shall* remit to DOA an amount equal to the number of
3 retirees eligible pursuant to Subsection (a) hereof who have retired from that entity
4 multiplied by Four Thousand Two Hundred Thirty-Eight Dollars (**\$4,238**). Said
5 remittances *shall* be paid in two (2) equal installments on or before October 10,
6 2011, and April 15, 2012, respectively. Said remittances *shall not* be subject to *I*
7 *Maga'låhen Guåhan's* transfer authority.

8 (f) For Fiscal Year 2012, the Guam Power Authority, the A.B. Won Pat
9 International Airport Authority, the Guam Economic Development Authority, the
10 Guam Housing Corporation, the Government of Guam Retirement Fund, the Jose
11 D. Leon Guerrero Commercial Port, the Guam Waterworks Authority and the
12 Guam Visitors Bureau *shall* remit to the GGRF payments for medical, dental, and
13 life insurance payments for retirees who have retired from those respective
14 agencies. Said remittances *shall* be paid in two (2) equal installments on or before
15 October 10, 2011, and on or before April 1, 2012, respectively. The agencies'
16 remittances for medical, dental and life insurance mandated herein are *ex gratia*
17 payments, and are for Fiscal Year 2012 *only*.

18 (g) For Fiscal Year 2012, the sum of Nine Hundred Eighty-Seven
19 Thousand Dollars (**\$987,000**) is appropriated from the General Fund to the GGRF
20 to pay the cost of Medicare premiums for government of Guam retirees and their
21 survivors domiciled on Guam, and who are eligible to receive Social Security
22 income benefits, and who are eligible to enroll in the government of Guam Group
23 Health Insurance Program. *No* government of Guam retiree or their survivor *shall*
24 be required to enroll in the Government of Guam Health Insurance Program in
25 order to receive the reimbursement.

26 (h) For Fiscal Year 2012, the sum of Two Hundred Thirty-Two Thousand
27 Five Hundred Fifteen Dollars (**\$232,515**) is appropriated from the General Fund to

1 the GGRF for *I Maga'låhi* and *I Segundu Na Maga'låhi/I Segundu Na Maga'håga*
2 pensions.

3 (i) For Fiscal Year 2012, the sum of Four Hundred Sixty-Six Thousand
4 Four Hundred Twenty-Nine Dollars (**\$466,429**) is appropriated from the General
5 Fund to the GGRF for retirement annuities for former judges and justices of the
6 Superior Court and Supreme Court of Guam.

7 (j) The GGRF Board of Trustees *shall* enact and, if necessary, amend
8 administrative regulations that establish procedures to ensure the proper
9 submission, receipt and accounting of all sums remitted pursuant to Subsections (e)
10 and (f) hereof.

11 **Section 3. Survivor Supplemental Annuity Additions.** §8135(d)(6) of
12 Title 4, Guam Code Annotated, is *amended* to read:

13 “(6) the prospective payment of supplemental benefits for the period
14 of October 1, 2011 through September 30, 2012 for survivors of those
15 employees who retired prior to October 1, 1995, to be paid in the following
16 manner:

17 (i) Four Thousand Two Hundred Thirty-Eight Dollars
18 (**\$4,238**) in Retiree Supplemental Annuity Benefits, known as the sum
19 of One Thousand Two Hundred Dollars (**\$1,200**), One Thousand Five
20 Hundred Dollars (**\$1,500**), Seven Hundred Dollars (**\$700**), and Eight
21 Hundred Thirty-Eight Dollars (**\$838**) in annual benefits formerly
22 contained in various General Appropriation Acts.

23 (ii) *No* person eligible for Retiree Supplemental Annuity
24 Benefits provided for in this Section *shall* receive such benefits if his
25 regular annual retirement annuity exclusive of the supplemental
26 amounts authorized hereby *exceeds* Forty Thousand Dollars
27 (**\$40,000**). *No* persons eligible for Retiree Supplemental Annuity

1 Benefits *shall* receive *more than* the sum of Forty Thousand Dollars
2 (\$40,000) in combined retirement annuities and supplemental
3 retirement annuities.

4 (iii) Any retiree or survivor eligible to receive the
5 supplemental annuity may waive their supplemental annuity payment
6 authorized herein by the filing of a notarized affidavit waiving such
7 payment with the Retirement Fund.”

8 **Section 4. Disability Supplemental Annuity Additions.** §8129(g) of
9 Title 4, Guam Code Annotated, is *amended* to read:

10 “(g) Any disability retirement annuitant who commenced receiving
11 a disability retirement annuity *prior to* October 1, 1995, and who is entitled
12 to disability retirement benefits under this Chapter *shall* receive, during the
13 period commencing on October 1, 2011 and ending on September 30, 2012,
14 prospective non-cumulative supplemental annuity benefits as follows:

15 (1) Four Thousand Two Hundred Thirty-Eight Dollars
16 (\$4,238) in Retiree Supplemental Annuity Benefits, known as the sum
17 of One Thousand Two Hundred Dollars (\$1,200), One Thousand Five
18 Hundred Dollars (\$1,500), Seven Hundred Dollars (\$700), and Eight
19 Hundred Thirty-Eight Dollars (\$838) in annual benefits formerly
20 contained in various General Appropriation Acts.

21 (2) *No* persons eligible for Retiree Supplemental Annuity
22 Benefits provided for in Paragraph (g) of this Section *shall* receive
23 such benefit if their regular annual retirement annuity, excluding
24 survivor benefits, prior to the supplemental amounts herein *exceeds*
25 Forty Thousand Dollars (\$40,000). *No* persons eligible for Retiree
26 Supplemental Annuity Benefits *shall* receive *more than* the sum of

1 Forty Thousand Dollars (\$40,000) in combined retirement annuities
2 and supplemental retirement annuities.

3 (3) Any disability retirement annuitant eligible to receive the
4 supplemental annuity may waive their supplemental annuity payment
5 authorized herein by the filing of a notarized affidavit waiving such
6 payment with the Retirement Fund.”

7 **Section 5. Retirees Supplemental Annuity Additions.** §8122(d)(6) of
8 Title 4, Guam Code Annotated, is hereby *amended* to read as follows:

9 “(6) Any retirement annuitant who commenced receiving a
10 retirement annuity *prior to* October 1, 1995, and who is entitled to
11 retirement benefits under this Chapter, *shall* receive, during the period
12 commencing on October 1, 2011 and ending on September 30, 2012,
13 prospective, non-cumulative supplemental annuity benefits as follows:

14 (i) Four Thousand Two Hundred Thirty-Eight Dollars
15 (\$4,238) in Retiree Supplemental Annuity Benefits, known as the sum
16 of One Thousand Two Hundred Dollars (\$1,200), One Thousand Five
17 Hundred Dollars (\$1,500), Seven Hundred Dollars (\$700), and Eight
18 Hundred Thirty-Eight Dollars (\$838) in annual benefits formerly
19 contained in various General Appropriation Acts.

20 (ii) *No* retiree who is eligible for Retiree Supplemental
21 Annuity Benefits provided for in this Section *shall* receive such
22 benefit if her/his regular annual retirement annuity, excluding the
23 supplemental amounts authorized herein and survivor benefits,
24 *exceeds* Forty Thousand Dollars (\$40,000). A retiree who is eligible
25 for Retiree Supplemental Annuity Benefits *shall* receive *no more than*
26 Forty Thousand Dollars (\$40,000) in combined retirement annuities
27 and supplemental retirement annuities.

1 (iii) Any retiree or survivor eligible to receive the
2 supplemental annuity may waive their supplemental annuity payment
3 authorized herein by the filing of a notarized affidavit waiving such
4 payment with the Retirement Fund.”

5 **Section 6. Appropriation for Cost of Living Allowance (COLA).**

6 (a) *I Maga'låhen Guåhan shall* provide, by a single lump sum payment, a
7 Cost of Living Allowance (COLA) of One Thousand One Hundred Dollars
8 (\$1,100) to each retiree of the GGRF who is retired as of September 30, 2011, *or*
9 his survivor, *no later than* November 1, 2011, *unless* the annuitant chooses in
10 writing to receive bi-monthly payments from October 1, 2011 through September
11 30, 2012. The sum of Six Million Seven Hundred Seventy Thousand Five
12 Hundred Dollars (\$6,770,500) is appropriated from the General Fund to the DOA
13 to pay said COLA.

14 (b) The Guam Power Authority, the A. B. Won Pat International Airport
15 Authority, the Guam Economic Development Authority, the Guam Housing
16 Corporation, the Government of Guam Retirement Fund, the Jose D. Leon
17 Guerrero Commercial Port, the Guam Waterworks Authority and the Guam
18 Visitors Bureau *shall* pay a COLA in a single payment of One Thousand One
19 Hundred Dollars (\$1,100) to every Government of Guam Retirement Fund retiree
20 who retired from each respective aforementioned agency as of September 30,
21 2011, *or* his survivor, *no later than* November 1, 2011, *unless* the annuitant
22 chooses in writing to receive bi-monthly payments from October 1, 2011 through
23 September 30, 2012.

24 (c) Each agency mentioned in Subsection (b) *shall* reimburse the General
25 Fund for any COLA paid by the Fund in Fiscal Year 2012 to retirees who have
26 retired from that agency and their survivors, *no later than* December 31, 2011.

1 (d) Any retiree or survivor eligible to receive the COLA may waive their
2 payment authorized herein by filing a notarized affidavit waiving such payment
3 with the entity responsible for the Retirement Fund.

4 (e) If a retiree is both a Defined Benefit and a Defined Contribution
5 Retiree, her or his survivor *shall only* be entitled to a single COLA payment.

6 **Section 7. (a) Guam Memorial Hospital Appropriation. Legislative**
7 **Findings and Intent.** *I Liheslaturan Guåhan* finds that supplemental funding due
8 to the budget shortfall being experienced by the Guam Memorial Hospital
9 Authority (GMHA) is directly due to mandates imposed upon them.

10 *I Liheslaturan Guåhan* finds that the government of Guam is mandated
11 pursuant to the Organic Act of Guam to provide medical care services for the
12 people of Guam, regardless of a patient's ability to pay or availability of medical
13 insurance coverage.

14 *I Liheslaturan Guåhan* further finds that the cost of providing the requisite
15 medical services can be reduced by establishing an urgent care center to address
16 the non-emergency medical needs of patients currently availing themselves of
17 GMHA emergency room services and resources.

18 Whereas, *I Liheslaturan Guåhan* takes due note that there is a balance
19 available for reprogramming in the amount of Six Hundred Eighteen Thousand
20 Nine Hundred Ninety-Four Dollars (**\$618,994**), in the Tobacco Bond Proceeds
21 Account, managed by the Guam Economic Development Authority, for the
22 specific purposes of financing working capital expenditures for Guam and the
23 hospital.

24 It is the intent of *I Liheslaturan Guåhan* to appropriate the funds necessary
25 to assist GMHA to partially address its budgetary shortfall.

26 It is, further, the intent of *I Liheslaturan Guåhan* to provide for the initial
27 funding for the requisite processes relative to establishing an urgent care center for

1 medical services within the GMHA facility premises, so as to alleviate the current
2 strain being imposed upon the emergency room, and imposition of exorbitant costs
3 against limited GMHA finances.

4 (b) **Reprogramming and Appropriation of Available Funds from the**
5 **2007 Tobacco Bond Proceeds; and Funds from the Available Interest of the**
6 **Tobacco Asset Backed Bonds 2001 Series B, to the Guam Memorial Hospital**
7 **Authority for Working Capital Expenditures.**

8 (1) The sum of Three Hundred Seventy Thousand Dollars
9 (**\$370,000**) is hereby reprogrammed from the available funds of the 2007
10 Tobacco Bond Proceeds account, managed by the Guam Economic
11 Development Authority, and appropriated to the Guam Memorial Hospital
12 Authority (GMHA) for working capital expenditures, as specifically
13 provided for in the following expenditure schedule:

14 (A) Three Hundred Twenty Thousand Dollars (**\$320,000**) for
15 any budgetary shortfall in the category of pharmaceuticals, supplies,
16 and similar necessities; and

17 (B) *up to* Fifty Thousand Dollars (**\$50,000**), as determined to
18 be necessary, for the implementation of requisite processes to
19 establish an urgent health care center within the GMHA facility. Any
20 remaining funds *not* expended for this purpose *shall* be expended to
21 fund budgetary shortfalls.

22 (c) The aggregate sum of Forty-Three Thousand Four Hundred Thirty-
23 Three Dollars (**\$43,433**) from the available interest of the Tobacco Asset Backed
24 Bonds 2001 Series B, managed by the Guam Economic Development Authority, is
25 hereby reprogrammed from the following account numbers and in the amounts
26 listed: #71 02 3000 3 01 - \$20,995.00; #71 08 3000 3 01 - \$6,595.00; #71 10
27 3000 3 01 - \$6,789.00; #71 04 3000 3 01 - \$4,526.00; #71 06 3000 3 01 -

1 \$4,528.00; and is hereby appropriated to the Guam Memorial Hospital Authority
2 to finance working capital expenditures.

3 (1) The funds reprogrammed and appropriated pursuant to this
4 Subsection *shall not* be utilized to fund personnel or outstanding contractual
5 debt services.

6 (2) The funds reprogrammed and appropriated pursuant to this
7 Subsection *shall* be deemed a continuing appropriation and *shall* remain
8 available for working capital expenditures, as authorized pursuant to this
9 Subsection, until fully expended.

10 (d) Notwithstanding any other provision of law, any unexpended funds
11 reprogrammed pursuant to this Section of this Act *shall* be deemed to continue to
12 be available for the purposes the funds were reprogrammed and may be expended
13 by the Guam Memorial Hospital Authority within the subsequent fiscal year,
14 *unless* this Subsection is specifically amended or repealed pursuant to law.

15 (e) **Funds Not Subject to *I Maga'lahi's* Transfer Authority.** The funds
16 reprogrammed and appropriated pursuant to this Subsection *shall not* be subject to
17 the Governor's transfer authority, and *shall only* be expended pursuant to the
18 provisions of this Subsection.

19 (f) **Effective Date.** This Section *shall* become effective upon enactment
20 of this Act.

21 **Section 8. (a) *Talofof*o Gymnasium Repairs Appropriations.**
22 **Legislative Findings and Intent.** *I Liheslaturan Guåhan* finds that there is strong
23 community support and participation by the residents of *Talofof*o in the village
24 fitness, health and wellness programs.

25 *I Liheslaturan Guåhan* further finds that the *Talofof*o indoor gymnasium
26 plays a significant role in promoting healthy lifestyles and is heavily utilized by
27 village residents, as well as visiting sports teams and persons.

1 *I Liheslaturan Guåhan* further finds that expenditure of the sum required to
2 repair the facility is a quality of village life issue for *Talofof* residents and should
3 be supported by the people of Guam.

4 Further, *I Liheslaturan Guåhan* takes due note that the facility helps to deter
5 tobacco, alcohol and drug abuse and destructive behavior of residents.

6 It is the intent of *I Liheslaturan Guåhan* to ensure the continuation of health,
7 wellness, and fitness programs for village residents and visitors by repairing the
8 *Talofof* Indoor Gymnasium utilizing available funds intended for such purposes.

9 (b) **Reprogramming and Appropriation of Funds for the Repair of**
10 **the *Talofof* Indoor Gymnasium.** The sum of One Hundred Forty-Eight
11 Thousand Eight Hundred Twenty-Nine Dollars (**\$148,829**) is hereby
12 reprogrammed from the available funds of the 2007 Tobacco Bond Proceeds
13 account, managed by the Guam Economic Development Authority, and
14 appropriated to the *Talofof* Mayor’s Office for the *sole* purpose of financing
15 working capital expenditures for the repair of the *Talofof* Indoor Gymnasium.
16 The funds hereby reprogrammed and appropriated pursuant to this Act *shall* be
17 expended as provided for in the “*Talofof* Village Facilities Repair/Rehabilitation
18 Assessment Report”, which is attached to and incorporated as a part of this Act as
19 Exhibit “A”.

20 (c) **Effective Date.** This Section *shall* be immediately effective upon
21 enactment.

22 **Section 9. Appropriation to Department of Education.**

23 (a) The sum of Four Hundred Eight Thousand Two Hundred Fourteen
24 Dollars (**\$408,214**) is hereby appropriated from the General Fund to the
25 Department of Education in Object Class 361-Power.

26 (b) The sum of Two Million Four Hundred Thousand Dollars
27 (**\$2,400,000**) is hereby appropriated from the General Fund to the Utility Cost

1 Account (Department of Administration) to pay the Guam Power Authority for the
2 Guam Department of Education Promissory Note (the agreement between the
3 GDOE and the Guam Power Authority signed on July 20, 2004, and referred to as
4 the “installation payment agreement for the past due electrical service”) in Fiscal
5 Year 2012.

6 **Section 10. Appropriation for Emergency Tax Refunds.** The sum of
7 Four Million Five Hundred Fifty-Six Thousand Eight Hundred Fifty-Five Dollars
8 **(\$4,556,855)** from the Section 2718 Fund is hereby appropriated to the Department
9 of Revenue and Taxation to pay for tax refund obligations owed to the individual
10 taxpayers that have filed special payment requests for medical, death and financial
11 hardship needs.

CHAPTER XII

MISCELLANEOUS PROVISIONS

1 **Section 1. Deficit Reduction.** All unpaid prior year obligations, including
2 obligations for tax refunds; vendor payables; back pay for employees or other
3 obligations resulting from judgments or awards approved prior to FY 2012 by any
4 regulatory body, court or administrative authority, which remain unpaid at the
5 beginning of FY 2012, *unless* otherwise authorized, *shall* be paid from the un-
6 appropriated General Fund revenues collected in excess of appropriations and
7 reserved for deficit reduction pursuant to §22436 of Article 4, Chapter 22 of Title
8 5, Guam Code Annotated. The obligations *shall* be paid in the order of when they
9 were incurred, with the longest outstanding obligation being paid first and so forth.
10 The Department of Administration *shall* transmit a copy of the cumulative prior
11 year obligations on a quarterly basis to *I Maga'låhen Guåhan*, the Speaker of *I*
12 *Liheslaturan Guåhan*, and the Office of Finance and Budget. If *I Maga'låhi* (the
13 Governor) declares that the non-payment of prior year obligations will disrupt
14 essential services to a department or agency, he may utilize FY 2012
15 appropriations for the agency, *provided* that the Bureau of Budget and
16 Management Research imposes a corresponding reserve and reduces the
17 department's current year allotment by the same amount.

18 **Section 2. Retirement Option for Government of Guam Employees.** A
19 member of the Government of Guam Retirement Fund (GGRF) who is eligible for
20 retirement may retire upon the complete remittance of her or his outstanding
21 individual contributions to the GGRF, including the employee and employer
22 retirement contributions. Any and all fees, interest at actuarial set assumed rate of
23 return for fund investments rates, and penalties required by the GGRF *shall* be paid
24 by the government. This Section *shall not* restrict the continuing remittance of
25 existing GGRF contributions as required by law or by the GGRF. By the fifteenth

1 (15th) day of each month, the Director of the GGRF *shall* provide a detailed report
2 to the Speaker of *I Liheslaturan Guåhan* regarding said remittances and the
3 number of retirements pursuant to this Section during the previous month. Nothing
4 herein *shall* be construed to abrogate any provision of Public Law 28-38.

5 **Section 3. Volunteers and Donations for Skinner Plaza, Plaza De**
6 ***España* and Guam Congress Building.** The Executive Director of *I Liheslaturan*
7 *Guåhan* may receive donations, including, but *not* restricted to, donations of goods,
8 materials and services, for the purpose of maintaining and renovating Skinner
9 Plaza, the *Plaza De España*, and the Guam Congress Building (also known as the
10 Old Legislative Building).

11 **Section 4. Temporary Employment of Retired Corrections Officers.**
12 The Department of Corrections (DOC) may hire retired Guam Corrections Officers
13 if a critical need arises. Retired corrections officers hired under this Section may
14 receive their retirement annuity while employed on this temporary basis. Officers
15 may *only* be hired under this Section to fill positions left vacant because of military
16 activation of corrections officers or absence due to a long-term disability status
17 which has been certified by a medical doctor. The DOC may exercise this hiring
18 authority *provided* its authorized budget for personnel is *not* exceeded in filling
19 those positions and *shall* be terminated when the incumbent returns from military
20 service or long-term disability. Retired officers may be hired *only* in the ranks of
21 Corrections Officers Supervisor I and below, *only* at Step I, and *shall not* receive
22 sick and annual leave. Officers hired under this Section *shall* meet requirements for
23 the position in question, *except* for written examinations, and the Director of DOC
24 *shall* certify that every retiree hired is fit for duty. Notwithstanding §8121(a),
25 Chapter 8 of Title 4, Guam Code Annotated, retirees hired temporarily pursuant to
26 this Section may continue to receive retirement benefits. Any employee hired

1 under this Section *shall* only be eligible to enroll in the Government of Guam
2 Health Insurance Program as an active employee.

3 **Section 5. Temporary Employment of Retired Guam Police Officers.**

4 The Guam Police Department (GPD) may hire retired Guam Police Officers if a
5 critical need arises because of military activation of police officers or absence due
6 to a long-term disability status which has been certified by a medical doctor.
7 Retired police officers hired under this Section may receive their retirement
8 annuity while employed under this temporary basis. The GPD may exercise this
9 hiring authority *provided* its authorized budget for personnel is *not* exceeded. The
10 retiree hired *shall* fill such a vacant position and *shall* be terminated when the
11 incumbent returns from military service or long-term disability. Retired officers
12 may be hired *only* at the ranks of Sergeant I and below, *only* at Step I, and *shall not*
13 receive sick and annual leave. Officers hired under this Section *shall* first meet the
14 requirements for the position in question, *except* for written examinations, and the
15 Chief of Police of GPD *shall* certify that every retiree hired is fit for duty.
16 Notwithstanding §8121(a), Title 4, Guam Code Annotated, retirees hired
17 temporarily pursuant to this Section may continue to receive retirement benefits.
18 The GPD *may* pay for Civilian Volunteer Police Reserve stipends to a police
19 reserve officer to provide temporary services in the absence of a regular police
20 officer. Any employee hired under this Section *shall* only be eligible to enroll in
21 the Government of Guam Health Insurance Program as an active employee.

22 **Section 6. Temporary Employment of Retired Guam Firefighters.** The

23 Guam Fire Department (GFD) may hire retired GFD firefighters if a critical need
24 arises because of military activation of GFD firefighters *or* absence due to a long-
25 term disability status which has been certified by a medical doctor. Retired GFD
26 firefighters hired under this Section may receive their retirement annuity while
27 employed under this temporary basis. The GFD may exercise this hiring authority

1 *provided* its authorized budget for personnel is *not* exceeded. The retirees hired
2 *shall* fill such a vacant position and *shall* be terminated when the incumbent
3 returns from military service or long-term disability. Retired fire personnel may be
4 hired *only* at the ranks of Fire Specialist and below, *only* at Step I, and *shall not*
5 receive sick and annual leave. Retired firefighters hired under this Section *shall*
6 first meet the requirements for the position in question, *except* for written
7 examinations, and the Fire Chief of GFD *shall* certify that every retiree hired is fit
8 for duty. Notwithstanding §8121(a), Title 4, Guam Code Annotated, retirees hired
9 temporarily pursuant to this Section may continue to receive retirement benefits.
10 Any employee hired under this Section *shall* only be eligible to enroll in the
11 Government of Guam Health Insurance Program as an active employee.

12 **Section 7. Temporary Employment of Retired Customs and**
13 **Quarantine Officers.** The Customs and Quarantine Agency (CQA) may hire
14 retired Customs and Quarantine Officers if a critical need arises as a result of
15 military activation of Customs officers or absence due to a long-term disability
16 status which has been certified by a medical doctor or when vacancies cannot be
17 filled within six (6) months because of the lack of qualified applicants. The CQA
18 officers hired under this Section may receive their retirement annuity while
19 employed under this temporary basis. The CQA may exercise this hiring authority
20 *provided* its authorized budget for personnel is *not* exceeded. The retired officer
21 *shall* fill such a vacant position and *shall* be terminated when the incumbent
22 returns from military service or long-term disability, or when a fully-qualified
23 applicant is available. Retired officers may be hired *only* in the ranks of Customs
24 Officer III and below, *only* at Step I, and *shall not* receive sick and annual leave.
25 Retirees hired pursuant to this Section *shall* meet requirements for the position in
26 question, *except* for written examinations, and the Director of CQA *shall* certify
27 that every retiree hired is fit for duty. The requirements of Title 17, Article 3,

1 Chapter 32 are waived for employment pursuant hereto except for §32304(b)(4).
2 Notwithstanding §8121(a), Title 4, Guam Code Annotated, retirees hired
3 temporarily pursuant to this Section may continue to receive retirement benefits.
4 Any employee hired under this Section *shall* only be eligible to enroll in the
5 Government of Guam Health Insurance Program as an active employee.

6 **Section 8. Temporary Employment of Retired Department of Revenue**
7 **and Taxation Employees.** The Department of Revenue & Taxation (DRT) may
8 hire retired employees of the DRT when a critical need arises or absence due to a
9 long-term disability status which has been certified by a medical doctor. The DRT
10 may exercise this hiring authority *provided* its authorized budget for personnel is
11 *not* exceeded in the areas of Tax Collection, Taxpayer Assistance, Tax
12 Investigation, Auditing, and Tax Processing. Said retirees *shall* be hired at Step I
13 for the position in question, and *shall not* receive sick and annual leave.
14 Notwithstanding §8121(a), Title 4, Guam Code Annotated, retirees hired
15 temporarily pursuant to this Section may continue to receive retirement benefits.
16 Any employee hired under this Section *shall* only be eligible to enroll in the
17 Government of Guam Health Insurance Program as an active employee.

18 **Section 9. Government of Guam Health Insurance Program**
19 **Enrollment for Employment Pursuant to Public Law 31-01.** Any employee
20 hired pursuant to Public Law 31-01 *shall only* be eligible to enroll in the
21 Government of Guam Health Insurance Program as an active employee.

22 **Section 10. Locum Tenens Exemption During the Absence of the Chief**
23 **Medical Examiner.** The Office of the Chief Medical Examiner is exempt from
24 the government of Guam Procurement Law in contracting for the professional
25 services of a qualified medical examiner to be provided when the Chief Medical
26 Examiner is absent from work.

1 **Section 11. Advance Payments for Medical Services.** In order to expedite
2 acceptance of Medically Indigent Program (MIP) clients at the Joint Commission
3 accredited facilities for medical treatment approved by the MIP, the Director of
4 Public Health and Social Services (DPHSS) may advance payments for said
5 medical treatment or air ambulance program established by Section 33, Chapter V
6 of Public Law 28-150, and may establish escrow accounts for immediate and
7 advance payment of medical treatment at hospitals and other medical facilities
8 accredited by the Joint Commission determined by the Director of DPHSS to be
9 best able to serve Medically Indigent Program clients.

10 **Section 12. Transfer of Employees.** (a) Notwithstanding any other
11 provision of law and in recognition of personnel shortages in certain areas, *I*
12 *Maga'låhen Guåhan* is authorized to transfer employees within or between any
13 line department or agency of the government of Guam, *except* that:

14 (1) this Section *shall not* apply to any employee of the Legislative
15 or Judicial branches of government;

16 (2) the transfer of an employee *shall not* result in a loss of pay or
17 salary;

18 (3) *no* employee *shall* be transferred if the employee has filed a
19 viable grievance with the Civil Service Commission for discrimination based
20 on political affiliation, gender, or sexual harassment, *unless* the employee
21 consents to said transfer;

22 (4) notwithstanding any other provision of law or regulation, *no*
23 employee of an autonomous agency may be transferred to a line department
24 or agency;

25 (1) *I Maga'låhen Guåhan shall* transfer the funding authorized for
26 that employee's position from the transferor agency to the transferee agency,

1 including GMHA, DPHSS, and DMHSA, *unless* the transfer is from a line
2 agency to an autonomous agency;

3 (2) this Section *shall not* be used to transfer employees acting in
4 good faith who report or expose bad business practices, illegal activities, or
5 inappropriate conduct by public officials; and

6 (3) *no* employee occupying a classified position created by statute
7 within an agency *shall* be transferred out of an agency nor *shall* such
8 employee and position be transferred out of such agency. Any employee
9 whose classified position is created by statute within a specific department
10 or agency, and has been transferred out of such agency or whose classified
11 position has been transferred out of such agency *shall* be immediately
12 transferred back to such agency.

13 (b) *I Maga'låhen Guåhan shall* submit a report to the Speaker of *I*
14 *Liheslatura* of the transfer of each employee pursuant to this authorization, with
15 the name and position of the employee being transferred, the line department or
16 agency the employee is being transferred from, the line department or agency the
17 employee is being transferred to, the time duration of the transfer, and whether the
18 transfer is permanent.

19 **Section 13. Contracts Exceeding Funds Restriction.** *No* agency *shall*
20 contract or agree to spend any money for goods or services or in settlement of a
21 lawsuit or claim in excess of the amount appropriated by *I Liheslatura* (the
22 Legislature) to that agency for such goods, services, claim, or settlement, and
23 BBMR *shall not* allot funds to that agency for the payment of any amount towards
24 such goods, services, claim, or settlement *if* the total amount of the goods, services,
25 claim, or settlement is *more than* the amount appropriated or amount allotted by
26 BBMR. Any contract or agreement made in violation hereof *shall* be void. Any

1 agency head or certifying officer who knowingly contracts or agrees to spend any
2 money in excess of said allotments *shall* be guilty of a misdemeanor.

3 **Section 14. Restrictions on Executive Branch Hiring of Unclassified**
4 **Employees.** *No* government funds of any kind or description may be expended for
5 the employment or hiring of unclassified employees in the Executive Branch of the
6 government of Guam, *except* for the following:

7 (a) certified persons in the Guam Department of Education, as
8 identified in Subsection (12) of §715 of Chapter 7 of Title 1 of the Guam
9 Code Annotated;

10 (b) any academic teaching positions at the University of Guam and
11 the Guam Community College;

12 (c) nurses, doctors, licensed health professionals and ancillary
13 health employees necessary for clinical purposes at the Department of Public
14 Health and Social Services, the Department of Mental Health and Substance
15 Abuse, the Office of the Chief Medical Examiner, the Guam Memorial
16 Hospital Authority, the Guam Police Department, and the Department of
17 Integrated Services for Individuals with Disabilities;

18 (d) Department of Labor Survey Workers;

19 (e) Systems and Programming Administrator, Junior Systems
20 Programmer, Senior Programmer Analyst, Junior Application Analyst,
21 Junior Programmer Analyst, Junior Application Programmer, and positions
22 dealing with tax audits, tax investigations, tax collections and processing of
23 taxes at the Department of Revenue and Taxation;

24 (f) federally-funded positions (matching and up to 100%);

25 (g) persons filling temporary vacancies created by the call to active
26 military duty of employees who are members of the reserve components of
27 the Department of Defense and the Department of Transportation, including,

1 but *not* limited to, the United States Army, the United States Navy, the
2 United States Marine Corps, the United States Air Force, the Army National
3 Guard, the Air National Guard, and the United States Coast Guard, *or*
4 created by absence due to a long-term disability status which has been
5 certified by a medical doctor. Departments may exercise this hiring
6 authority *provided* its authorized budget for personnel is *not* exceeded;

7 (h) positions within the Office of *I Maga'låhen Guåhan*, the Office
8 of *I Segundu Na Maga'låhen Guåhan* and the Guam State Clearinghouse,
9 and department or agency heads, deputies and private secretaries;

10 (i) positions within the Mayors Council of Guam;

11 (j) positions within the Guam Election Commission;

12 (k) limited-term, part-time substitute teachers of the Guam
13 Department of Education; and

14 (l) professional engineers required to fill chief engineer positions.

15 (m) All persons employed pursuant to this Section, effective
16 October 1, 2011, *shall* meet the minimum Knowledge, Abilities and Skills
17 (KAS) associated with such position.

18 **Section 15. Board and Commission Meeting Stipends.** Any
19 compensation or stipend owed to a board or commission member for attending a
20 regular or special meeting in FY 2012 *shall* be paid from the budget of the
21 department or agency responsible for the administrative support and operations of
22 such board or commission. Any board member who has served on a board
23 continuously (for ten (10) years or more) may receive a stipend totaling *no more*
24 *than* Two Hundred Fifty Dollars (**\$250**) per month for meetings attended; *however*,
25 board and commission members may elect to *not* receive said compensation.

1 **Section 16. Contracts.** Positions in the classified and unclassified service
2 *shall not* be filled pursuant to a contractual arrangement, *except* as provided in this
3 Section for FY 2012.

4 (a) Subject to Chapter 5, Title 5, Guam Code Annotated,
5 government of Guam departments and agencies may contract with
6 independent contractors, provided that *no* agency may contract for services
7 customarily provided by employees in the classified service, *except* as
8 provided by law.

9 (b) Government of Guam departments and agencies that *do not*
10 customarily obtain professional services, such as licensed health
11 professionals, licensed architects, licensed engineers, legal services, actuarial
12 services and auditing services through an employee in the classified service
13 in that department or agency may contract to obtain such services.

14 (c) The Office of the Attorney General and the Public Defender
15 Service Corporation are authorized to contract with attorneys as independent
16 contractors to provide services in areas in which it is impracticable or
17 impossible for the office to proceed. Such contracts *shall* be let in
18 accordance with the procurement laws of Guam. *No* such independent
19 contractor hired pursuant to this Section may receive from the government
20 of Guam any remuneration in any form other than in payment for the
21 position into which such person is hired. The Office of the Attorney General
22 and the Executive Director of the Public Defender Service Corporation *shall*
23 file a copy of every such contract with the Chief Procurement Officer and
24 the Director of DOA, together with a written certification stating why it is
25 impracticable to handle the matter within the office as otherwise constituted.

26 (d) This Section *shall not* apply to the Guam Department of
27 Education; the University of Guam; the Guam Community College; the

1 Unified Judiciary when filling positions of justices and judges pro tem, law
2 clerks, and legal interns; the Department of Revenue and Taxation when
3 filling the position of legal counsel; *I Liheslaturan Guåhan*; the Guam
4 Memorial Hospital Authority; and the Department of Public Health and
5 Social Services and the Department of Mental Health and Substance Abuse
6 when filling positions of licensed health professionals.

7 (e) Any instrumentality of the government of Guam that fills any
8 classified or unclassified positions by contractual arrangement in accordance
9 with this Section *shall* file a copy of every such contract with the Chief
10 Procurement Officer, together with a written certification stating why it is
11 impracticable to handle the matter within the instrumentality as otherwise
12 constituted.

13 **Section 17. Wireless Communications Restrictions.** With the exception
14 of federal funds, *no* government of Guam funds, regardless of source and including
15 funds expended by autonomous agencies, *shall* be expended for the use of cellular
16 telephones, cellular telephone services and other wireless telephone services,
17 *unless* the government of Guam will be reimbursed from Federal funds *or* other
18 grants. This Section *shall not* apply to *I Maga'låhen Guåhan*; *I Segundu Na*
19 *Maga'låhen Guåhan*; the Speaker of *I Liheslaturan Guåhan*; the Chief Justice of
20 the Supreme Court of Guam; the Presiding Judge of the Superior Court of Guam;
21 official use of the Crisis Hotline Program of the Department of Mental Health and
22 Substance Abuse; law enforcement officials; on-call health professionals at the
23 Guam Memorial Hospital Authority, the Department of Mental Health and
24 Substance Abuse, and the Department of Public Health and Social Services;
25 Village Mayors and Vice Mayors; the Guam Fire Department and EMS officials;
26 on-call emergency management personnel; the Chief Medical Examiner, and the
27 Guam Visitors Bureau.

1 **Section 18. Deposit for Random Drug Testing for Testing Designated**
2 **Positions.** The sum of Twenty Thousand Three Hundred Forty-Six Dollars
3 (\$20,346) is authorized from the General Fund and Special Fund appropriations in
4 this Act and identified in Appendix IV, representing the total of all appropriations
5 in this Act to individual agencies for random drug testing of employees in Testing
6 Designated Positions (TDP) delineated in the Department of Administration Drug
7 Free Workplace Program (DFWP Operating Procedures), and *shall* be deposited
8 into an account with the Department of Administration. This Fund *shall not* be
9 subject to *I Maga'låhen Guåhan's* transfer authority.

10 **Section 19. Program Reporting Requirements for Employment,**
11 **Employment Placement, and Job Training Programs at the Guam**
12 **Community College, the University of Guam, and the Guam Department of**
13 **Labor.**

14 (a) The President of the University of Guam, the President of the
15 Guam Community College, and the Director of the Guam Department of
16 Labor *shall* transmit a report to *I Maga'låhen Guåhan* and the Speaker of *I*
17 *Liheslaturan Guåhan*, *no later than* June 30 of each year, on the actual
18 number of program completers and/or certificates issued for each program,
19 and employment data for said program completer for the two (2) years
20 following completion of their respective programs, to include salary levels,
21 job location, or whether the job is in the same field as the program.

22 (b) The report mandated in Subsection (a) *shall* also be posted on
23 each agency's respective website.

24 **Section 20.** If any Cost Accounts created by this Act require existing
25 automated postings within the Government of Guam Financial Management
26 System to be manually duplicated to conform to the requirements in this Act the

1 Department of Administration may instead report the details of the Cost Account
2 outside the Financial Management System.

3 **Section 21. Authorization for Payment of Prior Year Obligation.** The
4 sum of One Hundred Thirty-Six Thousand Fifty-Four Dollars and Thirty-Eight
5 Cents (**\$136,054.38**) is hereby authorized to be expended by the Department of
6 Public Works from its Base Operational Appropriations in Section 1(k) of Chapter
7 V of this Act, to satisfy the outstanding debt balance owed for the completion of
8 the Guam Public Market Redevelopment Project, Phase II-Department of
9 Commerce Project No. 320-5-1008-L-AGN, which was completed in 1995 in full
10 accordance with all Project Contract requirements, including Change Orders #1
11 and #2. *I Maga'låhen Guåhan* is also authorized to transfer *up to* One Hundred
12 Thirty-Six Thousand Fifty-Four Dollars and Thirty-Eight Cents (**\$136,054.38**)
13 from any agency's appropriation in Chapter V, to the Department of Public Works,
14 to satisfy the outstanding debt balance herein.

15 **Section 22.** Section 3 of Public Law 31-75 is hereby *amended* to read:

16 **“Section 3. Appropriation.** Pursuant to §§52101 and 52102 of
17 Chapter 52, Division 2 of Title 11 Guam Code Annotated, the amounts
18 specified in the Summary of Base Operational Appropriation in this Section,
19 are appropriated out of the General Fund, Special Funds, and Federal
20 Matching Grants-in-Aid as specified in the Summary of Base Operational
21 Appropriation Funding Source to the GDOE Operations Fund for Fiscal
22 Year 2012. This appropriation *shall* be expended in accordance with the
23 cash disbursement schedules required by §52101(b), and in accordance with
24 the program, department or divisional object class allocations outlined
25 below:

26 **SUMMARY OF BASE OPERATIONAL APPROPRIATION**

27

APPROP. CLASS	OBJ. CLASS	GEN FUND	SPCL FUND	TOTAL
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1	REG SALARIES	111	\$121,330,804	\$2,280,862	\$123,611,666
2	OT/SP	112	\$0	\$0	\$0
3	BENEFITS	113	\$37,703,856	\$660,195	\$38,364,051
4	TRAVEL/MILE	220	\$0	\$0	\$0
5	CONT. SERV.	230	\$7,332,437	\$11,073,956	\$18,406,393
6	OFF. RENTAL	233	\$0	\$0	\$0
7	SUP. & MAT.	240	\$1,454,000	\$1,095,091	\$2,549,091
8	EQUIPMENT	250	\$0	\$652,440	\$652,440
9	WORK. COMP.	270	\$100,000	\$0	\$100,000
10	DRUG TEST	271	\$0	\$0	\$0
11	SUBGRANT	280	\$0	\$0	\$0
12	MISC	290	\$1,250,395	\$0	\$1,250,395
13	POWER	361	\$1,525,000	\$11,708,682	\$13,233,682
14	WATER/SEWER	362	\$0	\$1,804,089	\$1,804,089
15	PHONE/TOLL	363	\$361,561	\$0	\$361,561
16	CAP. OUTLAY	450	\$0	\$227,324	\$227,324
17	GRAND TOTAL		\$171,058,053	\$29,502,639	\$200,560,692

18 School Lunch Program-Federal Sources \$10,069,218 (230-\$10,069,218)

19 School Lunch Program Cash Collection \$1,095,091 (240-\$1,095,091)

20 Public Library Resources Fund \$652,440 (240-\$652,440)

21 Territorial Educational Facilities Fund \$16,810,890 (111-\$2,280,862; 113-

22 \$660,195; 230-\$1,004,738; 361-\$10,833,682; 362-\$1,804,089; 450-

23 \$227,324)

24 Autonomous Agency Collections Fund \$875,000 (361)

25 **SUMMARY OF BASE OPERATIONAL APPROPRIATION FUNDING**

26 **SOURCE**

1	GENERAL FUND	<u>\$171,058,053</u>
2	FEDERAL MATCHING GRANTS-IN-AID	\$0
3	SPECIAL FUNDS	<u>\$29,502,639</u>
4	TOTAL	<u>\$200,560,692</u>

5 **Section 23. Section 2718 Fund.** A new §4302.3 is hereby *added* to Article
6 3 of Chapter 4, Title 4, Guam Code Annotated, to read:

7 **“§4302.3. Creation of Section 2718 Fund.**

8 (a) There is hereby created, separate and apart from other funds of
9 the government of Guam, a fund known as the Section 2718 Fund
10 (hereinafter *Fund*). The fund *shall* be separate and apart from all other funds
11 of the government of Guam, *shall* be kept in a separate bank account, and
12 *shall not* be subject to any transfer authority of *I Maga’lahen Guåhan* or any
13 interfund transfers.

14 (b) All proceeds from rebates paid to and entitled to the
15 government of Guam pursuant to Section 2718(b)(1)(A) of the Public Health
16 Services Act, as amended by the Patient Protection and Affordable Care Act
17 (PPACA), Public Law 111-148, *shall* be deposited in the Section 2718 Fund.

18 (c) All proceeds from reductions in quarterly premiums for non-
19 compliance with the requirements of Public Law 30-93 relative to the
20 disclosure of detailed claims utilization and cost information, *shall* be
21 deposited in the Section 2718 Fund.

22 (d) Notwithstanding the general provisions of 5 GCA § 22406
23 which require that unused and de-appropriated funds revert to the General
24 Fund, or any other provision of Guam law to the contrary, all de-
25 appropriated or unused funds appropriated from the Section 2718 Fund
26 *shall*, in all circumstances, and whether in whole or in part, be returned to
27 the Section 2718 Fund and *not* the General Fund.

1 (e) Notwithstanding the provisions of 5 GCA §21103, §21107 and
2 §21110 or any other provision of Guam law to the contrary, all interest
3 earned on the Section 2718 Fund *shall* be returned to the Section 2718 Fund.

4 (f) The Director of Administration *shall* submit a report on a
5 quarterly basis to the Speaker of *I Liheslaturan Guåhan* of the revenues and
6 interest earned collected and expended from the Section 2718 Fund and *shall*
7 post such report on the Department’s website.”

8 **Section 24.** A new Subsection (d) is *added* to §6205.2 of Article 2, Chapter
9 6 of Title 4, Guam Code Annotated, to read:

10 “(d) The Department of Public Works (DPW) is authorized to
11 recruit and compensate above Step 10 one (1) professional engineer in
12 the unclassified service to fill the vacant position of Chief Engineer
13 for DPW’s Highway Division. In addition to meeting the
14 qualifications and requirements for the position as established by the
15 Department of Administration, the candidate *shall* be registered as a
16 professional civil engineer in Guam, *or shall* become registered in
17 Guam within two (2) years after beginning employment. Additionally,
18 when hiring above step per this Subsection, the candidate for Chief
19 Engineer of DPW’s Highway Division *shall* have a minimum of ten
20 (10) years of relevant highway engineering experience. This
21 Subsection *shall* be applicable *only* when the position is one hundred
22 percent (100%) funded by the Federal Highway Administration.”

23 **Section 25. Payment of Subscriber Rebates.** A new §4302.4. is hereby
24 *added* to Article 3 of Chapter 4 of Title 4, Guam Code Annotated, to read as
25 follows:

26 “§4302.4. **Payment of Subscriber Rebates.** The Insurance &
27 Banking Commissioner of Guam, in a manner compliant with the Patient

1 Protection and Affordable Care Act, *shall* pay or cause to be paid, rebates to
 2 all eligible subscribers of the Government of Guam Group Health Insurance
 3 Program as required by §2718(b)(1)(A) of the Public Health Services Act, as
 4 amended by U.S. Public Law 111-148, the Patient Protection and Affordable
 5 Care Act (PPACA).”

6
 7 **Section 26.** A new Section is hereby *added* to Public Law 31-75 to read as
 8 follows:

9 “The Guam Board of Education *shall* pass a resolution that identifies
 10 funds within Section 3 of this Act to pay unpaid, promised compensation
 11 due to unprocessed personnel actions for authorized detailed appointments
 12 and other back pay as outlined below which *shall* be reprogrammed by the
 13 Superintendent of the Guam Department of Education.”

Transaction/Obligation Date	Transaction Type	Vendor	General Fund (\$)	Reasons for Nonsubmital or Nonpayment
8/11/2009	Court Order - Award	Reyes, Luis	\$250,000.00	No appropriation to cover expense
8/14/2006	Court Order - Back Pay	Pilarca, Jonathan	\$423.42	No appropriation to cover expense
Aug-10	Overtime due to Late Bussing	Promised Compensation	\$2,753.41	No appropriation to cover expense
10/10/1999-7/9/2007	Promised Compensation due to unprocessed by authorized detailed appointments	Borja, Benjamin	\$29,975.86	No appropriation to cover expense
11/13/2006-11/12/2007	Promised Compensation due to unprocessed by authorized detailed appointments	Manibusan, Emily	\$3,875.33	No appropriation to cover expense
11/19/2007-1/3/2008	Promised Compensation due to unprocessed by authorized detailed appointments	Anderson, Delores	\$3,747.60	No appropriation to cover expense
12/21/1996-7/9/2007	Promised Compensation due to unprocessed by authorized detailed appointments	Borja, Joey	\$21,798.74	No appropriation to cover expense
2/6/2006-1/7/2008	Promised Compensation due to unprocessed by authorized detailed appointments	Juanillo, Merlita	\$6,831.18	No appropriation to cover expense
6/30/2003-7/9/2007	Promised Compensation due to unprocessed by authorized detailed appointments	Deraco, Ceasar A	\$11,734.18	No appropriation to cover expense
7/2-11/12/2006	Promised Compensation due to unprocessed by authorized detailed appointments	Laguana, Ronald	\$2,447.53	No appropriation to cover expense

8/14/2006-5/30/2008	Promised Compensation due to unprocessed by authorized detailed appointments	Babauta, Joseph	\$5,566.74	No appropriation to cover expense
8/24/2004-2/6/2007	Promised Compensation due to unprocessed by authorized detailed appointments	Aguon, Mary P	\$20,386.13	No appropriation to cover expense
9/2/1997-11/20/2006	Promised Compensation due to unprocessed by authorized detailed appointments	Duenas, Magdalena	\$18,001.24	No appropriation to cover expense
9/29/2007-5/8/2008	Promised Compensation due to unprocessed by authorized detailed appointments	Plain, Wanda	\$1,875.17	No appropriation to cover expense
Total			\$379,416.53	

2

3 **Section 27. Assignment of Offsets Against Business Privilege Taxes for**
4 **Past Due MIP Billings.** A new subitem (6) is added to §26216(a) of Chapter 26,
5 Title 11, Guam Code Annotated, to read:

6 “(6) **Assignment of offsets.** A healthcare service provider may
7 assign any offsets authorized by subitem (a)(1), *supra*.”

8 **Section 28.** Section 2 of Public Law 31-40 is hereby *amended* to read:

9 “**Section 2. Creation of the Adequate Education Act Account.**

10 (a) There is hereby created, separate and apart from all other funds
11 of the government of Guam, an account known as the Adequate Education
12 Act Account (Account). The Account *shall not* be commingled with the
13 General Fund or any other funds of the government of Guam, and it *shall* be
14 maintained in a separate bank account. The Account’s interest and
15 investment earnings *shall* be continuously appropriated to the Department of
16 Administration for the payment of the GDOE-Guam Power Authority
17 Promissory Note. Upon full payment of the Promissory Note, succeeding
18 interest and investment earnings *shall* be continuously appropriated to the
19 GDOE for maintenance and repair of its facilities.

20 (b) Monies other than interest or investment earnings that are
21 deposited into the Account *shall* be used solely to pay for projects approved
22 in the ARRA SFSF Phase I and Phase II grant application, including any

1 subsequent amendments approved by USDOE in accordance with the
2 appropriation in Section 3(a) of this Act. Withdrawals from the Account
3 *shall* only be made upon written approval from the GDOE Superintendent
4 and an authorized representative of Alvarez & Marsal, the USDOE-
5 approved Third Party Fiduciary Agent for GDOE, and a certification that
6 such withdrawals are within the authorized uses for Capital Improvement
7 Projects, Technology Upgrades and Science, Technology, Engineering &
8 Math (STEM) CIPs and Equipment approved by USDOE contained in the
9 ARRA SFSF Phase I and Phase II grant application, including any
10 subsequent amendments approved by USDOE from the Attorney General of
11 Guam. Such withdrawals *shall* be approved *only* for the purposes of
12 payment for approved ARRA SFSF Phase I and Phase II grant projects.

13 (c) Monies deposited into the Account *shall not* be subject to any
14 transfer authority of *I Maga'lahañ Guåhan* or any representative of the
15 Guam Department of Education.”

16 **Section 29.** §8105 of Chapter 8 of Title 5A, Guam Administrative Rules
17 and Regulations, is hereby *amended* to read as follows:

18 “**§8105. Certificates for Teachers, General.**

19 (e) Professional Endorsement for Specialty Areas. Educators
20 wishing to certify in multiple content areas, or to add an additional area, are
21 able to apply for an endorsement on their existing certificate. To qualify for
22 an endorsement, the applicant must provide evidence of the successful
23 completion of fifteen (15) credit hours in the field. There will be an
24 additional charge for the endorsement which will last the term of the existing
25 certificate. Specialty areas for consideration are instructional technology,
26 visually impaired, orientation and mobility, deaf and hearing impaired,
27 media specialist, or other specialty areas as approved by GCEC.”

1 **Section 30.** §8107 of Chapter 8 of Title 5A, Guam Administrative Rules
2 and Regulations, is hereby *amended* to read as follows:

3 “**§8107. Certificates for Preschool Teachers.** (a) Basic
4 Educator Preschool Certificate.

5 (1) Minimum Requirements. An associate degree in early
6 childhood education; or an associate degree in a field related with equivalent
7 to a major relating to early childhood education, with one (1) year
8 experience teaching preschool-age children, or a baccalaureate degree or
9 advanced degree in early childhood education, and has not taken and /or
10 passed the PRAXIS I, or a baccalaureate or advanced degree in a related
11 field and coursework equivalent to a major related to early childhood
12 education and with one (1) year experience teaching preschool-aged children
13 and has not taken and/or passed PRAXIS I.”

14 **Section 31. (a) Transfer of Property.** To provide necessary land for the
15 development of a Consolidated Central Office, there is hereby transferred to the
16 Guam Power Authority (GPA), in fee simple, the following described parcel of
17 real property, determined to be necessary and related to GPA's immediate need for
18 the Consolidated Central Office. A parcel of government of Guam land more
19 particularly described as Lot No. 5412-2 (property), situated in *Fadian, Mangilao*,
20 containing an area of 60,759± square meters as shown on the map recorded in the
21 Department of Land Management on November 30, 2006 under Document
22 Number 746393.

23 (b) **Rezoning.** Lot No. 5412-2, municipality of *Mangilao*, is hereby
24 rezoned from Agricultural (A) to Public Facility (PF) for the purpose of
25 constructing a Consolidated Central Office.

26 (c) **Title and Ownership.** Title and ownership of the property must
27 remain with GPA for a period of *at least* ten (10) years. The property transferred

1 to the Guam Power Authority may *not* be sold, leased, or otherwise encumbered by
2 GPA and *shall* be transferred back to the *Chamorro* Land Trust Commission if
3 GPA *no* longer needs the use of it to fulfill its mission.

4 **Section 32. Funding for the *Chamorro* Land Trust Commission.**

5 Effective October 1, 2012, the sum of Eight Hundred Seventy-Five Thousand
6 Dollars (**\$875,000**) is appropriated every fiscal year from the Autonomous
7 Agencies Collection Fund (AACF) to the *Chamorro* Land Trust Commission. The
8 appropriations made in this Section *shall* be continuous and *shall not* be subject
9 to a ny transfer authority by *I Maga 'lahi* (the Governor).

10 **Section 33. Authorization for Payment of Prior Year Obligation.** The

11 sum of Twenty Five Thousand Seventy-Two Dollars and Forty-Eight Cents
12 (**\$25,072.48**) is hereby authorized to be expended by the Department of
13 Corrections from its Base Operational Appropriations in Section 1(o) of Chapter V
14 of this Act, to satisfy the outstanding debt balance owed for medical x-ray services
15 rendered to DOC inmates by X-Ray Pro, which were performed between FY 2004
16 through FY 2008. *I Maga'låhen Guåhan* is also authorized to transfer *up to*
17 Twenty Five Thousand Seventy-Two Dollars and Forty-Eight Cents (**\$25,072.48**)
18 from any agency's appropriation in Chapter V, to the Department of Corrections,
19 to satisfy the outstanding debt balance herein.

20 **Section 34. Prioritization of Payment to Awardees in Reference to**

21 **Superior Court Case No. SP0206-93.** If the Notes as specified to be issued
22 Public Law 30-239 are *not* issued by September 30, 2011, *I Maga'låhen Guåhan*
23 *shall* issue a new Request for Proposal within fifteen (15) days after the end of FY
24 2011.

25 **Section 35.** §8135(a) of Article 1 of Chapter 8 of Title 4, Guam Code
26 Annotated, is hereby *amended* to read as follows:

1 “(a) The annual survivor annuity payable under § 8134 *shall* be
2 determined as follows:

3 (1) **Spouse.** The annual survivor annuity *shall* be equal to sixty
4 percent (60%) of the basic retirement annuity or the basic disability
5 retirement annuity earned by the member and accruing to that member’s
6 credit, or payable to the member at the date of the member's death for the
7 period of the member's total service, whichever is greater. The spouse’s
8 annual survivor annuity *shall not*, in any case, be *less than* One Thousand
9 Two Hundred Dollars (\$1,200) per year.

10 (2) **Children.** The basic minor child annuity *shall* be Two
11 Thousand Eight Hundred Eighty Dollars (\$2,880) per year for a minor child
12 *up to* eighteen (18) years of age. The aggregate basic minor child annuity for
13 children of a member *shall not*, in any case, exceed Fourteen Thousand Four
14 Hundred Dollars (\$14,400) per year for five (5) or more minor children.”

15 **Section 36.** As an incentive to conserve energy and water consumption,
16 departments, agencies, and instrumentalities of the government of Guam, inclusive
17 of the University of Guam, the Guam Community College, and all Mayoral Offices
18 of the Mayors Council of Guam, are hereby authorized to transfer any unexpended
19 FY 2012 appropriations for utilities, to other expenditure categories within their
20 respective budgets. Any unexpended utility funds *shall not* be subject to any
21 transfer authority of the Governor and may be carried over and are authorized for
22 use by the departments, agencies, and instrumentalities of the government of
23 Guam, inclusive of the University of Guam, the Guam Community College, and all
24 Mayoral Offices of the Mayors Council of Guam during succeeding fiscal years.

25 **Section 37. Amendments to Chapter 28, Title 11, Guam Code**
26 **Annotated, Relative to Use Tax Law Exemptions.**

1 **(a) Legislative Findings.** *I Liheslaturan Guåhan* finds that the Use Tax
2 Law that applies to tangible personal property specifically *excludes* imports by “a
3 contractor importing permanent equipment for the performance of a construction
4 contract, with intent to remove, and who does remove, such equipment out of
5 Guam upon completing the contract.” However, current economic conditions
6 differ from previous periods wherein legislation were designed to provide
7 incentives for business development on Guam. The pending military build-up and
8 public infrastructure improvements have attracted a large contingency of
9 contractors that import their construction-related equipment specifically for their
10 economic gain. Importation of large amounts of equipment for construction usage
11 hinders local businesses, such as distributors and rental companies, and
12 significantly limits the economic benefit to Guam. Such importation bypasses local
13 businesses and are *not* subject to local taxes, equating to millions of dollars of lost
14 revenue.

15 The majority of construction equipment imported for use on Guam is
16 brought in to generate business revenue. Hauling and operation of heavy
17 equipment have detrimental local impact, to include damaged roads, highways and
18 villages, increased emission into our air and potential fluid leaks into our soil and
19 water lens. If businesses are utilizing construction equipment to generate revenue,
20 then they should bear the associated costs to the community. These costs are
21 amounting to millions of dollars of damages to public roadways and our natural
22 environment.

23 *I Liheslaturan Guåhan* finds that the Guam Customs and Quarantine Agency
24 is tasked to collect Use Tax. However, there is *no* designation as to which agency
25 is responsible for ensuring that the untaxed imported equipment are actually
26 removed out of Guam upon completion of contracts. There is a need to improve the
27 monitoring of imported construction equipment for the performance of a

1 construction contract, otherwise there will be an increased possibility of equipment
2 left behind or sold, and never taxed.

3 *I Liheslaturan Guåhan* finds that for the privilege of doing business in
4 Guam, contractors *shall* also be subject to the Use Tax Law, *if* any work is
5 performed by them for projects located in Guam.

6 *I Liheslaturan Guåhan* finds that in the best interests of Guam, amendments
7 to current legislation are needed to impose the current Use Tax on imported
8 construction equipment for the performance of a construction contract.

9 (b) New Subsections (m), (n) and (o) are *added* to §28101 of Chapter 28,
10 Title 11, Guam Code Annotated, to read:

11 **§28101** .“(m) *Contractor* means a person who contracts to erect,
12 construct, repair, or improve buildings, highways, and other structures and
13 includes those engaged in the practice of architecture, professional
14 engineering, land surveying, landscape architecture, and pest control or
15 fumigation. A contractor is any person or business making repairs,
16 alterations or additions to real property. For purposes of discussion, the term
17 contractor means construction contractor.

18 (n) *Construction Equipment* means light and heavy, off-road and
19 on-road, gas, diesel, electric or other powered equipment or tools.

20 (o) *Landed value* means the greater amount between the insured
21 value or fair market value the item has at the time it arrives on Guam, based
22 on industry standards used to assess items.”

23 (c) §28102(c)(1) of Chapter 28, Title 11, Guam Code Annotated, is
24 *repealed*, and subsequent subsections renumbered in sequence, to read:

25 “(c) temporary use of property, *not* of a perishable or quickly
26 consumable nature, where such property is imported into Guam for
27 temporary use (not sale) therein by the person importing the same and is *not*

1 intended to be, and is *not*, kept permanently in Guam (as for example
2 without limiting the generality of the foregoing language):

3 (1) in the case of moving picture films imported for use in
4 theaters in Guam with intent or under contract to transport the same
5 out of Guam after completion of such use;

6 (2) in the case of a transient visitor importing an automobile
7 or other belongings into Guam to be used by him while therein but
8 which are to be and are removed upon his departure from Guam.”

9 (d) §28103 of Chapter 28, Title 11 Guam Code Annotated, is *amended* to
10 read:

11 “§28103. Levy of Tax.

12 There is hereby levied on the landlrod value of, and *shall* be
13 paid and collected, in the manner, at the times, and by the persons,
14 hereinafter provided a use tax upon the use or consumption of all
15 property (as hereinabove defined) in Guam.”

16 (e) The first paragraph of §28105 is *amended*, and a new §28105(g) is
17 *added* to Chapter 28, Title 11, Guam Code Annotated, to read:

18 “Every person who imports into Guam, or acquires in Guam from any
19 other person to taxable under 11 GCA, Chapter 26, in respect to the
20 transaction by which the former acquired the same, any property for his use
21 or consumption, *shall* be subject to a tax in respect to such use or
22 consumption at the rate in this Chapter provided, measured by the landed
23 value of such property, which tax *shall* be payable:”

24 “(g) The Customs and Quarantine *shall* collect the Use Tax on
25 construction equipment for the performance of a construction contract as
26 mandated by this Chapter, and will maintain a database of the inventory of
27 taxed equipment to reconcile with tax collected.”

1 (f) Amend §28112 of Chapter 28, Title 11, Guam Code Annotated, to
2 read:

3 **“§28112. Continuing Appropriation.**

4 Upon enactment of this Act, and each fiscal year thereafter:

5 (a) Sums based on twenty percent (20%) of the total Use Tax
6 collected in the previous fiscal year *shall* be appropriated to the “Customs,
7 Agriculture and Quarantine Services Charge Fund” to cover costs associated
8 with Use Tax collection inspection activities. This appropriation is
9 continuous, but is contingent on the annual submission of a detailed budget
10 to *I Liheslaturan Guåhan* by the Director of the Customs and Quarantine
11 Agency.

12 (b) Sums based on twenty percent (20%) of the total Use Tax
13 collected in the previous fiscal year shall be appropriated to the “Department
14 of Public Works Services Village Roadway Funds” to cover costs associated
15 with improvements, repairs, and general maintenance to roads on Guam *not*
16 covered by Office of Federal Highway Funds. This appropriation is
17 continuous, but is contingent on the annual submission of a detailed budget
18 to *I Liheslaturan Guåhan* by the Director of the DPW.

19 (c) Sums based on twenty percent (20%) of the total Use Tax
20 collected in the previous fiscal year *shall* be appropriated to the “Guam
21 Environmental Protection Agency Environmental Cleanup Fund” to cover
22 costs associated with preserving Guam’s natural resources. This
23 appropriation is continuous, but is contingent on the annual submission of a
24 detailed budget to *I Liheslaturan Guåhan* by the Director of the GEPA.”

25 **Section 38.** §22111 of Article 1 of Chapter 22, Title 5, Guam Code
26 Annotated, is *amended* to read as follows:

27 **“§22111. Direct Deposit of Judiciary Appropriations.**

1 (a) With respect to the appropriations by *I Liheslaturan Guåhan* for
2 the operations of the Judiciary of Guam for any fiscal year, the Director of
3 Administration *shall* deposit, on the last day of each month, into a bank
4 account designated by the Judiciary, a sum from the prior month’s General
5 and Special Fund revenue collections as defined in Subsection (a)(1) and (2)
6 of this Section; *provided*, however, that the deposits for the fiscal year *shall*
7 *not* exceed the total amount appropriated by *I Liheslaturan Guåhan* for the
8 fiscal year.

9 (1) Deposit percentage calculation for each fiscal year *shall*
10 equal the General Fund appropriation amount of the Judiciary of
11 Guam’s budget for the fiscal year divided by the total General Fund
12 Revenue Available for Appropriation for the government of Guam as
13 adopted by *I Liheslaturan Guåhan* in the General Appropriations Act
14 for the same fiscal year. The term “General Fund Revenue Available
15 for Appropriation” as used herein *shall not* include revenue for tax
16 refund payments, federal sources, and the two percent (2%) General
17 Fund Reserve as mandated by 5 GCA § 22436.

18 (2) The monthly deposit *shall* be based on the percentage
19 derived from Subsection (a)(1) of this Section multiplied by the actual
20 cash collected by the aggregate revenue funding sources as defined in
21 Subsection (a) of this Section.

22 (b) The Chief Justice of the Judiciary of Guam *shall* submit to the
23 Speaker of *I Liheslaturan Guåhan*, *I Maga’lahen Guåhan*, and the Director
24 of Administration, on *or* before October 10 of each year, a projected
25 schedule of the monthly deposits in accordance with Subsection (a)(2) of
26 this Section for the Judiciary for the fiscal year.

1 (c) It *shall* be a ministerial duty of the Director of Administration
2 to make the monthly deposits to the Judiciary of Guam as required by this
3 Section.”

4 **Section 39.** §30113 of Article 1 of Chapter 30, Title 5, Guam Code
5 Annotated is hereby *amended* to read as follows:

6 **“§30113. Outside Employment Regulated.**

7 *Neither* the Attorney General *nor* any person employed in the
8 Department of Law *shall* engage in any outside employment which *shall*
9 conflict with his duties within the Department of Law. Attorneys in the
10 Department of Law *shall not* engage in the practice of law outside of the
11 Department of Law.”

12 **Section 40.** A new Item (3) is *added* to Subsection (i) of Article 5 of
13 Chapter 1 of Title 5, Guam Code Annotated, to read as follows:

14 “(3) Bond proceeds appropriated under item (1) of this Subsection
15 *shall* be expended for purposes exclusive to and in support of item (1) and
16 *shall not* be expended for purposes in item (2) of this Subsection or for any
17 other purposes.”

18 **Section 41. Administrative Leave Authorized for Worker’s**
19 **Compensation Commission Claimants.** A new Subsection (j) is hereby *added* to
20 §9104 of Chapter 9, Title 22, Guam Code Annotated, to read as follows:

21 “(j) **Authorization for Administrative Leave.** Any person who is
22 injured while performing service for the government of Guam as an
23 employee under the authorized direction of a public officer or employee, and
24 has been certified by the Worker’s Compensation Program as such, *shall* be
25 granted administrative leave with pay for the duration of time as deemed
26 necessary by a licensed physician. However, such leave *shall* terminate on

1 the date the individual is *no longer* eligible for Worker's Compensation
2 benefits.

3 (1) Supplemental Payments Prohibited. An employee
4 covered by this Act *shall* be paid from their employing agency; and
5 any monthly payments issued pursuant to this Act *shall* be in place of,
6 and *not* in addition to, any monthly payments authorized by the
7 Worker's Compensation Program, *not* to include payments issued to
8 cover the cost of medical treatment.

9 (2) Periodic Review. The Department of Labor Worker's
10 Compensation Commission is hereby authorized to conduct
11 independent, periodic reviews once every three (3) to six (6) months
12 to assess the severity of the individual's medical condition resulting
13 from the workplace injury. Such review may include requiring
14 claimants to submit periodic surveys developed by the Department or
15 their employer to assist with assessing the medical condition of the
16 employee; such survey *shall* be completed and signed by the attending
17 physician.

18 (3) Penalties. Any person, including an employee, employer,
19 medical case manager, health care provider, vocational rehabilitation
20 provider, or workers' compensation insurance carrier who, knowingly
21 and with intent to defraud, makes a false statement or representation
22 for the purpose of obtaining, affecting, or denying any benefit or
23 payment under the provisions of this Chapter, either for her or himself
24 or for any other person, *shall* forfeit all benefits or payments obtained
25 as a result of the false statement or representation and all or a portion
26 of any right to compensation under the provisions of this Chapter as
27 determined by Director and:

1 (i) for fraud involving Ten Thousand Dollars
2 (\$10,000) *or* more, be fined *not more than* One Hundred
3 Thousand Dollars (\$100,000) or imprisoned *not more than*
4 three (3) years, or both; and

5 (ii) for fraud involving *less than* Ten Thousand
6 Dollars (\$10,000), be fined *not more than* Ten Thousand
7 Dollars (\$10,000) or imprisoned *not more than* two (2) years, or
8 both.”

9

CHAPTER XIII

ADMINISTRATIVE PROVISIONS

1 **Section 1. Authorization for Matching Requirements for Federal**
2 **Grants-in-Aid.** All departments are authorized to expend funds appropriated in
3 this Act for matching requirements of Federal grants.

4 **Section 2. Carryover of Local and Federal Matching Program Funds**
5 **for Grants.** The Local and Federal Matching Funds for programs whose expiration
6 dates extend beyond September 30, 2012 *shall not* lapse and may be expended
7 throughout the period of the grant award.

8 **Section 3. Government of Guam Retirement Fund Rate of**
9 **Contribution.** In accordance with §8137(e) of Article 1, Chapter 8 of Title 4 of
10 the Guam Code Annotated, the government rate of contribution to the Government
11 of Guam Retirement Fund throughout Fiscal Year 2012 *shall* be twenty-eight and
12 thirty hundredths percent (28.30%).

13 **Section 4. Autonomous Agency Revenues and Expenditures Reported**
14 **to *I Maga'låhen Guåhan* and *I Liheslaturan Guåhan*.** Notwithstanding any other
15 provision of law, every autonomous and semi-autonomous agency or public
16 corporation in the government of Guam *shall* report all revenues and expenditures
17 for all funds under its purview and administration to *I Maga'låhen Guåhan* and the
18 Speaker of *I Liheslaturan Guåhan*, in a Microsoft Excel file and a written report,
19 on a monthly basis and post the same on its website. Each monthly report *shall* be
20 due *no later than* thirty (30) days after the end of each month.

21 **Section 5. Revenue Tracking Report.** The Director of BBMR, in
22 collaboration with the Director of DRT and the Director of DOA, *shall* determine,
23 after the end of each month of the fiscal year, the revenue tracking for the balance
24 of the fiscal year, based upon the actual collections of the preceding month, and
25 prepare a statement comparing “actual” and “projected” revenues. Said statement

1 *shall* be certified as to its accuracy by each of the aforementioned Directors, and
2 submitted to the Speaker of *I Liheslaturan Guåhan*, in a Microsoft Excel file and a
3 written report, *no later than* thirty (30) days after the end of each month of the
4 fiscal year. Said statements *shall* be posted quarterly on BBMR's website. The
5 Director of BBMR, the Executive Director of *I Liheslaturan Guåhan*, and the
6 Director of the Office of Finance and Budget *shall* meet from time to time to
7 revise, approve, and implement changes to the format of the report.

8 **Section 6. Prior Year Appropriations Report.** *I Liheslaturan Guåhan*
9 finds that in order to work effectively to reduce and manage the deficit of the
10 government of Guam, it will need to repeal or de-appropriate past appropriations,
11 which remain outstanding but *not* expended. To assist in this effort, the
12 Department of Administration, in collaboration with the Office of Finance and
13 Budget, *shall* submit a report to the Speaker of *I Liheslaturan Guåhan* on January
14 1, 2012 delineating any appropriation from *all* fiscal years prior to 2012, which
15 have *not* been encumbered or fully expended as of the date of the report. The
16 report *shall* also delineate those appropriations from FY 2011 and prior fiscal years
17 which have been carried forward to Fiscal Year 2012 pursuant to law or this Act
18 and the expenditures thereon. Thereafter, monthly updates to the report *shall* be
19 submitted until unexpended appropriations from prior fiscal years are eliminated
20 by repeal or other operation of law.

21 **Section 7. Exemption from BBMR Allotment Release Control.** §1303,
22 Title 5, Guam Code Annotated, *shall not* apply to the Mayors Council of Guam,
23 the Office of Public Accountability, the Office of Finance and Budget, *I*
24 *Liheslaturan Guåhan*, the Public Defender Service Corporation, the Office of the
25 Attorney General and the Unified Judiciary of Guam. Said entities may draw
26 against their respective appropriations as needed to meet their obligations in
27 accordance with a drawdown schedule that said entities *shall* submit to the

1 Director of DOA *no later than* October 31, 2011. Failure to submit such drawdown
2 schedule *shall* subject such entity to the allotment release control by BBMR.

3 **Section 8. Special Fund Transfer.** Unless otherwise specified in this
4 Act, *I Maga'låhen Guåhan* is authorized to transfer to the General Fund any cash
5 available from any appropriated Special Fund to fund the appropriations authorized
6 by this Act. All cash amounts from Special Funds transferred to cover the
7 appropriations authorized by this Act or any other Act or Law authorizing
8 appropriations *shall* be promptly reimbursed to the Special Fund from which it was
9 withdrawn within sixty (60) days after receipt of said funds. The Director of the
10 Department of Administration *shall* certify that such transfer will not deter any
11 function or project for which the Special Fund was established. *I Maga'låhen*
12 *Guåhan shall* submit a report to the Speaker of *I Liheslaturan Guåhan* on the fifth
13 (5th) day of every month on all transfers made pursuant to this Section. Said
14 report *shall* enumerate the amount of each transfer, identify the funds to and from
15 which the transfer was made, certify that such transfer will not deter any function
16 or project for which the Special Fund was established and state the purpose of each
17 transfer. *Unless* otherwise restricted or specifically allowed by this Act, for FY
18 2012 *I Maga'låhen Guåhan* is authorized to transfer *up to* fifteen percent (15%)
19 between agencies' Fiscal Year 2012 Special Fund base operational (*except* the
20 utility funds) appropriations contained in Chapter V and in Parts II, III and IV of
21 Chapter III of this Act; *provided* that notice of each transfer and justification
22 therefore are delivered within fifteen (15) working days after the transfer is made
23 to the Speaker of *I Liheslaturan Guåhan* and the Office of Finance and Budget.

24 For the purposes of this Section, amounts loaned from Special Funds to the
25 General Fund shall be considered transfers. All loans between Special Funds and
26 the General Fund shall be considered accounted for as a temporary borrowing
27 between such funds and shall not be considered revenue to the borrowing fund.

1 **Section 9. Secondary and Tertiary Road Projects.** *I Maga'låhen*
2 *Guåhan*, after consultation with the Village Mayors, may delete and add secondary
3 and tertiary road repair projects to the list in Part IV of Chapter II of Public Law
4 28-68, *if* such amendment is necessitated by changes in cost estimates, availability
5 of funds or critical needs, *provided* that the repair of potholes on primary and
6 secondary roads *shall* remain a high priority and *shall* commence as soon as
7 practicable. The Directors of the Bureau of Budget and Management Research and
8 the Department of Public Works *shall* report to *I Liheslaturan Guåhan* the status
9 and balance of the appropriations made to fund the repair of such road projects
10 pursuant to PL 28-68.

11 **Section 10. Facilities Insurance Requirements.** Every department and
12 agency of the government of Guam, through the Department of Administration,
13 may expend such sums as necessary from the department or agency's
14 appropriations for operations contained in this Act, for insurance of government-
15 owned facilities, built or repaired with FEMA grant funds, where such insurance is
16 required by FEMA.

17 **Section 11. Reporting Requirements for Non-Profit Organizations.** All
18 non-profit organizations that receive funds pursuant to this Act *shall* maintain
19 financial records that accurately account for said funds and *shall* provide a
20 budgetary breakdown by object category to the department or agency that oversees
21 the appropriation. The non-profit organization *shall* be provided a copy of this
22 Section by the department or agency overseeing such appropriation, but this duty
23 *shall not* prevent any non-profit organization from carrying out its responsibilities
24 under this Section. The non-profit organization *shall* also provide to said
25 department:

1 (a) a quarterly report describing its activities during the reporting
2 period and the results it achieved *no later than* twenty (20) days after the end
3 of each quarter;

4 (b) notification of all procurement of equipment and services of
5 Five Thousand Dollars (\$5,000) *or more* prior to awarding the contract
6 therefore;

7 (c) access to the overseeing department or agency's duly
8 authorized representative, and government of Guam auditors, to appropriate
9 records for the purpose of audit and examination of books, documents,
10 papers, and records of funds expended under the appropriation;

11 (d) submission of a detailed inventory listing of each year's
12 purchases, as certified by its certifying officer; and

13 (e) a final report to the overseeing department or agency for
14 submission to *I Liheslaturan Guåhan* containing a full disclosure of all
15 expenditures of funds appropriated by this Act *no later than* November 15,
16 2012. The overseeing department or agency *shall* post the same on its
17 website.

18 (f) Non-compliance with these reporting requirements will subject
19 the non-profit organization to a three percent (3%) reduction of its
20 appropriation(s) and the overseeing agency's contract with the organization
21 *shall* so provide.

22 **Section 12. Fund Reversions.** *Unless* otherwise specified in this Act:

23 (a) General Fund Reversion. All unexpended or unencumbered
24 appropriations made from the General Fund pursuant to this Act *shall* revert
25 to the General Fund on the last day of Fiscal Year 2012.

26 (b) Tourist Attraction Fund Reversion. All unexpended or
27 unencumbered appropriations made from the Tourist Attraction Fund

1 pursuant to this Act *shall* revert to the Tourist Attraction Fund on the last
2 day of Fiscal Year 2012.

3 (c) Healthy Futures Fund Reversion. All unexpended or
4 unencumbered appropriations made from the Healthy Futures Fund pursuant
5 to this Act *shall* revert to the Healthy Futures Fund on the last day of Fiscal
6 Year 2012.

7 (d) Territorial Education Facilities Fund Reversion. All
8 unexpended or unencumbered appropriations made from the Territorial
9 Education Facilities Fund pursuant to this Act *shall* revert to the Territorial
10 Education Facilities Fund on the last day of Fiscal Year 2012.

11 (e) Guam Highway Fund Reversion. All unexpended or
12 unencumbered appropriations made from the Guam Highway Fund pursuant
13 to this Act *shall* revert to the Guam Highway Fund on the last day of Fiscal
14 Year 2012.

15 **Section 13. Restriction on the Home Use of Government of Guam**
16 **Vehicles.** *Except* when expressly permitted by §1103(c) of Chapter 1, Title 4,
17 Guam Code Annotated, or any other law, *no* government of Guam owned, leased
18 or rented vehicles may be driven home by an employee *unless* such employee is on
19 call as an emergency first responder.

20 **Section 14. Transfer Authority of *I Maga'låhen Guåhan*.** *Unless*
21 otherwise restricted or specifically allowed by this Act, for FY 2012 *I Maga'låhen*
22 *Guåhan* is authorized to transfer *up to* fifteen percent (15%) between Fiscal Year
23 2012 General Fund Executive Branch base operational (*except* the utility funds)
24 appropriations contained in Chapter V and in Parts II, III and IV of Chapter III of
25 this Act; *provided* that notice of each transfer and justification therefore are
26 delivered within fifteen (15) working days after the transfer is made to the Speaker
27 of *I Liheslaturan Guåhan* and the Office of Finance and Budget. Notwithstanding

1 any other provision of law, *no funds shall* be transferred out of the Guam
2 Department of Education Operations Fund, *or* the Fiscal Year 2012 General Fund
3 appropriations made to the Guam Department of Education, the Unified Judiciary,
4 *I Liheslaturan Guåhan*, the Office of Finance and Budget, the Mayors Council, the
5 Public Defender Service Corporation, and the Office of Public Accountability.

6 **Section 15. Combined Purchase of Textbooks.** The Guam Department of
7 Education, the University of Guam, and the Guam Community College *shall*
8 together develop a more cost-effective method of purchasing textbooks for the
9 government of Guam, in which the government would benefit from the economies
10 of scale and combined purchasing power of the three (3) institutions. The joint
11 proposal *shall* target implementation for School Year 2011-2012, and *shall* be
12 submitted to *I Maga'låhen Guåhan* and the Speaker of *I Liheslaturan Guåhan no*
13 *later than* January 15, 2012.

14 **Section 16. Uniform Allowances.** Uniform allowances authorized in this
15 Act *shall not* be less than One Hundred Fifty Dollars (**\$150**) for the fiscal year, and
16 *shall* be issued to the employees *no later than* the end of the first quarter of FY
17 2012.

18 **Section 17. Administration of Deficit Reduction.** The Department of
19 Administration is hereby designated the authority to receive and process claims
20 submitted pursuant to Section 6 of Chapter XII of this Act.

21 **Section 18. Government Staffing Pattern.**

22 (a) Staffing Pattern. *No later than* thirty (30) days after the end of each
23 quarter of Fiscal Year 2012, every director, administrator or head of a government
24 of Guam agency, excluding line agencies, *shall* submit to the Speaker of *I*
25 *Liheslaturan Guåhan*, in a Microsoft Excel file and written report, and post the
26 same on the agency website, a current staffing pattern in the format of the
27 Executive Branch FY 2012 Budget Call, as of the close of the previous quarter.

1 The agencies required to submit are all autonomous and semi-autonomous
2 agencies, public corporations, the Mayors Council of Guam, and the Unified
3 Judiciary. Said staffing pattern *shall* include, at a minimum, the name of every
4 current employee and her or his position title, most recent hire date, salary,
5 increment costs and benefit costs, the funding source for her or his salary and
6 benefits, and the gross salary and benefits paid for during the quarter.

7 (b) *No later than* thirty (30) days after the end of each quarter of Fiscal
8 Year 2012, the Director of the DOA *shall* post the government wide line agency
9 staffing pattern on the bit.guam.gov portal on the budget website, in a Microsoft
10 Excel file and written report. The format of the report *shall* be the current staffing
11 pattern in the format of the Executive Branch FY 2012 Budget Call, as of the close
12 of the previous quarter. Said staffing pattern *shall* include, at a minimum, the name
13 of every current employee and her or his position title, most recent hire date,
14 salary, increment costs and benefit costs, the funding source for her or his salary
15 and benefits, and the gross salary and benefits paid for during the quarter.

16 **Section 19. Monthly Working Trial Balance and Statement of**
17 **Revenues, Expenditures and Changes in Fund Balance Report.** The Director
18 of the Department of Administration *shall* submit a Monthly Working Trial
19 Balance and Statement of Revenues, Expenditures and Changes in Fund Balance
20 Report to *I Maga'låhen Guåhan* and the Speaker of *I Liheslaturan Guåhan*, in a
21 Microsoft Excel file and written report, *no later than* twenty (20) days after the end
22 of each month. Each monthly revenues, expenditures and changes in fund balance
23 report *shall* itemize: (a) the Revenues by (1) Individual Income Taxes, (2)
24 Corporate Taxes, (3) Withholding Taxes, (4) Interest and Penalties, (5) Business
25 Privilege Taxes, (6) Federal Sources, (7) Use of Money and Property, (8) Licenses,
26 Fees and Permits, (9) Department Charges, and (10) Other Revenues; (b) the
27 Expenditures by Department by Object Class; and (c) Other Sources (Uses) by

1 Transfers In, Transfers Out, Other Sources, and Other Uses. The Transfers In *shall*
2 be itemized by Fund transferred from and Transfers Out *shall* be itemized by Fund
3 transferred to. Each monthly report *shall* be posted on the Department of
4 Administration's website as a Microsoft Excel file *no later than* twenty (20) days
5 after the end of each month.

6 **Section 20. Reporting Requirements for Boards and Commissions.** The
7 governing boards and commissions of *all* agencies, public corporations, and
8 departments of the government of Guam that are *not* appropriated funds from the
9 General Fund pursuant to this Act *shall* provide electronic copies of the monthly
10 board and commission meeting agendas, approved minutes, and other attachments
11 and addendums as discussed in each monthly meeting, to *I Maga'låhen Guåhan*
12 and the Speaker of *I Liheslaturan Guåhan* *no later than* fifteen (15) days after the
13 end of said meeting and post the same on its website or the agency, public
14 corporation, or department to which it governs.

15 **Section 21. Re-assignment of Tax Credits.** Notwithstanding any other
16 provision of law, any assignable tax credits that are assigned to businesses,
17 corporations, or other entities on Guam from businesses, corporations, or other
18 entities on Guam granted such tax credits, used to pay for taxes due not from the
19 assignable tax source, *shall be* repaid from the tax source, from which the
20 assignable tax credit was granted, by the Director of the Department of
21 Administration. This Section *shall be* codified by the Guam Compiler of Laws.

22 **Section 22. CITIZEN-CENTRIC REPORTS.**

23 The Public Auditor of Guam, in collaboration with the Association of
24 Government Accountants, *shall* submit by October 31st of each year to the Speaker
25 of *I Liheslaturan Guåhan* and *I Maga'låhen Guåhan* a complete list of current and
26 outdated CITIZEN-CENTRIC REPORTS submitted by line agencies, and

- 1 autonomous and semi-autonomous agencies, public corporations, the Mayor's
- 2 Council of Guam, the Judiciary of Guam, and *I Liheslaturan Guåhan*.

CHAPTER XIV
COST ACCOUNTS
PART I – GOVERNMENT OF GUAM EMPLOYEE
MEDICAL, DENTAL, AND LIFE INSURANCE

1 **Section 1. Legislative Intent.** It is the intent of *I Liheslaturan Guåhan*
2 that the medical, dental and life insurance appropriations for Fiscal Year 2012
3 maintain funding levels according to the maintenance of effort and according to its
4 expenditure levels in Fiscal Year 2011 less any negotiated decreases to FY 2011
5 premiums and maintaining the FY 2011 ratios for employer/employee and
6 employer/retiree contributions with the exception of a Two Thousand Dollars
7 (\$2,000) deductible health savings account medical insurance plan which *shall*
8 have a \$0 employee contribution.

9 **Section 2. Health Benefit Cost Account.**

10 (a) There is hereby created a Health Benefit Cost Account. All
11 appropriations to the Health Benefit Cost Account in this Act and subsequent Acts
12 for the health, life and dental premiums of departments or agencies *shall only* be
13 used by the Department of Administration to pay for health, life and dental
14 insurance premiums for the specified department or agency. This Cost Account
15 *shall not* be subject to *I Maga'låhen Guåhan's* transfer authority.

16 (b) All health insurance carriers for the government of Guam *shall* file a
17 monthly written report with the Department of Administration aggregating the:

18 (1) Enrollees, both subscribers and dependents, by active employee
19 and retiree subscriber counts by plan by class by groups supported/paid by
20 the General Fund, detailed by agency/department; and enrollees, both
21 subscribers and dependents, by active employee and retiree subscriber
22 counts by plan by class by groups supported/paid by autonomous agencies of
23 the government of Guam, detailed by autonomous agency.

1 (2) Autonomous agencies within this Subsection *shall* include the
2 Guam Power Authority, the Guam Waterworks Authority, the Jose D. Leon
3 Guerrero Commercial Port, the A.B. Won Pat International Airport
4 Authority, the Guam Housing Corporation, the Guam Housing and Urban
5 Renewal Authority, the Guam Economic Development Authority, the
6 Government of Guam Retirement Fund, and the Guam Visitors Bureau.

7 (3) This report *shall* be filed with *I Maga'låhen Guåhan* and the
8 Speaker of *I Liheslaturan Guåhan* no later than twenty (20) days after the
9 end of each month of Fiscal Year 2012.

10 (c) All health insurance carriers for the government of Guam *shall* file a
11 monthly written report detailing each individual health insurance premium
12 payment received by the government of Guam health insurance carrier from the
13 government of Guam, by date and by agency to *I Liheslaturan Guåhan* no later
14 than twenty (20) days after the end of each month of Fiscal Year 2012.

15 (d) The Office of Public Accountability *shall* conduct a quarterly audit of
16 all reports submitted by insurance carriers by obtaining supporting documents from
17 all agencies and departments, autonomous or otherwise, of the government of
18 Guam to confirm and substantiate reported premium payments.

19 **Section 3.** Chapter VI of Public Law 31-74 is hereby *repealed*.

20 **Section 4. *I Maga'låhen Guåhan* Appropriation of Reimbursed Funds**
21 **from the Guam Waterworks Authority.**

22 The sum of Eighteen Million Three Hundred Thirty-Three Thousand Three
23 Hundred Thirty-Three Dollars (**\$18,333,333**) reimbursed and received from the
24 Guam Waterworks Authority (GWA) by the government of Guam in accordance
25 with Public Law 30-145 is hereby authorized for the following:

26 (a) The sum of Three Million Five Hundred Eleven Thousand
27 Nineteen Dollars (**\$3,511,019**) of the funds are authorized to pay for

1 medical, dental and life insurance premiums for government of Guam
2 employees during Fiscal Year 2012 pay periods fourteen (14) through
3 twenty-six (26) as delineated in Subsection (d) of this Section and Section 5,
4 Chapter XIV, Part I of this Act and Appendix I.

5 (b) The sum of Four Million Six Hundred Forty-Six Thousand Two
6 Hundred Two Dollars (**\$4,646,202**) of the funds are authorized to pay for
7 medical, dental and life insurance premiums for government of Guam
8 employees during Fiscal Year 2012 pay periods fourteen (14) through
9 twenty six (26) as delineated in Subsection (d) and Section 6, Chapter XIV,
10 Part I of this Act.

11 (c) The sum of Ten Million One Hundred Seventy-Six Thousand
12 One Hundred Twelve Dollars (**\$10,176,112**) of the funds are authorized to
13 pay for medical, dental and life insurance premiums for government of
14 Guam retirees during Fiscal Year 2012 for the months of May, June, July,
15 August and September as delineated in Subsection (d), Chapter XIV, Part I
16 of this Act.

17 (d) The following sums represent the allotments due for
18 appropriations of reimbursed funds from the GWA in Sections 5, 6 and 7(c),
19 Chapter XIV, Part I of this Act.

20 (e) Provided, however, that should any above appropriations be
21 paid from the use of proceeds from the sale of the Bonds, as provided for in
22 Section 1(j) of Chapter XV of this Act, prior to receipt of the reimbursement
23 from GWA, then all remaining proceeds from said reimbursements after
24 payment of the above *shall* be applied toward the repayment of Prior Year
25 Unpaid tax refunds.
26

			Section 5	Section 6	Section 7	
	PAY PERIOD	DATE	DOA	SEMI-AUTO	RETIREES	TOTAL
3	14	4/7/2012	\$270,078	\$65,326		\$335,404
4	15	4/21/2012	\$270,078	\$381,740		\$651,818
5	16	5/5/2012	\$270,078	\$381,740	\$1,017,611	\$1,669,429
6	17	5/19/2012	\$270,078	\$381,740	\$1,017,611	\$1,669,429
7	18	6/2/2012	\$270,078	\$381,740	\$1,017,611	\$1,669,429
8	19	6/16/2012	\$270,078	\$381,740		\$651,818
9	20	6/30/2012	\$270,078	\$381,740	\$1,017,611	\$1,669,429
10	21	7/14/2012	\$270,078	\$381,740	\$1,017,611	\$1,669,429
11	22	7/28/2012	\$270,078	\$381,740	\$1,017,611	\$1,669,429
12	23	8/11/2012	\$270,078	\$381,740	\$1,017,611	\$1,669,429
13	24	8/25/2012	\$270,078	\$381,740	\$1,017,611	\$1,669,429
14	25	9/8/2012	\$270,078	\$381,740	\$1,017,611	\$1,669,429
15	26	9/22/2012	\$270,078	\$381,740	\$1,017,611	\$1,669,429
16			\$3,511,019	\$4,646,202	\$10,176,112	\$18,333,333

Section 5. Agency Expenses Appropriated to Health Benefit Cost Account Administered by the Department of Administration. Funds provided in this Section are hereby appropriated from the General Fund, Special Funds and the GWA Reimbursement to the Health Benefit Cost Account administered by the Department of Administration as outlined in this Section for government of Guam employees' medical, dental and life insurance premiums in Fiscal Year 2012. The breakdown of fund sources by agencies is allocated in Appendix I. Medical, dental and life insurance premiums for one hundred percent (100%) federally funded positions are *not* appropriated in this Section, but *shall* be deposited into the Health Benefit Cost Account. The appropriations and deposits to the Health Benefit Cost

1 Account *shall* apply to the following departments and agencies for Fiscal Year
 2 2012:

	Gen.& Spec. Funds	Gen.& Spec. Funds	GWA Reimburs.
	M/D Insur.	Life Insur.	M/D/L Insur.
5 Office of the Governor	\$47,857	\$12,798	\$87,992
6 Commission on Decolonization	\$739	\$152	\$1,358
7 Ancestral Lands Commission	\$1,765	\$457	\$3,246
8 Veteran's Affairs Office	\$2,359	\$914	\$4,338
9 BBMR	\$26,039	\$3,047	\$23,703
10 Civil Service Commission	\$10,609	\$1,524	\$19,507
11 Department of Administration	\$119,386	\$21,026	\$151,314
12 Guam Election Commission	\$6,096	\$914	\$11,209
13 Dept. of Revenue and Taxation	\$114,876	\$23,921	\$187,649
14 Bureau of Statistics and Plans	\$18,520	\$3,047	\$34,053
15 Department of Public Works	\$388,655	\$44,946	\$345,428
16 Contractors License Board	\$15,581	\$1,828	
17 PEALS Board		\$152	
18 Attorney General	\$85,789	\$14,322	\$157,737
19 Guam Police Department	\$347,448	\$55,764	\$638,836
20 Department of Corrections	\$244,523	\$34,586	\$449,592
21 Department of Agriculture	\$38,330	\$6,094	\$70,476
22 Public Health & Social Services	\$238,767	\$21,635	\$73,258
23 Guam Public Library	\$21,115	\$4,418	\$38,823
24 Department of Youth Affairs	\$74,812	\$11,275	\$113,755
25 Guam Environ. Protection Agency	\$19,369	\$1,067	
26 Mental Health & Substance Abuse	\$171,512	\$19,502	\$128,168
27 Department of Labor/AHRD	\$38,101	\$4,114	\$23,914

1	Department of Parks and Recreation	\$55,480	\$10,665	\$102,008
2	Dept. of Integrated Services for			
3	Individuals with Disabilities	\$7,369	\$1,828	\$13,549
4	Mayors Council of Guam	\$128,591	\$31,234	\$236,433
5	Department of Land Management	\$135,317	\$7,466	
6	Chief Medical Examiner	\$4,077	\$457	\$7,497
7	Customs and Quarantine Agency	\$324,560	\$22,549	
8	Department of Chamorro Affairs	\$10,881	\$2,133	\$20,006
9	Department of Military Affairs		\$305	
10	Guam Fire Department	\$315,136	\$44,489	\$511,835
11	PBS Guam	\$11,776	\$1,524	\$21,653
12	Guam Comm. for Ed. Cert.	\$4,426	\$457	\$8,137
13	Office of Public Accountability	\$13,895	\$2,438	\$25,548
14	Chamorro Land Trust Commission	\$26,116	\$1,676	
15	Guam Regional Transit Authority	\$27,045	\$1,067	
16	Total	\$3,096,922^{1/}	\$415,791^{1/}	\$3,511,019^{2/}

17 Funding Sources:

18 ^{1/} General Fund and Special Funds as outlined in Appendix I

19 ^{2/} GWA Reimbursement

20 **Section 6. Agency Medical, Dental and Life Insurance Expenses**
21 **Appropriated to Branches and Agencies.** Funds provided in this Section are
22 hereby appropriated from the General Fund, and the GWA Reimbursement to the
23 branches and agencies as outlined in this Section for government of Guam
24 employees' medical, dental, and life insurance premiums in Fiscal Year 2012.

	Gen.. Fund M/D Insur.	Gen. Funds Life Insur.	GWA Reimburs. M/D/L Insur.
3	Unified Judiciary of Guam	\$417,125	\$423,978
4	<i>I Liheslaturan Guåhan</i>	\$96,243	\$98,116
5	Department of Education	\$3,043,337	\$3,042,584
6	University of Guam	\$770,821	\$742,650
7	Guam Community College	\$283,350	\$278,615
8	Public Defender Service Corporation	<u>\$59,020</u>	<u>\$60,259</u>
9	Total	\$4,669,896^{1/}	\$4,646,202^{2/}

10 Funding Sources:

11 ^{1/} General Fund

12 ^{2/} GWA Reimbursement

13 **Section 7. Retiree Medical, Dental and Life Insurance Expenses**
14 **Appropriated to the Government of Guam Retirement Fund (GGRF).** The
15 sum of Ten Million Four Hundred Sixty-Five Thousand Eight Hundred Twenty-
16 Eight Dollars (**\$10,465,828**) is appropriated from the General Fund, and the sum of
17 Two Million Eight Hundred Eight Thousand Two Hundred Fourteen Dollars
18 (**\$2,808,214**) is appropriated from the Section 2718 Fund to the GGRF to pay for
19 retiree benefits outlined in Subsection (a) for Fiscal Year 2012. The sum of Nine
20 Hundred Seventy-Two Thousand Five Hundred Fourteen Dollars (**\$972,514**) is
21 appropriated from the General Fund to the GGRF to pay for retiree benefits
22 outlined in Subsection (b) for Fiscal Year 2012. Ten Million One Hundred
23 Seventy-Six Thousand One Hundred Twelve Dollars (**\$10,176,112**) is appropriated
24 from the GWA Reimbursement to the GGRF to pay for retiree benefits outlined in
25 Subsection (a) for Fiscal Year 2012 for the months of May, June, July, August and
26 September.

1 (a) Retiree group medical and dental insurance premiums to
2 continue existing programs currently contained in the semi-monthly
3 payments; and

4 (b) Retiree life insurance subsidy to continue existing programs
5 currently contained in the semi-monthly payments.

CHAPTER XIV
COST ACCOUNTS
PART II – GOVERNMENT OF GUAM AGENCIES’
UTILITY COST ACCOUNTS

1 **Section 1. Legislative Intent.** It is the intent of *I Liheslaturan Guåhan*
2 that the power and water/sewer costs appropriations for Fiscal Year 2012 cover the
3 reasonably expected increases or decreases in power and water/sewer rates
4 utilizing the actual costs, by agency, as submitted by the Guam Power Authority
5 and the Guam Waterworks Authority.

6 **Section 2. Utility Cost Account.** There is hereby created a Utility Cost
7 Account. All appropriations to the Utility Cost Account in this Act and subsequent
8 Acts for power and water/sewer of departments or agencies *shall* be released from
9 the Utility Cost Account monthly at the rate of one-twelfth (1/12) of the total
10 appropriation and used *exclusively* by the Department of Administration for
11 payments of utility charges for the specified departments or agencies. The Utility
12 Cost Account *shall not* be subject to *I Maga’låhen Guåhan’s* transfer authority.

13 **Section 3. Agency Expenses Appropriated to Utility Cost Account**
14 **Administered by the Department of Administration.** Funds provided in this
15 Section are hereby appropriated from the General Fund and Special Funds to the
16 Utility Cost Account administered by the Department of Administration as
17 outlined in this Section and further delineated by fund source in Appendix II for
18 each government of Guam agency in Fiscal Year 2012. The appropriations and
19 deposits to the Utility Cost Account *shall* apply to the following departments and
20 agencies for Fiscal Year 2012:

	<u>Power</u>	<u>Water</u>
21		
22	\$4,700	\$600
23	\$11,000	\$1,032

	<u>Power</u>	<u>Water</u>	
1			
2	Department of Administration	\$265,000	\$33,000
3	Department of Public Works	\$1,099,729	\$206,486
4	Contractors License Board	\$15,000	\$0
5	PEALS Board	\$5,700	\$0
6	Guam Police Department	\$165,297	\$42,315
7	Department of Corrections	\$160,225	\$118,140
8	Department of Agriculture	\$142,000	\$36,500
9	Department of Public Health & Social Services	\$503,110	\$34,666
10	Guam Public Library	\$128,980	\$6,000
11	Department of Youth Affairs	\$56,275	\$26,118
12	Guam Environmental Protection Agency	\$81,406	\$11,387
13	Guam Solid Waste Authority	\$120,000	\$80,000
14	Department of Mental Health & Substance Abuse	\$600,000	\$25,000
15	Department of Parks and Recreation	\$295,717	\$444,111
16	Mayors Council of Guam	\$766,013	\$159,266
17	Department of Military Affairs	\$296,432	\$6,111
18	Guam Fire Department	\$357,206	\$77,493
19	PBS Guam	\$65,000	\$0
20	Chamorro Land Trust Commission	<u>\$21,750</u>	<u>\$0</u>
21	Total	\$5,160,540	\$1,308,225

22 **Section 4. Agency Utility Costs Appropriated to Branches and**
23 **Agencies.** Funds provided in this Section are hereby appropriated from the
24 General Fund to the branches and agencies as outlined in this Section for power
25 and water/sewer in Fiscal Year 2012.

	<u>Power</u>	<u>Water</u>	
26			
27	Unified Judiciary of Guam	\$1,046,236	\$37,733

1	<i>I Liheslaturan Guåhan</i>	\$198,177	\$8,599
2	University of Guam	\$4,024,457	\$121,423
3	Guam Community College	\$1,264,336	\$39,872
4	Public Defender Service Corporation	<u>\$48,000</u>	<u>\$0</u>
5	Total	\$6,581,206	\$207,627

CHAPTER XIV
COST ACCOUNTS

PART III - VACANCY POOL COST ACCOUNT

1 **Section 1. Legislative Findings and Intent.** *I Liheslaturan Guåhan* finds
2 that in reviewing the submittal of Bill 145-31 (COR), the Executive Branch's
3 Budget Request for Fiscal Year 2012, the sum of Eleven Million Six Hundred
4 Fifty-Four Thousand Nine Hundred Twenty-Seven Dollars (**\$11,654,927**) was
5 requested to fill three hundred fifty-six (356) vacancies under the direction of *I*
6 *Maga'låhen Guåhan*.

7 *I Liheslatura* further finds that the funding level for the Guam Department of
8 Education (GDOE), included with *I Maga'låhi's* request, was underfunded by over
9 Ten Million Dollars (**\$10,000,000**) below the adjusted authorized levels for Fiscal
10 Year 2011 and trended for organic growth.

11 *I Liheslatura* recognizes that funding these vacancies as requested by *I*
12 *Maga'låhi* and allowing appropriation levels for GDOE to fall below its current
13 requirements, also as proposed by the Executive Branch, is tantamount to an
14 egregious sacrifice in the quality of education for the students of Guam who
15 already experience the downfall of financial disturbances at their school campuses
16 and in the classrooms.

17 It is the intent of *I Liheslaturan Guåhan*, therefore, that vacancies in Fiscal
18 Year 2012 that are funded by the General Fund *shall not* be included in
19 appropriations in this Act.

20 **Section 2. Hiring Freeze.** All departments and agencies of the Executive
21 Branch are prohibited from filling vacant positions with appropriations in this Act,
22 *except* as provided for herein and in Chapter XIV, Part III, Section 3 of this Act.
23 This prohibition applies to appointments of any persons *not* currently employed by
24 the government of Guam, including permissive reinstatements, limited-term

1 appointments, temporary-authorization appointments, and retired-annuitant
2 appointments beginning October 1, 2011 to September 30, 2012.

3 The Department of Education, the University of Guam, the Guam
4 Community College, the Guam Fire Department, the Guam Police Department, the
5 Department of Corrections, Law Enforcement Divisions of DYA, the Department
6 of Agriculture, the Department of Parks & Recreation, the Unified Judiciary, the
7 Office of the Attorney General, the Customs and Quarantine Agency, the
8 Department of Public Health and Social Services, the Department of Mental Health
9 and Substance Abuse, and the Department of Revenue and Taxation may fill
10 positions vacated due to retirement, termination or resignation at or below the
11 grade-step level of the vacated position.

12 The DOA *shall* publish a list on its website of all funded positions for which
13 a salary payment was issued or leave without pay was approved as of the twenty-
14 second (22nd) pay period of Fiscal Year 2011, and *shall* transmit a Microsoft Excel
15 file and written report to *I Maga'låhen Guåhan* and the Speaker of *I Liheslaturan*
16 *Guåhan no later than* October 31, 2011. The list *shall* include all branches,
17 departments, and agencies of the government of Guam, most recent hire date,
18 official position number, fund source, grade-step and total salary (Object Class
19 111) and total benefits (Object Class 113). The list *shall* serve as the position
20 inventory of the government of Guam and official authorized positions allowable
21 under the provisions of this Act.

22 Positions funded from the Community First Guam Federal Credit Union
23 DMHSA Amended Permanent Injunction Trustee Account and positions funded in
24 Section 11 to Part II of Chapter III of this Act are allowable and exempt from the
25 hiring freeze provisions in this Section.

26 **Section 3. Vacancy Pool Cost Account Funded by Special Funds.**

27 There is hereby created a Vacancy Pool Cost Account for which all appropriations

1 from specified Special Funds listed in Section 3, Part III of this Chapter to the
2 Vacancy Pool Cost Account in this Act and subsequent Acts for vacant positions of
3 the Executive Branch departments, *unless* otherwise stated, *shall* be deposited in to
4 the Vacancy Pool Cost Account. This Cost Account *shall only* be used to pay
5 salaries of new hires, funded by Special Funds, after October 1, 2011 for positions
6 unfilled at the beginning of FY 2012 for the specified agency.

7 This Cost Account *shall not* be subject to *I Maga'låhen Guðhan's* transfer
8 authority, but corresponding amounts *shall* be transferred by the Bureau of Budget
9 and Management Research (BBMR) to an agency or department to be used for
10 payroll upon the filling of an authorized position.

11 The Cost Account *shall* be available to pay the salaries of employees who
12 are returning to their government positions from military deployment, who were
13 *not* in the previous fiscal year staffing pattern, drawing a salary. Certification of the
14 availability of funds for the recruitment GG1s for all vacancies to be filled using
15 the Vacancy Pool Cost Account *shall* be processed by BBMR.

16 **Section 4. Agency Expenses Appropriated to Vacancy Pool Cost**
17 **Account Administered by the Department of Administration.** Funds provided
18 in this Section are hereby appropriated from the General Fund and Special Funds
19 as specified below and further delineated by fund source in Appendix III to the
20 Vacancy Pool Cost Account administered by the Department of Administration
21 and as outlined in this Section for Fiscal Year 2012. The appropriations and
22 deposits to the Vacancy Pool Cost Account *shall* be allotted to the departments or
23 agencies upon hiring *not to exceed* the projected remaining salary and benefits for
24 Fiscal Year 2012:

25 Commission on Decolonization	\$132,926
26 Veteran's Affairs Office	\$31,092
27 Department of Revenue & Taxation	\$390,253

1	PEALS Board	\$113,903
2	Department of Agriculture	\$18,874
3	Department of Labor/AHRD	\$70,874
4	Department of Integrated Services for Individual with Disabilities	\$22,556
5	Department of Land Management	\$109,330
6	Customs and Quarantine Agency	\$109,563
7	Chamorro Land Trust Commission	\$42,490
8	Guam Regional Transit Authority	<u>\$101,972</u>
9	Total	\$1,143,833

CHAPTER XV
REVENUE ANTICIPATION FINANCING

1 **Section 1. Revenue Anticipation Financing.** A new § 1512.3 is *added* to
2 Title 5 Guam Code Annotated to read as follows:

3 “§ 1512.3. **Authorization to Issue Bonds for Revenue Anticipation**
4 **Financing.**

5 (a) **Authorization of Issuance of Bonds.** *I Maga’lahen Guåhan* is
6 authorized to issue one or more series of bonds of the Government of Guam as
7 provided in this Section, in an aggregate principal amount not to exceed three
8 hundred forty-three million Dollars (\$343,000,000) to provide the following: (i)
9 for the payment of unpaid individual and corporate income tax refunds from 2011
10 and earlier years and, if no alternate source of funding is available, for the payment
11 of health insurance premiums for the third and fourth quarters of fiscal year 2012,
12 with any balance remaining to be applied to the payment of unpaid individual and
13 corporate income tax refunds for 2012 and future tax refund years; (ii) such amount
14 as may be needed to capitalize and pay from bond proceeds interest on the bonds due,
15 accruing or required to be set aside in Fiscal Year 2012 and 2013; (iii) any
16 appropriate or necessary debt service reserve; (iv) any appropriate or necessary
17 working capital reserve (herein called the "Budget Stabilization Account"); and (v)
18 expenses incurred in connection with the issuance of such bonds not already included
19 in an existing appropriation for or the regular budget of any Government agency
20 or instrumentality or public corporation providing any service in connection with
21 the issuance of such bonds; *provided, however*, that bonds may not be issued in an
22 amount that would cause a violation of the debt limitation provisions of 48 USC
23 1423a (§ 11 of the Organic Act of Guam).

1 **(b) Terms and Conditions Determined by Certificate or Indenture.**

2 The terms and conditions of the bonds *shall* be as approved by *I Liheslaturan*
3 *Guåhan*, and as determined by *I Maga'lahaen Guåhan* by the execution of a certificate
4 *or* indenture authorizing the issuance of the bonds, prior to the issuance of the
5 bonds; provided, however, that such terms and conditions *shall* be consistent with
6 this Section, and that the bonds *shall* mature *not later than* thirty-five (35) years
7 after their date of issuance, *shall* bear interest at such rates and be sold for such
8 price *or* prices as *shall* result in a yield to the bondholders that *does not exceed*
9 eight percent (8%) per annum, *shall* require interest only payments for Fiscal
10 Years 2012, 2013 and 2014 and *shall not* require bond principal payments until
11 after such Fiscal Years.

12 **(c) Valid and Binding Limited Obligations.** The certificate or

13 indenture pursuant to which the bonds authorized by this Section are issued *shall*
14 provide that the bonds constitute the valid and legally binding limited obligations of
15 the Government of Guam payable from the revenues as defined in the
16 certificate or indenture. The validity of any such bonds *shall not* be affected by the
17 validity or regularity of any proceedings for the payment of the costs and
18 expenses funded by such bonds. All officers charged by law with any duty in the
19 collection of the revenues of the Government from which debt service on the
20 bonds will be payable *shall* do every lawful thing necessary to collect such sum.
21 The validity of any such bonds *shall not* be affected by the validity *or* regularity of
22 any proceedings for the payment of the expenses paid *or* to be paid with the
23 proceeds of the bonds.

24 **(d) Pledge of Business Privilege Tax Revenues.** The certificate or

25 indenture pursuant to which the bonds authorized by this Section are issued *may*
26 provide that the tax revenues derived from the levy of up to three (3) percentage

1 points, out of the total number of percentage points levied from time to time, of the
2 business privilege tax levied pursuant to Article 2 of Chapter 26 of Title 11 of the
3 Guam Code Annotated, or any successor thereto, are pledged to secure the
4 repayment of any bonds issued under this Section and to pay costs incurred in the
5 issuance or administration of the bonds and any required reserves. Any such
6 pledge made to secure the bonds shall be valid and binding from the time the
7 pledge is made. The revenues pledged and thereafter received by the government
8 of Guam or by any trustee, depository or custodian shall be deposited in a separate
9 account entitled the "RAF Revenue Fund" and shall be immediately subject to the
10 lien of such pledge without any physical delivery thereof or further act, and the
11 lien of such pledge shall be valid and binding against all parties having claims of
12 any kind in tort, contract or otherwise against the government of Guam or such
13 trustee, depository or custodian, irrespective of whether the parties have notice
14 thereof. The certificate or indenture by which such pledge is created need not be
15 recorded, and shall direct the distribution and disbursement of revenues from the
16 RAF Revenue Fund following their deposit therein. All such taxes, to the extent
17 so pledged, are hereby continuously appropriated for such purpose. So long as
18 any bonds issued pursuant to § 1512.3, Title 5 Guam Code Annotated remain
19 outstanding, the Government of Guam may not reduce the rate of levy and
20 collection of the pledged business privilege tax below three percent (3%), nor may
21 the government of Guam reduce the services, products or activities to which the
22 pledged Business Privilege Tax applies, nor may the government of Guam
23 upwardly adjust any exception or exclusion to, or otherwise impair, the pledged
24 business privilege tax.

25 (e) **Additional Bonds.** This Section does not prohibit the government
26 of Guam from issuing, after appropriate enabling legislation, other obligations of

1 the government that are general obligations of the government. This Section does not
2 prohibit the government of Guam from issuing, after appropriate enabling
3 legislation, other obligations of the government that are secured by pledged
4 Business Privilege Tax revenues on a parity with or subordinate to the bonds
5 authorized by this Section on such terms as are provided by the certificate or
6 indenture pursuant to which the bonds are issued. Such certificate or indenture
7 *may* also provide that the aggregate principal amount of all bonds outstanding
8 on a parity with the bonds authorized pursuant to this Section with respect to
9 pledged Business Privilege Tax revenues shall not exceed six hundred million
10 Dollars (\$600,000,000). Notwithstanding anything to the contrary in this
11 Subsection (e), the certificate or indenture pursuant to which the bonds are
12 issued *shall* provide that such limitation shall not apply to additional bonds
13 issued for the sole purpose of refunding outstanding bonds authorized under by
14 this Section, paying costs of issuance and funding any required debt service reserves
15 associated therewith, and *may* otherwise provide for the raising of such limitation
16 under such circumstances as may be specified therein.

17 (f) **Waiver of Immunity; Submission to Jurisdiction.** Notwithstanding
18 any substantive or procedural provision of Chapter 6 of Title 5, Guam Code
19 Annotated, the Government of Guam waives immunity from any suit or action in
20 contract on the bonds or any other agreement or facility entered into in connection
21 with the bonds, but does not waive immunity as to the personal liability of elected
22 officials and employees of the Government of Guam. Any such suit or action
23 shall be brought in the District Court of Guam.

24 (g) **No Personal Liability.** No employee or elected official of the
25 Government of Guam shall be individually or personally liable for the payment of
26 any amounts due on any bonds issued under this Section, or for any other liability

1 arising in connection with the bonds; *provided, however*, that nothing in this
2 Section shall relieve any employee or elected official from the performance of a
3 ministerial duty required by law.

4 (h) **Form of Bonds; Covenants; Appointment of Fiduciaries.** The
5 technical form and language of the bonds, including provisions for execution,
6 exchange, transfer, registration, paying agency, lost or mutilated bonds,
7 negotiability, cancellation and other terms or conditions not inconsistent with this
8 Section, including covenants relating to the collection and application of
9 revenues, shall be as specified in the certificate or indenture executed by *I*
10 *Maga'lahen Guåhan* authorizing issuance of the bonds. Said certificate or
11 indenture shall appoint one or more trustees, co-trustees or other fiduciaries
12 authorized to receive and hold in trust the proceeds of the bonds, the revenues and
13 other moneys relating thereto, to protect the rights of bondholders and to perform
14 such other duties as may be specified in the indenture. *I Maga'lahen Guåhan* is also
15 authorized to execute any appropriate agreements, certificates or other
16 instruments relating to the bonds and the sale of bonds.

17 (i) **Authorization for Credit Enhancement.** *I Maga'lahen Guåhan* is
18 authorized to enter into such contracts or agreements with such banks,
19 insurance companies or other financial institutions as he determines are necessary or
20 desirable to improve the security and marketability of the bonds issued under this
21 Section. Such contracts or agreements may obligate the Government to
22 reimburse, with interest, any such banks, insurance companies or other financial
23 institutions for advances they make to pay principal of or interest on the bonds and
24 to indemnify any such banks, insurance companies or other financial
25 institutions for costs and expenses incurred in connection with any such advance.
26 Any such reimbursement obligation and any other obligations of the Government of

1 Guam under such contracts or agreements shall be limited obligations of the
2 Government of Guam payable from and secured by the revenues as provided by the
3 certificate *or* indenture. Any such reimbursement obligation and any other obligations
4 of the Government of Guam under such contracts or agreements shall be treated, under
5 § 11 of the Organic Act, as creating an obligation issued to refund the bonds.

6 (j) **Use of Proceeds from the Sale of the Bonds.** The proceeds from
7 the sale of the bonds *shall* be used and are hereby appropriated to (i) pay unpaid
8 individual and corporate income tax refunds from 2011 and earlier years, and, if no
9 alternate source of funding is available, health insurance premiums for the third
10 and fourth quarters of fiscal year 2012, with any balance remaining to be applied to
11 pay unpaid individual and corporate income tax refunds for 2012 and future tax
12 refund years; (ii) fund capitalized interest due, accruing or required to be set aside on
13 the bonds prior to the end of Fiscal Year 2013; (iii) establish any appropriate or
14 necessary debt service reserve; (iv) establish any appropriate or necessary Budget
15 Stabilization Account; and (v) pay expenses relating to the authorization, sale and
16 issuance of the bonds, including, without limitation, printing costs, costs of
17 reproducing documents, credit enhancement fees, underwriting, legal, feasibility,
18 financial advisory and accounting fees and charges, fees paid to banks *or* other
19 financial institutions providing credit enhancement, costs of credit ratings and
20 other costs, charges and fees in connection with the issuance, sale and delivery of
21 the bonds.

22 (k) **Permitted Investments.** The bond proceeds and any revenues
23 pledged to secure the payment of the bonds are authorized to be, and shall only be,
24 invested in those investments permitted by the certificate or indenture pursuant
25 to which such bonds are issued. Permitted investments shall include investment
26 agreements, forward purchase agreements or similar structured contracts as

1 further described in the certificate *or* indenture authorizing the issuance of the
2 bonds.

3 (l) **Approval by Guam Economic Development Authority.** No
4 bonds authorized by this Section shall be sold until the Board of Directors of
5 GEDA has approved the sale by resolution.

6 (m) **Approval of Voters Not Required.** The issuance of bonds
7 pursuant to this Section *shall not* be subject to the approval of the voters of Guam.

8 (n) **Approval of Bonds.** *I Liheslaturan Guåhan*, pursuant to subsection (b)
9 of this Section and § 50103(k), Title 12 Guam Code Annotated, hereby approves the
10 issuance and sale by the Government of Guam of bonds for the purposes and in the
11 principal amounts authorized by § 1512.3, Title 5 Guam Code Annotated; provided
12 that the bonds are issued and sold subject to the terms, conditions, requirements
13 and limitations mandated therein.

14 (o) **Deposit of Bond Proceeds to Pay Income Tax Refunds.** The
15 portion of the bond proceeds authorized by this Section that is mandated to pay
16 income tax refunds *shall* be transferred immediately after receipt thereof by the bond
17 trustee into the Income Tax Reserve Fund.

18 (p) **Bond Proceeds Not Subject to Transfer Authority.** The proceeds
19 of the bonds authorized by this Section *shall not* be subject to any transfer
20 authority of *I Maga'lahaen Guåhan.*”

21

22 **Section 2. Amendment of Real Property Tax Provisions.**

1 (a) **Intent of Amendments.** The intent of the amendments made by this
2 Section is that real property taxpayers have the same amount of liability to the
3 government of Guam and the Chamorro Land Trust Commission after the
4 effectiveness of the amendments as they did before such effectiveness, and the
5 amended sections shall be administered consistent with that intent.

6 (b) **Amendments.** §§ 24102(a), 24102(f) and 24103 of Article 1 Chapter
7 24 Division 2 of Title 11 GCA; §§ 24401, 24402, 24404, 24405, 24406 and 24407
8 of Article 4 Chapter 24 Division 2 of Title 11 GCA; and § 75112(i) of Chapter 75
9 of Title 21 GCA are hereby amended to read as follows:

10 “§ 24102. (a) *Property* means land and improvements on land, and includes
11 the interest of a lessee or licensee of land owned by the Chamorro Land Trust
12 Commission.”

13 “§ 24102. (f) *Value, full cash value, fair market value and cash value* ~~means~~
14 ~~ninety percent (90%)~~ mean one hundred percent (100%) of the appraised value;
15 *appraised value* means the amount at which property would be taken in payment of
16 a just debt from a solvent debtor as determined by the last completed valuation
17 conducted pursuant to ~~§ 24306, Title 11, Guam Code Annotated~~ Title 11 GCA
18 §24306, as amended by the annual adjustments mandated in this Chapter. The
19 appraised value of the interest of a lessee or licensee of land owned by the
20 Chamorro Land Trust Commission shall be the appraised value of the land, not
21 including improvements.”

22 “§ 24103. **Levy.**

23 There is hereby levied on all land property in Guam a yearly tax at the rate of
24 ~~seven-seventy seconds (7/72%)~~ seven-eightieths percent (0.0875%) of the value

1 thereof and ~~seven eighteenth percent (7/18%)~~ seven-twentieths percent
2 (0.3500%) of the value of the improvements thereon. Such tax shall be assessed and
3 collected in the manner prescribed in this Chapter. All proceeds derived by the
4 government under any provision of this Chapter *shall* be deposited in the Treasury
5 of Guam to the credit of the General Fund.”

6 **“§ 24401. Exemptions: Listed.**

7 The following property is exempt from real property taxes and shall not be assessed:

8 (a) All property title to which is in the United States or the government of
9 Guam, except for the interest of a lessee or licensee in land owned and leased or
10 licensed by the Chamorro Land Trust Commission;

11 (b) All property which is being used for public roads or easements;

12 (c) All property used exclusively for educational, religious, or other
13 eleemosynary purposes;

14 (d) Property included in any cemetery in use as such and not conducted for
15 profit.

16 (e) Property upon which the provisions of 21 GCA § 61504 prohibit the
17 construction of buildings.

18 (f) Property use in active farming for at least eight (8) months in any tax year.”

19 **“§ 24402. Home Tax Exemption.**

20 The owner of a home shall ~~be entitled to an exemption in determining the value~~
21 ~~thereof for the purpose of assessing real property to the following extent: the first~~
22 ~~Fifty Thousand Dollars (\$50,000.00) of the appraised value of improvements,~~
23 ~~consisting of a building used as a dwelling and any outbuilding, and the land on~~

1 ~~which it is located, the exemption being applied first to the improvements and the~~
2 ~~balance, if any, to the land.~~ pay a real property tax on the value of the
3 improvements at a rate equal to the rate that would otherwise apply pursuant to
4 Section 24103 or Section 24110, as applicable, times the ratio of (i) the appraised
5 value of the improvements minus Fifty Thousand Dollars (\$50,000.00) (but not
6 less than zero), divided by (ii) the appraised value of the improvements; and shall
7 pay a real property tax on the value of the land at a rate equal to the rate that would
8 otherwise be applicable pursuant to Section 24103 or Section 24110 times the ratio
9 of (i) the appraised value of the land minus the excess, if any of Fifty Thousand
10 Dollars (\$50,000.00) over the appraised value of the improvements (but not less
11 than zero), divided by (ii) the appraised value of the land. Those taxpayers who
12 previously qualified for home tax exemptions shall automatically qualify for the
13 rates contained herein.”

14 **“§ 24404. Limitation.**

15 The ~~exemption~~ rates provided by Section 24402 shall not be allowed for more than
16 one home for any one owner.”

17 **“§ 24405. Same: Husband and Wife.**

18 A husband and wife shall be permitted one home ~~exemption~~ subject to the rates
19 provided in Section 24403, where entitled thereto, whether the home is community
20 property or not, and shall not be permitted ~~an exemption~~ those rates for separate
21 homes for each of them, unless they are living separate and apart, in which case the
22 amount of the exemption shall be divided equally between them.”

23 **“§ 24406. Same: Commercial Use.**

1 A person whose home comprises property that is used in part for commercial
2 purposes shall not be entitled to ~~an exemption~~ the rates provided by Section 24402,
3 except as to a building, or a separate portion thereof or apartment therein, that is
4 exclusively used and occupied by him or her as his or her permanent residence;
5 provided, further, that in the case of a separate portion or apartment, the amount of
6 the exemption shall be prorated on the basis that the appraised value of the separate
7 portion or apartment bears to the total appraised value of the building.”

8 **“§ 24407. Same: Ownership in Common.**

9 Where property is owned in common, the ~~exemption~~ \$50,000 amount provided in
10 the formulas in Section 24402 shall be prorated among the owners.”

11 **“§ 75112(i). Applicable Taxes on Chamorro Homelands.** Notwithstanding
12 any other provision of law:

13 (1) Taxes on Chamorro Land Trust Land. The holder of any lease or license for the
14 occupation or beneficial use of Chamorro Homelands shall be subject to all
15 applicable taxes on the lessee’s or licensee’s interest in the land and on any
16 improvements to any ~~tract~~ land so leased or licensed. Taxes assessed ~~for~~
17 ~~improvements~~ shall be collected by the Department of Revenue and Taxation,
18 which shall maintain a separate record for all such taxes collected.

19 (2) ~~Payment in Lieu of Real Property Taxes on Chamorro Land Trust Land. In lieu~~
20 ~~of payment of real property taxes, the holder of any lease or license for the~~
21 ~~occupation or beneficial use of Chamorro Homelands shall pay to the Department~~
22 ~~of Revenue and Taxation the equivalent sum which would otherwise be paid to the~~
23 ~~government of Guam in real property taxes, as if the tract or tracts were taxable~~
24 ~~private real property. For the purpose of accessing payment in lieu of taxes, the~~

1 ~~Department of Revenue and Taxation shall determine and collect an assessment in~~
2 ~~a manner consistent with the assessment of real property taxes for privately owned~~
3 ~~real property. The Department of Revenue and Taxation shall maintain a separate~~
4 ~~record of all payments in lieu of taxes collected.~~

5 ~~(3) Deposit and Earmarking of Funds Collected. All taxes on improvements or~~
6 ~~payments in lieu of taxes identified in Items 1 and 2 of Subsection (i) of this~~
7 Section shall be deposited in the Chamorro Loan Guarantee Fund, and is
8 earmarked to carry out the purposes set forth pursuant to this Chapter.”

9

10 **Section 3. Additional Child Tax Credit Reimbursements.**

11 (a) No less than ninety percent (90%) of all Additional Child Tax Credit
12 (ACTC) reimbursements received by the government of Guam shall be deposited
13 directly into the Income Tax Refund Efficient Payment Trust Fund of Chapter 51,
14 Title 11, Guam Code Annotated and applied to “A” Status returns. Interest
15 earned in the Fund may be used to hire seasonal employees to assist with income
16 tax processing.

17 (b) No less than ten percent (10%) of all ACTC reimbursements
18 received by the government of Guam shall be deposited into the General Fund
19 and are hereby appropriated from the General Fund to fund vacancies and
20 overtime for the Department of Revenue and Taxation (DRT) Income Tax
21 Processing and Income Tax Enforcement Divisions and to fund DRT related data
22 processing activities, services, inclusive of e-filing of taxes, and revaluation of
23 property tax assessment as determined by the Director of the Department of
24 Revenue and Taxation.

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Section 4. Refunding of 1993 General Obligation Bonds for Savings.

A new § 1512.4 is *added* to Title 5 Guam Code Annotated to read as follows:

“§1512.4. Authorization to Issue General Obligation Bonds to Refund Government of Guam General Obligation Bonds, 1993 Series A.

(a) **Authorization of Issuance of Bonds.** *I Maga’lahen Guåhan* is authorized to issue bonds of the government of Guam as provided in this Section, in an aggregate principal amount not to exceed the amount necessary to provide for the following: (i) the refunding of all or a portion of the Government of Guam General Obligation Bonds, 1993 Series A, (ii) capitalizing and paying from bond proceeds interest on the bonds accruing or due in Fiscal Year 2012, and (iii) paying expenses incurred in connection with the issuance of such bonds not already included in an existing appropriation for or the regular budget of any Government agency or instrumentality or public corporation providing any service in connection with the issuance of such bonds; *provided, however*, that bonds may not be issued in an amount that would cause a violation of the debt limitation provisions of 48 USC 1423a (§ 11 of the Organic Act of Guam). The issuance of the bonds shall be subject to the following additional limitations and conditions: (1) all obligation of the Government to pay debt service on the 1993 Series A bonds being refunded shall be discharged concurrently with the issuance of the refunding bonds and thereafter any remaining debt service on the refunded 1993 Series A bonds shall be payable solely from and secured solely by a refunding escrow established for such purpose; and (2) the present value in the aggregate of debt service on the refunding bonds shall be at least two percent (2.0%) less than the present value in the

1 aggregate of debt service on the refunded bonds, using the yield on the refunding
2 bonds as the discount rate.

3 **(b) Terms and Conditions Determined by Certificate or Indenture.**

4 The terms and conditions of the bonds shall be as determined by *I Maga'lahaen*
5 *Guåhan* by the execution of a certificate or indenture authorizing the issuance of
6 the bonds upon or prior to the issuance of the bonds; provided, however, that such
7 terms and conditions shall be consistent with this Section, and that the bonds shall
8 mature not later than the year after final year in which the refunded bonds mature.

9 **(c) Valid and Binding General Obligations.** The bonds authorized by

10 this Section shall constitute the valid and binding general obligations of the
11 government of Guam. The government of Guam pledges its full faith and credit
12 for the punctual payment of both principal of and interest on the bonds. There
13 shall be collected annually in the same manner and at the same time as government
14 revenue for other purposes is collected, such sum as is required to pay the principal
15 of and interest on the bonds. All officers charged by law with any duty in the
16 collection of revenues of the government from which debt service on the bonds
17 will be payable shall do every lawful thing necessary to collect such sum. The
18 validity of any such bonds shall not be affected by the validity or regularity of any
19 proceedings for the expenditure of the proceeds of the bonds.

20 **(d) Appropriations from the General Fund.** There is hereby

21 appropriated from the General Fund such amount as will equal in each year the
22 amount of money necessary to pay the principal and interest on such bonds.

23 **(e) Additional Bonds.** Nothing in this Section shall be construed to

24 prevent the government of Guam from issuing, after appropriate enabling
25 legislation, other obligations of the government secured by the general obligation

1 of the government on a parity with or subordinate to the bonds authorized by this
2 Section on such terms as may be provided by the indenture or certificate pursuant
3 to which the bonds are issued.

4 (f) **Waiver of Immunity; Submission to Jurisdiction.** Notwithstanding
5 any substantive or procedural provision of Chapter 6 of Title 5 Guam Code
6 Annotated, the government of Guam waives immunity from any suit or action in
7 contract on the bonds, but does not waive immunity as to the personal liability of
8 elected officials and employees of the government of Guam.

9 (g) **No Personal Liability.** No employee or elected official of the
10 government of Guam shall be individually or personally liable for the payment of
11 any amounts due on any bonds issued under this Section, or for any other liability
12 arising in connection with the bonds; provided, however, that nothing in this
13 Section shall relieve any employee or elected official from the performance of any
14 ministerial duty required by law.

15 (h) **Form of Bonds; Covenants; Appointment of Fiduciaries.** The
16 technical form and language of the bonds, including provisions for execution,
17 exchange, transfer, registration, paying agency, lost or mutilated bonds,
18 negotiability, cancellation and other terms or conditions not inconsistent with this
19 Section, including covenants relating to the collection of revenues, shall be as
20 specified in the certificate or indenture executed by I Maga'lahaen Guåhan
21 authorizing the issuance of the bonds. *I Maga'lahaen Guåhan* is also authorized to
22 execute, on behalf of the government of Guam, any appropriate agreements,
23 certificates or other instruments relating to the bonds, the sale of bonds and the
24 payment of the refunded bonds.

1 (i) **Authorization for Credit Enhancement.** *I Maga'lahaen Guåhan* is
2 authorized to enter into such contracts or agreements with such banks, insurance
3 companies or other financial institutions as he determines are necessary or
4 desirable to improve the security and marketability of the bonds issued under this
5 Section. Such contracts or agreements may contain an obligation to reimburse,
6 with interest, any such bank, insurance company or other financial institution for
7 advances it makes to pay the principal of or interest on the bonds and to indemnify
8 any such bank, insurance company or other financial institution for costs and
9 expenses incurred in connection with any such advance. Any such reimbursement
10 obligation and any other obligations of the government under such contracts or
11 agreements shall be general obligations of the government of Guam and any such
12 advance, if necessary, shall be treated for Organic Act purposes as creating an
13 obligation issued to refund the bonds.

14 (j) **Use of Proceeds from the Sale of the Bonds.** The proceeds from the
15 sale of the bonds shall be used and are hereby appropriated to (1) establish an
16 escrow for the payment of the refunded bonds; (2) to pay interest on the bonds
17 accruing or due in Fiscal Year 2012, (3) to pay expenses incurred in connection with
18 the issuance of such bonds not already included in an existing appropriation for or
19 the regular budget of any Government agency or instrumentality or public
20 corporation providing any service in connection with the issuance of such bonds.
21 The proceeds of the bonds shall not be subject to any transfer authority of *I*
22 *Maga'lahaen Guåhan*.

23 (k) **Permitted Investments.** The proceeds of the bonds and any debt
24 service deposits relating to such bonds may be invested in, but only in, the types of
25 investments permitted by the certificate or indenture pursuant to which such bonds
26 are issued. Permitted investments shall include investment agreements, forward

1 purchase agreements or similar structured contracts as further described in the
2 certificate *or* indenture authorizing the issuance of the bonds.

3 (l) **Approval by the Guam Economic Development Authority.** Title
4 12 Guam Code Annotated §50103(k) provides that agencies and instrumentalities
5 of the Government of Guam shall issue bonds and other obligations only by means
6 of and through the agency of the Guam Economic Development Authority
7 (GEDA). No bonds authorized by this Section shall be sold until the board of
8 directors of GEDA has adopted a resolution approving the sale.

9 (m) **Approval of Voters Not Required.** Notwithstanding Title 3 Guam
10 Code Annotated §§17311 and 17312, the issuance of the bonds authorized by this
11 Section shall not be subject to the approval of, or placed before, the voters of
12 Guam.

13 (n) **Approval of Bonds.** *I Liheslaturan Guåhan*, pursuant to §50103(k),
14 Title 12 Guam Code Annotated, hereby approves the issuance and sale by the
15 government of Guam of bonds for the purposes and in the principal amounts not to
16 exceed the purpose and limits set forth in this Section; *provided* that the conditions
17 to the issuance of such bonds, including but not limited to the savings requirement,
18 shall have been met, and that such bonds shall have a final maturity date not later
19 than the year after the final maturity of the refunded bonds.”

20 **Section 5. Reaffirmation of 5GCA, §22413.** a) Pursuant to and in
21 accordance with Chapter 22 of Title 5 of the Guam Code Annotated, *I Maga’lahen*
22 *Guåhan* is authorized to arrange a Line of Credit with any bank or commercial
23 lending institution licensed on Guam not to exceed Six Million Dollars
24 (\$6,000,000) without the approval of *I Liheslaturan Guåhan*. This Section merely

1 reaffirms 5GCA §22413, as amended, and is not intended to modify, alter, or
2 amend 5GCA §22413.

3 **b)** Notwithstanding any other provision of law, a report of the expenditures
4 pursuant to the Subsection above shall be submitted to *I Maga'lahen Guahan* and
5 the Speaker of *I Liheslaturan Guâhan* no later than thirty (30) days after the end of
6 each month.

7 **Section 6. Severability.** If any provision of this Act or its application to
8 any person or circumstance is held invalid, the invalidity shall not affect other
9 provisions or applications of this Act which can be given effect without the invalid
10 provision or application and to this end the provisions of this Act is severable.

**APPENDIX 1
HEALTH INSURANCE COST ACCOUNT
FY 2012**

<u>AGENCY</u>	<u>FUND SOURCE</u>	<u>MED & DEN</u>	<u>LIFE</u>
OFFICE OF THE GOVERNOR	GENERAL FUND	\$32,869	\$12,798
OFFICE OF THE GOVERNOR	INDIRECT COST FUND	\$14,988	\$0
COMMISSION ON DECOLONIZATION	GENERAL FUND	\$739	\$152
ANCESTRAL LANDS COMMISSION	GENERAL FUND	\$1,765	\$457
VETERAN'S AFFAIRS OFFICE	GENERAL FUND	\$2,359	\$914
BUREAU OF BUDGET & MANAGEMENT RESEARCH	GENERAL FUND	\$12,892	\$2,133
BUREAU OF BUDGET & MANAGEMENT RESEARCH	INDIRECT COST FUND	\$13,147	\$914
CIVIL SERVICE COMMISSION	GENERAL FUND	\$10,609	\$1,524
DEPARTMENT OF ADMINISTRATION	GENERAL FUND	\$82,296	\$18,283
DEPARTMENT OF ADMINISTRATION	INDIRECT COST FUND	\$37,090	\$2,742
GUAM ELECTION COMMISSION	GENERAL FUND	\$6,096	\$914
DEPARTMENT OF REVENUE & TAXATION	GENERAL FUND	\$102,058	\$22,702
DEPARTMENT OF REVENUE & TAXATION	TAX COLLECTION ENHANCEMENT FUND	\$12,818	\$1,219
BUREAU OF STATISTICS AND PLANS	GENERAL FUND	\$18,520	\$3,047
DEPARTMENT OF PUBLIC WORKS	GENERAL FUND	\$187,870	\$33,214
DEPARTMENT OF PUBLIC WORKS	GUAM HIGHWAY FUND	\$194,336	\$11,275
DEPARTMENT OF PUBLIC WORKS	DPW BUILDING & DESIGN FUND	\$6,449	\$457
CONTRACTORS LICENSE BOARD	GUAM CONTRACTORS LICENSE BOARD FUND	\$15,581	\$1,828
PEALS BOARD	P.E.A.L.S. FUND	\$0	\$152
DEPARTMENT OF LAW	GENERAL FUND	\$85,789	\$14,322
GUAM POLICE DEPARTMENT	GENERAL FUND	\$347,448	\$55,764
CORRECTIONS	GENERAL FUND	\$244,523	\$34,586
DEPARTMENT OF AGRICULTURE	GENERAL FUND	\$38,330	\$6,094
DEPARTMENT OF PUBLIC HEALTH & SOCIAL SERVICES	GENERAL FUND	\$39,843	\$8,075
DEPARTMENT OF PUBLIC HEALTH & SOCIAL SERVICES	HEALTHY FUTURES FUND	\$183,106	\$13,560
DEPARTMENT OF PUBLIC HEALTH & SOCIAL SERVICES	ENVIRONMENTAL HEALTH FUND	\$15,818	\$0
GUAM PUBLIC LIBRARY	GENERAL FUND	\$21,115	\$4,418
DEPARTMENT OF YOUTH AFFAIRS	GENERAL FUND	\$61,869	\$10,513
DEPARTMENT OF YOUTH AFFAIRS	HEALTHY FUTURES FUND	\$12,943	\$762
GUAM ENVIRONMENTAL PROTECTION AGENCY	AIR POLLUTION CONTROL FUND	\$6,355	\$762
GUAM ENVIRONMENTAL PROTECTION AGENCY	GUAM ENVIRONMENTAL TRUST FUND	\$10,918	\$0
GUAM ENVIRONMENTAL PROTECTION AGENCY	WATER RESEARCH & DEVELOPMENT FUND	\$2,096	\$153
GUAM ENVIRONMENTAL PROTECTION AGENCY	WATER PROTECTION FUND	\$0	\$152
DEPARTMENT OF MENTAL HEALTH & SUBSTANCE	GENERAL FUND	\$69,708	\$13,560
DEPARTMENT OF MENTAL HEALTH & SUBSTANCE	HEALTHY FUTURES FUND	\$101,804	\$5,942
DEPARTMENT OF LABOR / AHRD	GENERAL FUND	\$13,006	\$2,895
DEPARTMENT OF LABOR / AHRD	MANPOWER DEVELOPMENT FUND	\$25,095	\$1,219
DEPARTMENT OF PARKS AND RECREATION	GENERAL FUND	\$55,480	\$10,665
DEPARTMENT OF INTEGRATED SERVICES FOR INDIVIDUALS WITH DISABILITIES	GENERAL FUND	\$7,369	\$1,828
MAYOR'S COUNCIL	GENERAL FUND	\$128,591	\$31,234
DEPARTMENT OF LAND MANAGEMENT	LAND SURVEY REVOLVING FUND	\$135,317	\$7,466
CHIEF MEDICAL EXAMINER - ADMIN	GENERAL FUND	\$4,077	\$457
CUSTOMS AND QUARANTINE AGENCY	CUSTOMS, AGRICULTURE, AND QUARANTINE INSPECTION SERVICES FUND	\$324,560	\$22,549
DEPARTMENT OF CHAMORRO AFFAIRS	GENERAL FUND	\$10,881	\$2,133
DEPARTMENT OF MILITARY AFFAIRS	GENERAL FUND	\$0	\$305
GUAM FIRE DEPARTMENT	GENERAL FUND	\$278,376	\$41,594
GUAM FIRE DEPARTMENT	ENHANCED 911 EMERGENCY REPORTING SYSTEM FUND	\$36,760	\$2,895
PBS GUAM	GENERAL FUND	\$11,776	\$1,524
GUAM COMMISSION FOR EDUCATOR CERTIFICATION (GCEC)	GENERAL FUND	\$4,426	\$457
OFFICE OF THE PUBLIC AUDITOR	GENERAL FUND	\$13,895	\$2,438
CHAMORRO LAND TRUST COMMISSION	CHAMORRO LAND TRUST OPERATIONS FUND	\$26,116	\$1,676
GUAM REGIONAL TRANSIT AUTHORITY	GUAM HIGHWAY FUND	\$27,045	\$1,067
	GRAND TOTAL	\$3,096,922	\$415,790

APPENDIX II
FY 2012 APPROPRIATIONS FOR POWER AND WATER COSTS

AGENCY CODE	AGENCY DESCRIPTION	FUND CODE	FUND SOURCE	POWER	WATER
209	ANCESTRAL LANDS COMMISSION	100	GENERAL FUND	\$4,700	\$600
282	VETERAN'S AFFAIRS OFFICE	100	GENERAL FUND	\$11,000	\$1,032
06	DEPARTMENT OF ADMINISTRATION	100	GENERAL FUND	\$265,000	\$33,000
10	DEPARTMENT OF PUBLIC WORKS	208	GUAM HIGHWAY FUND	\$1,099,729	\$206,486
12	GUAM POLICE DEPARTMENT	100	GENERAL FUND	\$165,297	\$42,315
13	CORRECTIONS	100	GENERAL FUND	\$160,225	\$118,140
16	DEPARTMENT OF AGRICULTURE	100	GENERAL FUND	\$110,000	\$33,000
16	DEPARTMENT OF AGRICULTURE	608	GUAM PLANT INSPECTION & PERMIT FUND	\$32,000	\$3,500
17	DEPARTMENT OF PUBLIC HEALTH & SOCIAL SERVICES	100	GENERAL FUND	\$503,110	\$34,666
18	GUAM PUBLIC LIBRARY	100	GENERAL FUND	\$128,980	\$6,000
20	DEPARTMENT OF YOUTH AFFAIRS	100	GENERAL FUND	\$36,275	\$26,118
20	DEPARTMENT OF YOUTH AFFAIRS	602	HEALTHY FUTURES FUND	\$20,000	\$0
22	GUAM ENVIRONMENTAL PROTECTION AGENCY	245	GUAM ENVIRONMENTAL TRUST FUND	\$41,406	\$11,387
22	GUAM ENVIRONMENTAL PROTECTION AGENCY	265	AIR POLLUTION CONTROL FUND	\$20,000	\$0
22	GUAM ENVIRONMENTAL PROTECTION AGENCY	283	WATER PROTECTION FUND	\$10,000	\$0
22	GUAM ENVIRONMENTAL PROTECTION AGENCY	300	WATER RESEARCH & DEVELOPMENT FUND	\$10,000	\$0
23	DEPARTMENT OF MENTAL HEALTH & SUBSTANCE	100	GENERAL FUND	\$600,000	\$25,000
25	DEPARTMENT OF PARKS AND RECREATION	208	GUAM HIGHWAY FUND	\$295,717	\$444,111
28	MAYORS' COUNCIL	100	GENERAL FUND	\$0	\$159,266
28	MAYORS' COUNCIL	208	GUAM HIGHWAY FUND	\$766,013	\$0
37	DEPARTMENT OF MILITARY AFFAIRS	100	GENERAL FUND	\$296,432	\$6,111

APPENDIX II
FY 2012 APPROPRIATIONS FOR POWER AND WATER COSTS

AGENCY CODE	AGENCY DESCRIPTION	FUND CODE	FUND SOURCE	POWER	WATER
42	GUAM FIRE DEPARTMENT	100	GENERAL FUND	\$352,906	\$76,763
42	GUAM FIRE DEPARTMENT	281	ENHANCED 911 EMERGENCY REPORTING SYSTEM FUND	\$4,300	\$730
63	PBS GUAM	100	GENERAL FUND	\$65,000	\$0
1002	CONTRACTORS LICENSE BOARD	213	GUAM CONTRACTORS LICENSE BOARD FUND	\$15,000	\$0
1003	PEALS BOARD	215	P.E.A.L.S. FUND	\$5,700	\$0
9901	COURT ADMINISTRATIVE SERVICES	100	GENERAL FUND	\$1,046,236	\$37,733
9960	GUAM LEGISLATURE	100	GENERAL FUND	\$198,177	\$8,599
9973	UOG - GENERAL OPERATIONS	100	GENERAL FUND	\$4,024,457	\$121,423
9975	CHAMORRO LAND TRUST COMMISSION	624	CHAMORRO LAND TRUST OPERATIONS FUND	\$21,750	\$0
9980	PUBLIC DEFENDER SERVICE CORPORATION	100	GENERAL FUND	\$48,000	\$0
9981	GUAM COMMUNITY COLLEGE	100	GENERAL FUND	\$1,264,336	\$39,872
0600MSC_10	PUBLIC STREETLIGHTS APPROPRIATIONS (DOA)	202	STREET LIGHT FUND	\$3,473,531	\$0
0600MSC_10	PUBLIC STREETLIGHTS APPROPRIATIONS (DOA)	206	TOURIST ATTRACTION FUND	\$212,482	\$0
0600MSC_10	PUBLIC STREETLIGHTS APPROPRIATIONS (DOA)	208	GUAM HIGHWAY FUND	\$2,323,190	\$0
1000MSC_03	SOLID WASTE DIVISION	416	SOLID WASTE OPERATIONS FUND	\$120,000	\$80,000
Grand Total				\$17,750,949	\$1,515,851

APPENDIX III

FY 2012 EXECUTIVE BRANCH FUNDED VACANCIES – ALL FUND SOURCES

DOES NOT INCLUDE: GEC, AG, OPA, COURTS, MAYORS', LEGISLATURE, UOG, GCC, PDSC, AND DOE

AGENCY CODE	AGENCY	FUND CODE	FUND SOURCE	AMOUNT
0206	COMMISSION ON DECOLONIZATION	100	GENERAL FUND	\$132,926
0282	VETERAN'S AFFAIRS OFFICE	100	GENERAL FUND	\$31,092
08	DEPARTMENT OF REVENUE & TAXATION	100	GENERAL FUND	\$81,030
08	DEPARTMENT OF REVENUE & TAXATION	100	GENERAL FUND	\$118,292
08	DEPARTMENT OF REVENUE & TAXATION	603	TAX COLLECTION ENHANCEMENT FUND	\$190,931
1003	PEALS BOARD	215	P.E.A.L.S. FUND	\$113,903
16	DEPARTMENT OF AGRICULTURE	100	GENERAL FUND	\$18,874
24	DEPARTMENT OF LABOR / AHRD	232	MANPOWER DEVELOPMENT FUND	\$70,874
26	DISID	100	GENERAL FUND	\$22,556
29	DEPARTMENT OF LAND MANAGEMENT	222	LAND SURVEY REVOLVING FUND	\$79,622
29	DEPARTMENT OF LAND MANAGEMENT	222	LAND SURVEY REVOLVING FUND	\$29,708
32	CUSTOMS AND QUARANTINE AGENCY	209	CUSTOMS, AGRICULTURE, AND QUARANTINE INSPECTION SERVICES FUND	\$109,563
9975	CHAMORRO LAND TRUST COMMISSION	624	CHAMORRO LAND TRUST OPERATIONS FUND	\$42,490
9977	GUAM REGIONAL TRANSIT AUTHORITY	208	GUAM HIGHWAY FUND	\$101,972
			Grand Total	\$1,143,833

APPENDIX IV
FY 2012 EXECUTIVE BRANCH – APPROPRIATIONS FOR DRUG TESTING

AGENCY CODE	AGENCY	FUND CODE	FUND SOURCE	TOTAL
04	BUREAU OF BUDGET AND MANAGEMENT RESEARCH	632	INDIRECT COST FUND	\$150
06	DEPARTMENT OF ADMINISTRATION	100	GENERAL FUND	\$375
08	DEPARTMENT OF REVENUE AND TAXATION	100	GENERAL FUND	\$1,500
10	DEPARTMENT OF PUBLIC WORKS	100	GENERAL FUND	\$7,688
1002	CONTRACTORS LICENSE BOARD	213	CONTRACTORS LICENSE BOARD	\$288
1003	P.E.A.L.S.	215	PEALS	\$40
11	DEPARTMENT OF LAW/OFFICE OF THE ATTORNEY GENERAL	100	GENERAL FUND	\$2,290
17	DEPARTMENT OF PUBLIC HEALTH AND SOCIAL SERVICES	600	ENVIRONMENTAL HEALTH FUND	\$75
17	DEPARTMENT OF PUBLIC HEALTH AND SOCIAL SERVICES	100	GENERAL FUND	\$600
18	GUAM PUBLIC LIBRARY SYSTEMS	100	GENERAL FUND	\$200
20	DEPARTMENT OF YOUTH AFFAIRS	100	GENERAL FUND	\$225
24	DEPARTMENT OF LABOR	100	GENERAL FUND	\$150
24	DEPARTMENT OF LABOR	232	MANPOWER DEVELOPMENT FUND	\$397
42	GUAM FIRE DEPARTMENT	281	ENHANCED 911 EMERGENCY REPORTING SYSTEM FUND	\$1,225
42	GUAM FIRE DEPARTMENT	100	GENERAL FUND	\$5,145
Grand Total				\$20,348



TALOFOFO VILLAGE FACILITIES REPAIR/REHABILITATION ASSESSMENT REPORT:

PROJECTED COST

GYMNASIUM

A	TECHNICAL SERVICES - ARCHITECTURAL/ENGINEERING SPECS & DESIGN	\$ 14,179.00
B	PERMITS/GOVT FEES	\$ 6,750.00
	SUB-TOTAL - TECHNICAL SERVICES & FEES:	\$ 20,929.00
1	60% OF THE EXISTING EXTERIOR BUTLER TIN SIDINGS REQUIRES REPLACEMENT OR REPAIR.	\$ 50,000.00
2	VENT FAN TO BE INSTALLED IN RESTROOM, TWO (2) REQUIRED.	\$ 300.00
3	4 BLOWER VENTS ARE DAMAGE, REQUIRES REPLACEMENT	\$ 1,500.00
4	EXISTING PUBLIC ANNOUNCEMENT SYSTEM EQUIPMENTS ARE BADLY DAMAGE, REQUIRES REPLACEMENT	\$ 2,500.00
5	FIRE ALARM SYSTEM NEEDS REPAIR OR REPLACEMENT	\$ 8,000.00
6	ROOF HAVE LEAKS AND REQUIRES REPAIRS	\$ 5,000.00
7	REPAIR OR REPLACE FIVE (5) DAMAGE METAL RAIN GUARD ON ROLLUP WINDOWS	\$ 1,750.00
8	INSTALL AIR CONDITIONING FOR OFFICE (10' X 10'), 8,000 BTU.	\$ 800.00
9	THREE (3) EXIT SIGNS DAMAGE, REQUIRE REPLACEMENT.	\$ 300.00
10	TWO (2) DRINKING FOUNTAINS DAMAGE, REQUIRE REPLACEMENT	\$ 1,500.00
11	ELECTRICAL SYSTEM REQUIRES CHECKING, REWIRING AND REPLACEMENT OF DAMAGE FIXTURES.	\$ 9,500.00
12	BASKETBALL COURT FLOOR SURFACE IS BADLY DAMAGE AND REQUIRES RESURFACING AND RESTRIPPING.	\$ 24,000.00
13	REPLACED RUSTY ELECTRICAL METER BOX	\$ 1,750.00
14	PROVIDE SECURITY BARS ON TWEVELE (12) VENTILATION WINDOWS (SIZE 2' X 9'-4")	\$ 3,500.00
15	REPLACED TWEVELE (12) MISSING ALUM. LOUVERS.	\$ 7,500.00
16	PAINTING REQUIRED	\$ 10,000.00
	SUB-TOTAL - PROJECT IMPROVEMENTS:	\$ 127,900.00
	GRAND-TOTAL - PROJECT IMPROVEMENTS:	\$ 148,829.00

EXHIBIT "A"

EXHIBIT B1

GOVERNMENT OF GUAM

and

[TRUSTEE],
as Trustee

and

[CO-TRUSTEE],
as Co-Trustee

INDENTURE

Dated as of [November] 1, 2011

Relating to

GOVERNMENT OF GUAM
BUSINESS PRIVILEGE TAX BONDS

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THIS INDENTURE, made and entered into and dated as of [November] 1, 2011, by and among the GOVERNMENT OF GUAM, duly organized and existing under and by virtue of the laws of the United States of America (the "Government"), [TRUSTEE], a [] organized under the laws of [] qualified to accept and administer the trusts hereby created, as trustee (the "Trustee") and depository (the "Depository"), and [CO-TRUSTEE], a [] organized under the laws of [] and qualified to accept and administer the trusts hereby created, as co-trustee (the "Co-Trustee"), registrar (the "Registrar") and paying agent (the "Paying Agent");

WITNESSETH:

WHEREAS, pursuant to the Act, the Governor of Guam (the "Governor") has the power and is authorized to issue bonds on behalf of the Government to raise funds for the purposes of paying certain expenses of the Government and other purposes as described in the Act;

WHEREAS, the Act provides that the bonds shall be issued as limited obligation bonds, payable from and secured by a pledge of Revenues (as defined herein);

WHEREAS, the Government has determined to issue limited obligation bonds for such purposes and to that end has duly authorized the execution and delivery of this 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 herein contained;

WHEREAS, said limited obligation bonds issued hereunder are to be designated as the "Government of Guam Business Privilege Tax Bonds" (the "Bonds") and are to be issued from time to time in an aggregate principal amount [limited to \$600,000,000] except as hereinafter provided;

WHEREAS, the forms of each series of Bonds and various other matters relating to such series shall be prescribed in indentures supplemental hereto;

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

NOW, THEREFORE, THIS INDENTURE WITNESSETH, that in order to secure the payment of the principal of, and the premium, if any, and interest on, all Bonds at any time issued and outstanding under this Indenture, according to their tenor, and to secure the performance and observance of all the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the Bonds are to be issued and received, and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Bonds by the owners thereof, and for other valuable considerations, the receipt whereof is hereby acknowledged, the Government does hereby

covenant and agree with the Trustee and the Co-Trustee for the benefit of the respective owners from time to time of the Bonds, as follows:

ARTICLE I

DEFINITIONS; EFFECT OF INDENTURE

SECTION 1.01. Definitions. Unless the context otherwise requires, the terms defined in this Section shall, for all purposes of this Indenture and of any Supplemental Indenture and of any certificate, opinion or other document herein mentioned, have the meanings herein specified. Unless otherwise defined in this Indenture, all terms used herein shall have the meanings assigned to such terms in the Act.

Account

“Account” means each account established and given a designation pursuant to this Indenture or any Supplemental Indenture.

Accreted Value

“Accreted Value” means, with respect to any particular Bonds as of any given date of calculation, an amount equal to the sum of the principal amount of such Bonds plus accrued and unpaid interest on such Bonds as of such date, but not including interest payable on a current basis at least annually.

Act

“Act” means the applicable provisions of the Guam Code Annotated authorizing the issuance of Bonds, as amended, and as they may from time to time hereafter be amended or supplemented, and shall include such provisions as may be determined in any Supplemental Indenture.

Additional Bonds

“Additional Bonds” means bonds, notes or other obligations of the Government payable from Revenues and ranking on parity with the Bonds then outstanding and authorized to be issued under and pursuant to Sections 3.04 and 3.05.

Aggregate Annual Debt Service

“Aggregate Annual Debt Service” means, for any Bond Year, Annual Debt Service for such Bond Year on all Bonds and Parity Obligations then Outstanding.

Annual Debt Service

“Annual Debt Service” means, for any Bond Year, and with respect to any particular Bonds and Parity Obligations, (A) the sum of (1) the interest falling due on such Bonds then Outstanding (assuming that all then Outstanding Serial Bonds are retired on their

respective maturity dates and that all then Outstanding Term Bonds are retired at the times of and in amounts provided for by the Mandatory Sinking Account Payments applicable to such Term Bonds), but not including Capitalized Interest, plus (2) the principal amount of such Bonds then Outstanding that are Serial Bonds falling due by their terms, plus (3) the aggregate amount of all Mandatory Sinking Account Payments falling due with respect to such Bonds then Outstanding that are Term Bonds, plus (4) the aggregate amount of Parity Payment Agreement Payments under Related Parity Payment Agreements then Outstanding falling due, plus (5) the aggregate amount of Credit Agreement Reimbursement Payments with respect to Credit Agreements supporting such Bonds, minus (B) the aggregate amount of Payment Agreement Receipts under Related Parity Payment Agreements then Outstanding falling due; all as calculated for said year and provided that for purposes of determining the interest payable on Variable Rate Bonds, any obligation of the Government to make Credit Agreement Reimbursement Payments based on a variable rate under a Credit Agreement, any obligation of the Government to make Parity Payment Agreement Payments based on a variable rate under Parity Payment Agreements and any obligation of a Qualified Counterparty to make payments under a Payment Agreement to the Government based on a variable rate, the following assumptions shall be made:

(i) for purposes of determining the interest payable on Variable Rate Bonds, the interest rate used in making such determination shall be (a) for periods for which such rate has been determined, the actual interest rate on such Bonds; (b) for purposes of Section 3.04 for any other period, a rate equal to 1.1 times the highest rate of interest borne by such Bonds, or if such Bonds were not Outstanding during any portion of any such period bonds with similar ratings and terms, during the next preceding twelve months; or (c) for any other period or purpose, the prevailing interest rate on such Bonds as of the date of such determination;

(ii) for purposes of determining the amount of Parity Payment Agreement Payments based on a variable rate under Parity Payment Agreements or Credit Agreement Reimbursement Payments based on a variable rate under a Credit Agreement, the rate used in making such determination shall be assumed to be (a) for periods for which such rate has been determined, the actual rate used to calculate such payments, (b) for purposes of Section 3.04 for any other period, a rate equal to 1.1 times the highest such rate during the next preceding twelve months, and (c) for any other period or purpose, the prevailing rate being used to determine such payment obligation as of the date of such determination; in each such case without regard to the occurrence of any event that, under the provisions of such Credit Agreement or Payment Agreement, as applicable, would permit or require the Government to make payments on any basis other than such rates;

(iii) for purposes of determining the amount of payments by a Qualified Counterparty under a Payment Agreement to the Government based on a variable rate, the rate used in making such determination shall be (a) if such Payment Agreement obligates a Qualified Counterparty to make payments to the Government based on a variable rate that is equal to the actual rate on the Related Bonds, the actual rate on such Bonds; and (b) if such Payment Agreement obligates a Qualified Counterparty to make payments to the Government based on a variable rate other than the actual rate on the Related Bonds (1) for periods for which such rate has been determined, the actual rate used to calculate such payments, (2) for purposes of Section 3.04 for any other period, a rate equal to 1.1 times the highest such rate during the next preceding twelve months, and (3) for any other period or purpose, the prevailing rate being used

to determine such payment obligation as of the date of such determination; in each such case without regard to the occurrence of any event that, under the provisions of such Payment Agreement, would permit or require the Qualified Counterparty to make payments on any basis other than such rates.

Authorized Officer

“Authorized Officer” of the Trustee means and includes the chairperson of the board of directors, the president, every executive vice president, every senior vice president, every vice president, every trust officer and any other officer or assistant officer of the Trustee, other than those specifically above mentioned, designated by a certificate of an Authorized Officer of the Trustee as an Authorized Officer for purposes of this Indenture.

Bond Counsel

“Bond Counsel” means an attorney or firm of attorneys designated by the Government and having a national reputation for expertise in matters relating to governmental obligations the interest on which is excluded from gross income for federal income tax purposes under Section 103 of the Code.

Bond Expense Fund

“Bond Expense Fund” means the fund by that name established pursuant to Section 5.01.

Bond Expenses

“Bond Expenses” means the fees and expenses of the Fiduciaries, fees and expenses relating to any Parity Payment Agreement or Credit Facility, including any instrument designated by a Supplemental Indenture as providing supplemental credit support for a Series of Bonds, Costs of Issuance not paid from the proceeds of Bonds, expenses of any audit report provided pursuant to Section 6.06 hereof, fees for any Opinion of Counsel, and any other costs or expenses designated as Bond Expenses by a Supplemental Indenture.

Bond Expense Fund Requirement

“Bond Expense Fund Requirement” means, as of any date of calculation, such amount as may at any time and from time to time be fixed or determined by the Government, with notice thereof to the Trustee, as necessary to be deposited in the Bond Expense Fund to be applied in the remaining portion of the current Bond Year and in the Bond Year next succeeding such date of calculation to the uses to which amounts in such fund may be applied pursuant to Section 5.05.

Bond Fund

“Bond Fund” means the fund by that name established pursuant to Section 5.01.

Bond Payment Account

“Bond Payment Account” means the account by that name within the Bond Fund established pursuant to Section 5.01.

[Bond Reserve Fund

“Bond Reserve Fund” means the fund by that name established pursuant to Section 5.01.]

[Bond Reserve Fund Requirement

“Bond Reserve Fund Requirement” means, as of any date of calculation and with respect to any Bonds, an amount equal to (i) the least of (A) [fifty percent] ([50]%) of Maximum Annual Debt Service, calculated on all such Bonds Outstanding as of such date, (B) one hundred twenty-five percent (125%) of average Annual Debt Service on all such Bonds Outstanding as of such date, or (C) such amount as may be calculated in connection with the issuance of an Additional Series of Bonds by adding not more than ten percent (10%) of the original principal amount of such Additional Series of Bonds to the Bond Reserve Fund Requirement immediately before such issuance, or (ii) such larger amount as may be established as the Bond Reserve Fund Requirement by any Supplemental Indenture and which, in the opinion of Bond Counsel, may be funded from Bond proceeds and invested at an unlimited yield consistent with the Code.]

Bond Year

“Bond Year” means the period of twelve consecutive months ending on [October 1] of each year.

Bondowner, Owner, Holder

“Bondowner” or “Owner” or “Holder” means any person who shall be the registered owner of any Outstanding Bond, or, if such Outstanding Bond shall have a maturity of one year or less and shall have been issued in bearer form, shall mean the bearer of such Bond.

Bonds, Serial Bonds, Term Bonds, Variable Rate Bonds

“Bonds” means the Government of Guam Business Privilege Tax Bonds authorized by, and at any time Outstanding pursuant to, this Indenture and a Supplemental Indenture, including the Additional Bonds authorized by, and at any time Outstanding pursuant to, this Indenture and any Supplemental Indenture.

“Serial Bonds” means Bonds designated as Serial Bonds in the Supplemental Indenture providing for the issuance of such Series and for which no Mandatory Sinking Account Payments are provided.

“Term Bonds” means Bonds designated as Term Bonds in the Supplemental Indenture providing for the issuance of such Series 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.

“Variable Rate Bonds” means Bonds which bear interest at a variable rate of interest.

Business Day

“Business Day” means any day other than a Saturday, Sunday or other day upon which banks in the cities in which the Principal Offices of the Trustee, the Co-Trustee, each Depository, each Paying Agent, each Registrar, and each Credit Provider are located are authorized or required to be closed.

Business Privilege Tax Revenues

“Business Privilege Tax Revenues” means the tax revenues derived from the levy of three percentage points (3%), out of the total percentage points levied from time to time, of the Business Privilege Tax imposed by Section 26201 of Article 2 of Chapter 26 of Title 11 of the Guam Code Annotated, as amended.

Capitalized Interest

“Capitalized Interest” means interest to be paid from the original proceeds of Bonds (including proceeds constituting accrued interest on the Bonds) and from income derived from the investment of such proceeds.

Capitalized Interest Account

“Capitalized Interest Account” means each account by that name established pursuant to Section 3.03(A) and the applicable Supplemental Indenture.

Certificate of the Government

“Certificate of the Government” means an instrument in writing executed by the Governor, the Director of Administration or such other person as may be designated and authorized by the Governor to sign for the Government. Any such instrument and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument. If and to the extent required by the provisions of Section 1.03, each Certificate of the Government shall include the statements provided for in Section 1.03.

Certified Public Accountant

“Certified Public Accountant” means (i) any nationally recognized U.S. certified public accountant or accounting firm or (ii) any other U.S. certified public accountant or accounting firm approved by each Credit Provider, if any, not then in default of its obligations under a Credit Facility.

Code

“Code” means the Internal Revenue Code of 1986, as amended, or any similar or successor federal law.

Costs of Issuance

“Costs of Issuance” means all items of expense directly or indirectly payable by or reimbursable to the Government and related to the authorization, issuance, sale and delivery of the Bonds, including but not limited to advertising costs, Bond and official statement printing costs, costs of preparation and reproduction of documents, filing and recording fees, initial fees and charges of the Trustee, the Co-Trustee, and any Depository, Paying Agent or Registrar, legal fees and charges, fees and charges of consultants and professionals, fees and expenses of any Credit Provider, rating agency fees, fees and charges for preparation, execution, transportation and safekeeping of Bonds and any other cost, charge or fee in connection with the original issuance of Bonds.

Costs of Issuance Account

“Costs of Issuance Account” means an account by that name established pursuant to Section 3.03.

Co-Trustee

“Co-Trustee” means [CO-TRUSTEE], appointed by the Government as Co-Trustee in Section 8.02 and acting as an independent trustee with the duties and powers herein provided, its successors and assigns, and any other corporation or association which may at any time be substituted in its place as provided in Section 8.03.

Credit Agreement

“Credit Agreement” means any agreement between the Government and a Credit Provider pursuant to which such Credit Provider agrees to provide a Credit Facility or pursuant to which the Government agrees to reimburse a Credit Provider for draws or advances under or claims made against a Credit Facility.

Credit Agreement Payments

“Credit Agreement Payments” means Credit Agreement Reimbursement Payments and Other Credit Agreement Payments.

Credit Agreement Reimbursement Payments

“Credit Agreement Reimbursement Payments” means each payment obligation of the Government to a Credit Provider for amounts paid pursuant to a Credit Facility for the payment of principal of and interest on Bonds; provided, however that “Credit Agreement Reimbursement Payments” shall not include (1) any such payment obligation of the Government to the extent it represents a modified or accelerated repayment of the principal component of

such amounts paid pursuant to the Credit Facility and such modified or accelerated principal repayment exceeds the amount of principal that would otherwise be payable on the related Bonds during a given Bond Year, or (2) any obligation of the Government to reimburse any Credit Provider for amounts drawn on or made available pursuant to a Credit Facility for the purchase of Bonds tendered prior to their maturity date or redemption date.

Credit Facility

“Credit Facility” means any letter of credit, insurance policy, surety bond or other instrument designated by a Supplemental Indenture as providing supplemental credit support for a Series of Bonds.

Credit Provider

“Credit Provider” means any person, firm or entity designated in a Supplemental Indenture as providing a Credit Facility for a Series of Bonds, and any successor thereto.

Depository

“Depository” means, with respect to any particular fund or account, the bank or trust company or other financial institution with similar powers designated by a Supplemental Indenture or a Statement of the Government to act as the Depository hereunder for such fund or account, its successors and assigns, and any other bank or trust company or financial institution which may at any time be substituted in its place, as provided in Section 8.03.

Director of Administration

“Director of Administration” means the Director of Administration of the Government of Guam or any successor to the rights, powers and obligations thereof under the Act with respect to the Bonds.

Event of Default

“Event of Default” means an event of that name described in Section 7.01.

Federal Securities

“Federal Securities” means (1) direct obligations of the United States of America for which the full faith and credit of the United States of America are pledged for the payment of principal and interest (including obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States of America); (2) obligations for which the payment of principal and interest is guaranteed directly by the full faith and credit of the United States of America; (3) obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state (collectively, “Municipal Obligations”) (a) which are fully secured as to principal and interest and redemption premium, if any, by an escrow or trust fund consisting only of cash or obligations of the character described in clauses (1) or (2) of this definition (“Government Obligations”), which fund may be applied only to the payment of interest on such Municipal Obligations when due and principal of and

redemption premium, if any, on such Municipal Obligations on the maturity date or dates thereof or the redemption date or dates specified in an irrevocable notice, as appropriate, (b) as to which the cash and the principal of and interest on the Government Obligations in such escrow or trust fund will be sufficient to pay such interest, principal and redemption premium on such date or dates, and (c) which at the time of purchase are rated in the highest rating category by each Rating Agency; (4) certificates which evidence ownership of the right to the payment of any specified portion of the principal of and interest on obligations described in clause (1) of this definition, provided that such obligations have been stripped by the Treasury of the United States of America; and (5) the interest component of Resolution Funding Corp. stripped securities, which have been stripped by request to the Federal Reserve Bank of New York, in book entry form.

Fiduciaries

“Fiduciaries” means the Trustee, the Co-Trustee, each Depository, each Registrar and each Paying Agent.

Fiscal Year

“Fiscal Year” means the period beginning on October 1 of each year and ending on the next succeeding September 30, or such other fiscal year as may be adopted by the Government.

Fund

“Fund” means each fund established and given a designation pursuant to this Indenture or any Supplemental Indenture.

General Fund

“General Fund” means the fund by that name established by the Government.

General Fund Expense

“General Fund Expense” means certain Government expenses and capital project costs eligible under the Act to be paid or reimbursed by the Government with proceeds of the Bonds, as specified and described in a Supplemental Indenture and as such specification and description may be modified in accordance with Section 3.03.

Government

“Government” means the Government of Guam or any successor to the rights, powers and obligations thereof under the Act with respect to the Bonds.

Governor

“Governor” means the Governor of Guam or any successor to the rights, powers and obligations thereof under the Act with respect to the Bonds.

Indenture

“Indenture” means this Indenture, as originally executed or as it may from time to time be supplemented, modified or amended by any Supplemental Indenture.

Independent

“Independent” means, when used with respect to any given person, that such person (who may be selected and paid by the Government) (1) is in fact independent and not under domination of the Government; (2) does not have any substantial interest, direct or indirect, with the Government; and (3) is not connected with the Government as an officer or employee of the Government, but who may be regularly retained to provide services to the Government.

Interest Accrual Period

“Interest Accrual Period” means, for any particular Bond, each period between successive Interest Payment Dates for such Bond, including in each case in such period the concluding Interest Payment Date but not the beginning Interest Payment Date, and treating the day prior to the date of original issuance of such Bond as if it were an Interest Payment Date for such Bond for this purpose.

Interest Payment Date

“Interest Payment Date” means, for any particular Bond, each date specified as an Interest Payment Date for such Bond by the Supplemental Indenture authorizing the issuance of such Bond and, for all Bonds, all such dates.

Investment Securities

“Investment Securities” means any of the following which at the time are legal investments under the laws of Guam for moneys held hereunder and then proposed to be invested therein (the Trustee and the Co-Trustee shall be entitled to rely upon a Request of the Government, or as provided in the applicable Supplemental Indenture, directing investments hereunder as a determination that such investment constitutes a legal investment):

- (1) Federal Securities;
- (2) obligations, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following: Federal Home Loan Banks, Federal National Mortgage Association, Government National Mortgage Association, Federal Housing Administration or Federal Home Loan Mortgage Corporation;
- (3) interest-bearing demand or time deposits (including certificates of deposit) which are continuously and fully insured by the Bank Insurance Fund or the Savings Association Insurance Fund;

(4) obligations, including deposits, federal funds borrowings and banker's acceptances, of any bank, or of the subsidiary lead bank of any bank holding company, which has an unsecured, uninsured and unguaranteed obligation of equivalent maturity rated at least the second highest major rating category by each Rating Agency;

(5) commercial paper rated at least the second highest rating category by each Rating Agency;

(6) money market funds which are (a) restricted to Federal Securities or (b) registered under the Investment Company Act of 1940 and the shares of which are registered under the Securities Act of 1933, and have a rating by Standard & Poor's of AAAm-G; AAA-m; or AA-m and Moody's of Aaa, Aa1 or Aa2;

(7) repurchase agreements, the underlying securities of which are specifically designated and are obligations described in clause (1) or (2) of this definition, provided that, (a) the agreement is between the municipal entity and a dealer bank or securities firm; (b) such dealer bank or securities firm is either a primary dealers on the Federal Reserve reporting dealer list rated "A" or better by Standard & Poor's and Moody's, or a bank rated "A" or better by Standard & Poor's and Moody's; (c) the agreement provides that the securities be delivered to the Government, the Trustee, the Co-Trustee or third party acting as agent for either (if the Trustee or Co-Trustee is supplying the collateral) before payment or on a delivery versus payment basis; (d) the securities must be valued weekly, marked-to-market at current market price plus accrued interest; and (e) the value of collateral must be equal to 104% (or 105% if the collateral is comprised of obligations of Federal National Mortgage Association or Federal Home Loan Mortgage Corporation) of the amount of cash transferred to the dealer bank or security firm plus accrued interest; and

(8) subject to the provisions of any Supplemental Indenture, investment agreements (a) with corporations, associations or financial institutions which have general obligations, or whose holding companies have general obligations, rated at least the second highest rating category by each Rating Agency, or (b) which agreements are continuously secured by obligations described in clause (1) or (2) of this definition which have a market value (valued at least weekly) not less than 103% of the amount so invested.

None of the Trustee, the Co-Trustee nor any Depositary shall be deemed, by entering into this Indenture, to have agreed to make the valuation required by clauses (7) and (8) above, but such agreement by or on behalf of the Trustee, the Co-Trustee or a Depositary shall be a condition precedent to investment in obligations of the type described in such clauses.

Legislature

"Legislature" means the Legislature of Guam or any successor to the rights, powers and obligations thereof under the Act with respect to the Bonds.

Mandatory Sinking Account Payment

"Mandatory Sinking Account Payment" means, as of any date of calculation with respect to any Series of Bonds, the amount required by this Indenture and any Supplemental

Indenture to be paid by the Government on a given date for the retirement of Term Bonds of such Series.

Maximum Annual Debt Service

“Maximum Annual Debt Service” means, for any particular Bonds and/or Parity Obligations as of any particular date of calculation, Annual Debt Service on such Bonds and Parity Obligations for the Bond Year including or commencing on or after such date for which such sum shall be largest.

Moody’s

“Moody’s” means Moody’s Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and their assigns, or, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, any other nationally recognized securities rating agency designated by the Government by notice in writing to the Trustee.

MSRB

“MSRB” means the Municipal Securities Rulemaking Board, and its successors and assigns. Until otherwise designated by the MSRB, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB located at <http://emma.msrb.org>.

Opinion of Counsel

“Opinion of Counsel” means a written opinion of counsel (who may be counsel for the Government) retained by the Government. If and to the extent required by the provisions of Section 1.03, each Opinion of Counsel shall include the statements provided for in Section 1.03.

Order, Request, Requisition or Statement of the Government

“Order of the Government”, “Request of the Government”, “Requisition of the Government”, or “Statement of the Government” mean, respectively, a written order, request, requisition or statement executed by the Governor, the Director of Administration, or such other person as may be designated in a Supplemental Indenture to provide such instructions, or such other person as may be designated and authorized by the Governor to sign for the Government. Any such instrument and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument. If and to the extent required by Section 1.03, each such instrument shall include the statements provided for in Section 1.03.

Other Credit Agreement Payments

“Other Credit Agreement Payments” means any payment obligation of the Government pursuant to a Credit Agreement that is not a Credit Agreement Reimbursement Payment.

Outstanding

“Outstanding,” when used as of any particular time with reference to (A) Bonds, means (subject to the provisions of Section 9.03) all Bonds theretofore executed, issued and delivered by the Government under this Indenture except --

(1) Bonds theretofore cancelled by the Registrar or surrendered to the Registrar for cancellation;

(2) Bonds for the payment or redemption of which funds or securities in the necessary amount (as set forth in Section 10.01) shall have theretofore been deposited with the Trustee or the Co-Trustee (whether upon or prior to the maturity or redemption date of such Bonds); *provided* that, if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as in Article IV provided or provision satisfactory to the Trustee shall have been made for the giving of such notice; and

(3) Bonds in lieu of or in substitution for which other Bonds shall have been executed, issued and delivered by the Government pursuant to Section 2.08;

(B) Payment Agreements, means all Payment Agreements which have not been paid or otherwise satisfied as provided in the proceedings and instruments pursuant to which such Payment Agreements have been incurred; provided that Payment Agreements shall not be Outstanding if the Government or the Qualified Counterparty with respect thereto is in default thereunder; and

(C) Credit Agreements, means all Credit Agreements which have not been paid or otherwise satisfied as provided in the proceedings and instruments pursuant to which such Credit Agreements have been incurred; provided that a Credit Agreement shall not be Outstanding during any period in which the Credit Provider with respect thereto is in default on its payment obligations thereunder.

Parity Payment Agreement

“Parity Payment Agreement” means a Payment Agreement which is designated as such in a Supplemental Indenture, the payment of which constitutes a charge and lien on Revenues equal to and on a parity with the charge and lien upon the Revenues for the payment of the Bonds.

Parity Obligations

“Parity Obligations” means Parity Payment Agreement Payments under a Parity Payment Agreement and Credit Agreement Reimbursement Obligations under a Credit Agreement.

Parity Payment Agreement Payments

“Parity Payment Agreement Payments” means Payment Agreement Payments under a Parity Payment Agreement.

Paying Agent

“Paying Agent” means any paying agent appointed pursuant to a Supplemental Indenture, and its successors and assigns as provided in Section 8.03.

Payment Agreement

“Payment Agreement” means any contract entered into by the Government with a Qualified Counterparty in connection with, or incidental to, the issuance of Bonds, or the carrying of any investment or program of investment or entering into or maintaining any agreement which secures Bonds, which the Government determines to be necessary or appropriate to place the obligation or investment of the Government, as represented by such Bonds, investment, program of investment or agreement and the contract or contracts, in whole or in part, on the interest rate, currency, cash-flow, or other basis desired by the Government, including, without limitation, contracts commonly known as interest rate swap agreements or contracts providing for payments based on levels of, or changes in, interest rates, or contracts to exchange cash flows or a series of payments, or contracts, including, without limitation, interest rate floors or caps, options, put or call to hedge payment, rate, spread, or similar exposure and which is designated as such and as Related to particular Bonds in a Supplemental Indenture.

Payment Agreement Payment Accrual Period

“Payment Agreement Payment Accrual Period” means, for any Payment Agreement, each period between successive Payment Agreement Payment Dates for such Payment Agreement, including in each case in such period the concluding Payment Agreement Payment Date but not the beginning Payment Agreement Payment Date, and treating the day prior to the effective date of such Payment Agreement as if it were a Payment Agreement Payment Date for such Payment Agreement for this purpose.

Payment Agreement Payment Date

“Payment Agreement Payment Date” means, for any particular Payment Agreement, each date specified as a payment date in such Payment Agreement.

Payment Agreement Payments

“Payment Agreement Payments” means amounts required to be paid periodically by the Government to any Qualified Counterparty pursuant to a Payment Agreement, but not including (i) Termination Payments or (ii) such other payments as may be specified in a Supplemental Indenture.

Payment Agreement Receipts

“Payment Agreement Receipts” means amounts required to be paid periodically by a Qualified Counterparty to the Government pursuant to a Payment Agreement, but not including Termination Payments.

Principal Office

“Principal Office” means, with respect to the Trustee, the Co-Trustee and any other Fiduciary, the office at the respective address set forth in Section 11.07 hereof or at such other address as the respective party may have designated for such purpose. The Principal Office of any Credit Provider shall be as specified by such Credit Provider pursuant to its Credit Facility or Credit Agreement.

Principal Payment Period

“Principal Payment Period” means, for any particular Bond, each period so designated by the Supplemental Indenture authorizing the issuance of such Bond.

Proceeds Account

“Proceeds Account” means an account by that name established pursuant to Section 3.03.

Qualified Counterparty

“Qualified Counterparty” means the party, other than the Government, to a Payment Agreement; provided that any such party must satisfy the following requirements: (1) either (a) the obligations of such party under the Payment Agreement (or obligations of such type) must be rated in one of the three (3) highest rating categories of each of the Rating Agencies then rating the Bonds (without regard to any gradations within a rating category), or (b) the obligations of such party under the Payment Agreement are guaranteed by a bond insurer or other institution, in each case the obligations of such type of which must be rated in one of the three (3) highest rating categories of each of the Rating Agencies then rating the Bonds (without regard to any gradations within a rating category); and (2) such party must be otherwise qualified to act as the other party to a Payment Agreement with the Government under any applicable laws.

Rating Agency

“Rating Agency” means, as of any given date, each nationally recognized securities rating agency designated by this Indenture or any Supplemental Indenture as a Rating Agency hereunder and then rating any Series of Bonds.

Rebate Fund

“Rebate Fund” means the fund by that name established pursuant to Section 5.01.

Record Date

“Record Date” means, for any particular payment of principal of or interest or premium on particular Bonds, each date specified as a Record Date for such Bonds by the Supplemental Indenture authorizing the issuance of such Bonds.

Redemption Price

“Redemption Price” means, with respect to any Bond (or portion thereof if less than all of a Bond is to be redeemed) the principal amount of such Bond (or portion) plus the applicable premium, if any, payable upon redemption thereof pursuant to the provisions of such Bond and this Indenture.

Registrar

“Registrar” means any registrar appointed pursuant to a Supplemental Indenture, and its successors and assigns as provided in Section 8.02.

Related

“Related” means, with respect to any particular Payment Agreement, having been designated as such with respect to any particular Bonds pursuant to a Supplemental Indenture.

Revenue Fund

“Revenue Fund” means the RAF Revenue Fund created pursuant to Section 1512.3 of Article 5 of Chapter 1 of Title 5 of the Guam Code Annotated and as described in Section 5.01.

Revenues

“Revenues” means all Business Privilege Tax Revenues received by the Government, or the Trustee or the Depository, all interest, profits or other income derived from the investment of amounts in any fund or account (other than the Rebate Fund and each Proceeds Account) established pursuant to this Indenture, and any other amounts received by the Government, the Trustee, the Co-Trustee or the Depository and pledged by any Supplemental Indenture.

Series

“Series” or “Series of Bonds” means and refers to all Bonds of like designation and described as such in a Supplemental Indenture authenticated and delivered on original issuance at the same time pursuant to this Indenture, and any Bonds thereafter delivered in lieu of or substitution for any of such Bonds pursuant to this Indenture.

Sinking Accounts

“Sinking Accounts” means any special account or accounts established by any Supplemental Indenture or Indentures in the Bond Fund for the payment of Term Bonds.

Standard & Poor’s

“Standard & Poor’s” means Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc., a corporation organized and existing under the laws of the State of New York, its successors and their assigns, or, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, any other nationally recognized securities rating agency designated by the Government by notice in writing to the Trustee.

Supplemental Indenture

“Supplemental Indenture” means any indenture hereafter duly authorized under and in compliance with the Act, entered into by and among the Government, the Trustee and the Co-Trustee and accepted by each Depository, Paying Agent and Registrar the duties of which are affected thereby, supplementing, modifying or amending this Indenture; but only if and to the extent that such Supplemental Indenture is specifically authorized hereunder.

Tax Certificate

“Tax Certificate” means a Certificate of the Government concerning the calculation of any amount to be paid to the United States of America pursuant to Section 148(f) of the Code and any other matters relating to the exclusion of interest on Bonds from gross income for federal income tax purposes.

Termination Payments

“Termination Payments” means amounts required to be paid by the Government or a Qualified Counterparty pursuant to a Payment Agreement in connection with a termination of all or any portion thereof.

Trustee

“Trustee” means [TRUSTEE], appointed by the Government as Trustee in Section 8.01 and acting as an independent trustee with the duties and powers herein provided, its successors and assigns, and any other trust company, corporation or association which may at any time be substituted in its place as provided in Section 8.03.

SECTION 1.02. Equal Security. In consideration of the acceptance of the Bonds by those who shall hold the same from time to time, this Indenture shall be deemed to be and shall constitute a contract between the Government and the Owners from time to time of the Bonds, each Qualified Counterparty and each Credit Provider; and the covenants and agreements herein set forth to be performed on behalf of the Government shall be for the equal and proportionate benefit, security and protection of all Owners of the Bonds without preference, priority or distinction as to security or otherwise of any of the Bonds over any of the others by reason of the Series, number or date thereof or the time of issue, sale, execution or delivery thereof, or otherwise for any cause whatsoever, except as expressly provided therein or herein.

SECTION 1.03. Content of Certificates and Opinions. Every certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture, including each Certificate of the Government, shall include (A) a statement that the person or persons making or giving such certificate or opinion have read such covenant or condition and the definitions herein relating thereto; (B) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based; (C) a statement that, in the opinion of the signers, they have made or caused to be made such examination or investigation as is necessary to enable them to express an informed opinion as to whether or not such covenant or condition has been complied with; and (D) a statement as to whether, in the opinion of the signers, such covenant or condition has been complied with.

Any such certificate or opinion made or given by an officer of the Government or any subdivision thereof may be based, insofar as it relates to legal or accounting matters, upon a certificate or opinion of or representations by counsel, accountants or consultants, respectively, unless such officer knows, or in the exercise of reasonable care should have known, that the certificate or opinion or representations with respect to the matters upon which his certificate or opinion may be based, as aforesaid, are erroneous. Any such certificate or opinion made or given by counsel, accountants or consultants may be based, insofar as it relates to factual matters, information with respect to which is in the possession of the Government or any subdivision thereof, upon the certificate or opinion of or representations by an officer or officers of the Government or any subdivision thereof, unless such counsel, accountant or consultant knows, or in the exercise of reasonable care should have known, that the certificate or opinion or representations with respect to the matters upon which his opinion may be based as aforesaid are erroneous.

ARTICLE II

THE BONDS

SECTION 2.01. Authorization of Bonds. Bonds may be issued hereunder from time to time in order to obtain funds for the purposes authorized herein. The Bonds shall be issued under the Act for the purposes of paying any General Fund Expense approved by the Legislature and other purposes to the extent permitted under the Act. The aggregate principal amount of Bonds which may be issued hereunder is limited to six hundred million dollars (\$600,000,000) (provided, however, that Bonds may not be issued and Outstanding hereunder in an amount that would result in a violation of the debt limitation provisions of Section 11 of the

Organic Act of the Government) and consists or may consist of one or more Series of varying denominations, dates, maturities, interest rates and other provisions, all issued and to be issued pursuant to this Indenture and the Act, subject to the limitations contained in Sections 3.04 and 3.05. The Bonds are designated as the "Government of Guam Business Privilege Tax Bonds". The Bonds may be issued in such Series as from time to time shall be established and authorized by the Government by Supplemental Indenture, subject to the provisions and conditions herein contained.

SECTION 2.02. Execution of Bonds. The Bonds of each Series shall be executed in the name and on behalf of the Government with the manual or facsimile signature of the Governor under the seal of the Government. Such seal may be in the form of a facsimile and may be reproduced, imprinted or impressed on the Bonds. The Bonds shall then be delivered to the applicable Registrar for authentication by it. In case any of the officers who shall have signed or countersigned any of the Bonds shall cease to be such officer or officers before the Bonds so signed or countersigned shall have been authenticated or delivered by the Registrar or issued by the Government, such Bonds may nevertheless be authenticated, delivered and issued and, upon such authentication, delivery and issue, shall be as binding upon the Government as though those who signed and countersigned the same had continued to be such officers of the Government, and also any Bond may be signed and countersigned on behalf of the Government by such persons as on the actual date of the execution of such Bond shall be the proper officers of the Government although at the nominal date of such Bond any such person shall not have been such officer of the Government.

Except as may be provided in any Supplemental Indenture, only such of the Bonds as shall bear thereon a certificate of authentication in the form hereinbefore recited, manually executed by the applicable Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this Indenture, and such certificate of the Registrar shall be conclusive evidence that the Bonds so authenticated have been duly authenticated and delivered hereunder and are entitled to the benefits of this Indenture.

SECTION 2.03. Transfer of Bonds. Any Bond may, in accordance with its terms, be transferred, upon the books required to be kept pursuant to the provisions of Section 2.05, by the person in whose name it is registered, in person or by its duly authorized attorney, upon surrender of such Bond for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the applicable Registrar.

Whenever any Bond or Bonds shall be surrendered for transfer, the Government shall execute and the applicable Registrar shall authenticate and deliver a new Bond or Bonds of the same Series and maturity, for a like aggregate principal amount of authorized denominations. The Registrar shall require the payment by any Bondowner requesting any such transfer of any tax or other governmental charge required to be paid with respect to such transfer.

No transfer or exchange of any Bond of any Series shall be required during the period established by the applicable Registrar for the selection of Bonds of such Series for redemption or at any time after selection of such Bond for redemption.

SECTION 2.04. Exchange of Bonds. Bonds may be exchanged at the Principal Office of the applicable Registrar for a like aggregate principal amount of Bonds of other authorized denominations of the same Series and maturity. The Registrar shall require the payment by the Bondowner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

SECTION 2.05. Bond Register; Right of Inspection. Each Registrar will keep or cause to be kept, at the Principal Office of the Registrar, sufficient books for the registration and transfer of the Bonds of the applicable Series, which shall at all times be open to inspection during regular business hours by the Government, the Co-Trustee or the Trustee; and upon presentation for such purpose, the Registrar shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on said books, Bonds as hereinbefore provided.

SECTION 2.06. Temporary Bonds. The Bonds may be initially issued in temporary form exchangeable for definitive Bonds when ready for delivery. The temporary Bonds may be printed, lithographed or typewritten, shall be of such denominations as may be determined by the Government, shall be in registered form without coupons and may contain such reference to any of the provisions of this Indenture as may be appropriate. Every temporary Bond shall be executed by the Government and be authenticated by the applicable Registrar upon the same conditions and in substantially the same manner as the definitive fully registered Bonds. If the Government issues temporary Bonds, it may execute and furnish definitive Bonds without delay, and thereupon the temporary Bonds may be surrendered, for cancellation, in exchange therefor at the Principal Office of the applicable Registrar, and the Registrar shall deliver in exchange for such temporary Bonds an equal aggregate principal amount of definitive Bonds of the same Series and maturity or maturities in authorized denominations. Until so exchanged, the temporary Bonds shall be entitled to the same benefits under this Indenture as definitive Bonds executed and delivered hereunder.

SECTION 2.07. Bonds Mutilated, Lost, Destroyed or Stolen. If any Bond shall become mutilated, the Government, at the expense of the Owner of said Bond, shall execute, and the applicable Registrar shall thereupon authenticate and deliver a new Bond of like tenor in exchange and substitution for the Bond so mutilated (except that such number may be preceded by a distinguishing prefix), but only upon surrender to the Registrar of the Bond so mutilated. Every mutilated Bond so surrendered to the Registrar shall be cancelled by it and delivered to, or upon the order of, the Government. If any Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Government and the Registrar and, if such evidence be satisfactory to both and indemnity satisfactory to them shall be given, the Government, at the expense of the Owner, shall execute, and the Registrar shall thereupon authenticate and deliver a new Bond in lieu of and in substitution for the Bond so lost, destroyed or stolen (except that such number may be preceded by a distinguishing prefix). The Government may require payment of a sum not exceeding the actual cost of preparing each new Bond issued under this Section and of the expenses which may be incurred by the Government and the Registrar in the premises. Any Bond issued under the provisions of this Section in exchange for any Bond mutilated or in lieu of any Bond alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the Government, whether or not the Bond so mutilated or so alleged to be lost, destroyed or stolen be at any time

enforceable by anyone, and shall be equally and proportionately entitled to the benefits of this Indenture with all other Bonds secured by this Indenture. Neither the Government, the Trustee nor the Co-Trustee shall be required to treat both the original Bond and any replacement Bond as being Outstanding for the purpose of determining the Accreted Value of Bonds which may be issued hereunder or for the purpose of determining any percentage of Bonds Outstanding hereunder, but both the original and duplicate Bond shall be treated as one and the same.

SECTION 2.08. Book-Entry Registration of Exchanges.

(A) Notwithstanding any of the provisions of Sections 2.02 through 2.07 to the contrary, the Supplemental Indenture providing for the issuance of a Series of Bonds may provide: (1) that one or more Bonds of such Series shall be delivered upon initial issuance to, and registered in the name of, or in the name of one or more nominees of, one or more bond depositories, (2) that such Bonds may not be exchanged, transferred or replaced on the registration books maintained pursuant to Section 2.05, subject to such exceptions as may be provided by such Supplemental Indenture, (3) that, while any such Bond is held by such a bond Depository, the Government, the Trustee, the Co-Trustee, any Paying Agent and any Registrar for such Bond may treat the bond Depository as the absolute owner of such Bond for all purposes and shall have no liability with respect to (a) the accuracy of the records of such bond Depository or any participant with respect to any ownership interest in such Bond, (b) the delivery to any participant, any beneficial owner or any other person, other than such bond Depository, of any notice with respect to such Bond, including any notice of redemption, or (c) the payment to any participant, any beneficial owner or any other person, other than such bond Depository, of any amount with respect to the principal or Redemption Price of or interest on such Bond.

(B) In the alternative, notwithstanding any of the provisions in Sections 2.02 through 2.07 to the contrary, the Supplemental Indenture providing for the issuance of a Series of Bonds may provide: (1) that one or more Bonds shall be delivered upon initial issuance to, and registered in the name of, or in the name of one or more nominees of, the Trustee, the Co-Trustee or any other Registrar for such Series of Bonds, in order to set forth the terms of such Bonds in the same manner as for the Bonds that are subject to exchange, transfer and replacement in written certificated form, (2) that no person other than the Trustee, the Co-Trustee or such other Registrar may receive an authenticated Bond, subject to such exceptions as may be provided by such Supplemental Indenture, (3) that the ownership of such Bonds shall be evidenced solely by the bond registration books of the Trustee, the Co-Trustee or such other Registrar, and (4) that the transfer of the ownership of such Bonds shall take place subject to such regulations as may be provided by such Supplemental Indenture.

ARTICLE III

ISSUANCE OF BONDS; ISSUANCE OF A SERIES OF BONDS; PARITY PAYMENT AGREEMENTS

SECTION 3.01. Issuance of Bonds. At any time after the execution of this Indenture and one or more appropriate Supplemental Indentures, the Government may sell and execute one or more Series of Bonds and the Registrar for each such Series of Bonds shall authenticate and, upon the Order of the Government, deliver such Series of Bonds.

SECTION 3.02. Application of Proceeds of Bonds. The proceeds received by the Government from the sale of each Series of Bonds shall be deposited with the Trustee, the Co-Trustee or a Depository, as provided in a Supplemental Indenture, who shall forthwith set aside such proceeds in such respective funds and accounts as are directed by a Request of the Government, subject to the requirements of this Indenture.

SECTION 3.03. Establishment and Application of Proceeds Accounts, Costs of Issuance Accounts and Capitalized Interest Accounts; Modification of General Fund Expenses.

(A) With respect to each General Fund Expense or Series, as determined by the Government, the Depository for the Proceeds Account for such General Fund Expense or Series shall establish and maintain and hold in trust hereunder separate accounts designated as the "Proceeds Account," the "Cost of Issuance Account" and the "Capitalized Interest Account" (inserting therein the General Fund Expense or Series designation). Amounts in each Proceeds Account shall be used and withdrawn, as provided in this Section, solely for the payment of General Fund Expenses, including by (1) direct payment, or (2) payment of any debt obligations issued by the Government to finance General Fund Expenses, or (3) repayment of any advances made from any source for such General Fund Expense. Amounts in each Costs of Issuance Account shall be used and withdrawn solely for the payment of the Costs of Issuance of such Bonds. Amounts in each Capitalized Interest Account shall be used and withdrawn solely for the payment of interest on such Bonds. A Depository shall disburse moneys in a Proceeds Account, a Costs of Issuance Account or a Capitalized Interest Account only as provided herein and in the applicable Supplemental Indenture.

Subject to any requirements relating to a General Fund Expense and contained in a Supplemental Indenture providing for the issuance of a Series of Bonds for such General Fund Expense, the Government may modify the specifications or description of any General Fund Expense or General Fund Expenses, including by expanding such General Fund Expense or General Fund Expenses or substituting another General Fund Expense or General Fund Expenses therefor, by filing with the Trustee and each Depository for each Proceeds Account for such General Fund Expense or General Fund Expenses a Certificate of the Government describing such modification, together with an opinion of counsel to the effect that such modification and the use of amounts in such Proceeds Accounts for such modified General Fund Expense or General Fund Expenses has been duly authorized by the Legislature and an opinion of Bond Counsel to the effect that such modification and the use of amounts in such Proceeds Accounts for such modified General Fund Expense or General Fund Expenses has been authorized in accordance with the Indenture and will not adversely effect the exclusion, if any, of interest on any Bonds from gross income for federal income tax purposes.

(B) All interest and other profits derived from the investment of moneys in each Proceeds Account and Capitalized Interest Account shall be deposited as provided in the Supplemental Indenture providing for the issuance of the related Series of Bonds.

(C) The Government may provide in the Supplemental Indenture providing for the issuance of Additional Bonds that the proceeds of such Additional Bonds shall otherwise be limited as to use or application.

SECTION 3.04. Issuance of Additional Series of Bonds; Additional Parity
Payment Agreements; Other Payment Agreements.

(A) In addition to the initial Series of Bonds, the Government may by Supplemental Indenture establish one or more other Series of Bonds payable from Revenues on a parity with the initial Series of Bonds and secured by a lien upon and pledge of Revenues equal to the lien and pledge securing the initial Series of Bonds, and the Government may issue Bonds of any Series so established, in such principal amount and for such lawful purpose or purposes (including refunding of any Bonds issued hereunder and then Outstanding) as shall be specified by the Government in said Supplemental Indenture, but only upon compliance by the Government with the provisions of Section 3.05 and applicable provisions of any Supplemental Indenture, and subject to the following specific conditions, which are hereby made conditions precedent to the issuance of any such Additional Bonds:

(1) No Event of Default shall have occurred and then be continuing.

(2) The Supplemental Indenture providing for the issuance of such Additional Bonds shall specify the purposes for which such Bonds are being issued, which shall be one or more of the following (1) to provide moneys for deposit into a Proceeds Account and withdrawal therefrom in accordance with law for purposes other than the refunding of Bonds, or (2) to refund all or part of the Bonds then Outstanding, by depositing with the Trustee, in trust, moneys or noncallable Federal Securities in the necessary amount to discharge all liability of the Government with respect to the Bonds to be refunded as provided in Section 10.02 and to make any payment necessary or desirable in connection with the termination of any Related Payment Agreement in connection with such refunding.

(3) [The Supplemental Indenture providing for the issuance of such Additional Bonds shall provide for such deposit as may be necessary to increase the balance in the Bond Reserve Fund to an amount at least equal to the Bond Reserve Fund Requirement with respect to all Bonds to be Outstanding upon the issuance of such Additional Bonds. Said deposit may be made from such proceeds or any other source, as provided in Sections 5.02 and 5.05 and said Supplemental Indenture.]

(4) The aggregate principal amount of Bonds issued hereunder shall not exceed any limitation imposed by law or by any Supplemental Indenture.

(5) The amount of Business Privilege Tax Revenues for the consecutive twelve month period preceding the date of execution of the Supplemental Indenture providing for the issuance of such Additional Bonds have been (or would have been) an amount equal to at least [two hundred] percent ([200]%) of Maximum Annual Debt Service on all Bonds and Parity Obligations to be Outstanding upon the issuance of such Additional Bonds, taking into account for the purposes of such calculation of Maximum Annual Debt Service any amounts on deposit in a Capitalized Interest Account with respect to any such Bonds, as an offset for Annual Debt Service for the applicable Bonds during the applicable Bond Year or Bond Years. If such Additional Bonds are to be issued for the purpose of providing funds to refund a portion of the Bonds then Outstanding, then the Annual Debt Service in each Bond Year during the period beginning with the then current Bond Year and ending with the Bond Year in which the last

Outstanding Bonds not being refunded mature by their terms will not be increased by reason of the issuance of such Additional Bonds.

(6) Before such Additional Bonds shall be issued and delivered, the Government shall deliver to the Trustee and to each Credit Provider a Certificate of the Government to the effect that the requirements of subsection (A)(5) of this Section 3.04 have been met.

(B) The Government may enter into Parity Payment Agreements payable from Revenues on a parity with the Bonds and other Parity Payment Agreements and secured by a lien upon and pledge of Revenues equal to the lien and pledge securing the Bonds and other Parity Payment Agreements, but only upon compliance by the Government with the provisions of Section 3.05 and any applicable provisions of any Supplemental Indenture, and subject to the following specific conditions, which are hereby made conditions precedent to the entering into by the Government of any Parity Payment Agreement:

(1) No Event of Default shall have occurred and then be continuing.

(2) The amount of Business Privilege Tax Revenues for any consecutive twelve month period preceding the date of execution of the Supplemental Indenture providing for the issuance of such Parity Payment Agreement have been (or would have been) an amount equal to at least [two hundred] ([200]%) of Maximum Annual Debt Service on all Outstanding Bonds and Parity Obligations, taking into account for the purposes of such calculation of Maximum Annual Debt Service any amounts on deposit in a Capitalized Interest Account with respect to any such Bonds, as an offset for Annual Debt Service for the applicable Bonds during the applicable Bond Year or Bond Years.

(3) Before entering into such Parity Payment Agreement, the Government shall deliver to the Trustee and to each Credit Provider a Certificate of the Government to the effect that the requirements of subsection (B)(2) of this Section 3.04 have been met.

(4) The Government, the Trustee and the Co-Trustee shall have executed and delivered a Supplemental Indenture designating such agreement as a Parity Payment Agreement and the Bonds to which such Parity Payment Agreement is Related.

(C) In addition to Parity Payment Agreements, the Government may enter into Payment Agreements payable from Revenues after and subordinate to the payment from Revenues of payments with respect to the Bonds and Parity Payment Agreements, but only upon compliance by the Government with any applicable provisions of any Supplemental Indenture and any such agreement shall constitute a Payment Agreement upon execution and delivery by the Government, the Trustee and the Co-Trustee of a Supplemental Indenture designating such agreement as a Payment Agreement and the Bonds to which such Payment Agreement is Related.

SECTION 3.05. Proceedings for the Issuance of a Series of Bonds; Parity Payment Agreements. The requirements of this Section 3.05 are in addition to the other applicable conditions precedent set forth in Section 3.04.

(A) Whenever the Government shall determine to issue a Series of Bonds, the Government shall execute and deliver a Supplemental Indenture providing for the issuance of such Series of Bonds and specifying the terms and conditions of such Series of Bonds, including the following:

- (1) the authorized principal amount of such Series;
- (2) the purpose or purposes for which such Series is being issued and, if such purpose is the deposit of moneys in a Proceeds Account, the General Fund Expense or General Fund Expenses for which such Series is being issued (including any appropriate modifications to any previously specified or described General Fund Expense or General Fund Expenses and any appropriate limitations on additional or substitute General Fund Expenses);
- (3) [the amount of the Bond Reserve Fund Requirement upon the issuance of such Series;]
- (4) [the amount to be deposited (or otherwise available) in the Bond Reserve Fund upon the issuance of such Series, the source or sources of such amount (which may be proceeds of such Series or other amounts available for such purpose);]
- (5) the amount, if any, to be deposited in the applicable Proceeds Account, if any, upon the issuance of such Series, and the source or sources of such deposit (which may be the proceeds of such Series or other amounts available for such purpose);
- (6) the amount, if any, to be deposited in the applicable Costs of Issuance Account to pay Costs of Issuance of such Series and the source or sources of such amounts (which may be the proceeds of such Series or other amounts available for such purpose);
- (7) the amount, if any, to be deposited in the applicable Capitalized Interest Account to pay Capitalized Interest of such Series and the source or sources of such amounts (which may be the proceeds of such Series or other amounts available for such purpose);
- (8) the amount, if any, to be deposited in the Bond Fund as accrued interest upon the issuance of such Series;
- (9) the Credit Facility and respective Credit Provider, if any, for such Series and any special provisions not inconsistent with the terms of this Indenture relating to such Credit Facility and designating any Credit Agreement Payments with respect thereto;
- (10) the Payment Agreement, if any, and the related Qualified Counterparty with respect thereto and any provisions not inconsistent with the terms of this Indenture relating to such Payment Agreement;
- (11) the appointment of the Registrar and any Paying Agents for such Series and, if necessary, any Depositary for any Funds or Accounts relating to such Series;
- (12) the form, title and designation of, and the manner of numbering and lettering, Bonds of such Series;

- (13) the denomination or denominations of Bonds of such Series;
- (14) the date or dates of maturity and Principal Payment Periods of Bonds of such Series and the manner of payment of principal of such Bonds;
- (15) the rate or rates of interest or the manner of determining such rate or rates borne by the Bonds of such Series and the Record Dates and the Interest Payment Dates for such Bonds;
- (16) the Bonds of such Series which are Serial Bonds (if any) and the Bonds of such Series which are Term Bonds (if any);
- (17) the terms of redemption, if any, of Bonds of such Series;
- (18) the date and amount of each Mandatory Sinking Account Payment (if any) required to be paid by the Government for the retirement of Term Bonds of such Series;
- (19) the designation of any accounts to be established pursuant to this Indenture and any other accounts deemed advisable by the Government;
- (20) any tax or other covenants which, in the judgment of the Government, are designed to insure that interest on such Series of Bonds will be excludable from gross income for federal income tax purposes and which are not inconsistent with the provisions of this Indenture; *provided, however*, that the Government may, in its sole and absolute discretion, determine in connection with the authorization of a Series of Bonds that it will not make any such covenants because interest on such Series is not intended to be excludable from gross income for federal income tax purposes; and
- (21) and other provisions deemed advisable by the Government, not in conflict with or in substitution for the provisions of this Indenture (except as expressly permitted in this Indenture).

(B) (1) On or before any Series of Bonds other than the initial Series shall be issued and delivered and on or before any Parity Payment Agreements are entered into, the Government shall file the following documents with the Trustee:

(a) If and to the extent that Additional Bonds are being issued, an Opinion of Counsel setting forth (i) that such counsel has examined the Supplemental Indenture; (ii) that the execution and delivery of the Additional Bonds have been duly authorized by the Government; and (iii) that said Additional Bonds, when duly executed by the Government and, if required, authenticated and delivered by the Registrar for such Bonds, will be valid and binding limited obligations of the Government, payable from Revenues as provided herein.

(b) A Certificate of the Government to the effect that the requirements of Sections 3.04(A)(1) through (6), as and to the extent applicable, have been met.

(c) In the case of refunding bonds, irrevocable instructions to a Registrar for such Series to give notice as provided in Article IV of redemption of all Bonds to be redeemed in connection with such refunding.

(2) In connection with the issuance of an Additional Bonds, upon the delivery to the Trustee and the Co-Trustee of the foregoing instruments, the applicable Registrar shall authenticate and deliver said Additional Bonds, in the aggregate principal amount specified in such Supplemental Indenture, to, or upon the Order of, the Government, when such Additional Bonds shall have been presented to it for that purpose.

SECTION 3.06. Validity of Bonds. The validity of the authorization and issuance of the Bonds shall not be dependent on or affected in any way by any proceedings taken by the Government for any capital improvement project, or by any contracts made by the Government in connection therewith, or the failure to construct any capital improvement project or any part thereof. The recital contained in the Bonds that the same are regularly issued pursuant to the Act shall be conclusive evidence of their validity and of compliance with the provisions of law in their issuance.

ARTICLE IV

REDEMPTION OF BONDS

SECTION 4.01. Terms of Redemption. Any Series of Bonds may be made subject to redemption prior to maturity, as a whole or in part, at such time or times, and upon payment of the principal amount thereof plus such premium or premiums, if any, as may be determined by the Government at the time such Series is authorized and as shall be set forth in the Supplemental Indenture authorizing such Series.

SECTION 4.02. Selection of Bonds for Redemption. For purposes of selecting Bonds for redemption, Bonds shall be deemed to be composed of portions equal to their respective minimum authorized denomination, and any such portion may be separately redeemed. In the event that less than all of the Bonds of any maturity of a Series are to be redeemed, the Bonds (or portions thereof) to be redeemed shall be selected by the applicable Registrar by lot within such maturity in such manner as the Registrar may determine. The amount of each Series and maturity of the Bonds to be redeemed shall be determined by Section 4.01 or the applicable Supplemental Indenture or, if permitted, by Request of the Government. The applicable Registrar shall promptly notify the Government, the Trustee and the Co-Trustee in writing of the Bonds or portions thereof selected for redemption.

In addition, a Supplemental Indenture providing for the issuance of Additional Bonds may specify any other method or order of selection of such Additional Bonds for redemption, subject to Section 4.01.

A Supplemental Indenture authorizing the issuance of a Series of Bonds may condition the option of the Government to redeem Bonds of such Series upon the deposit with the Trustee or the Co-Trustee in trust, prior to the giving of the notice of such redemption in

accordance with the Indenture, of an amount sufficient to pay the Redemption Price of and accrued interest on such Bonds to the date fixed for redemption.

Unless otherwise provided in a Supplemental Indenture with respect to a Series of Bonds, the Government shall notify the Trustee and the Paying Agent in writing at least sixty (60) days prior to the date to be fixed for redemption of its intention to exercise its redemption option.

SECTION 4.03. Notice of Redemption. Notice of redemption (except as provided below) shall be given, not less than thirty (30) nor more than sixty (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 applicable Registrar on the date the Bonds to be redeemed are selected. Each notice of redemption shall state the redemption date, the place or places of redemption, the Series and maturities to be redeemed, and, if less than all of any such maturity, the numbers of the Bonds of such maturity to be redeemed and, in the case of Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed, and shall also state that on said date there will become due and payable on each of said Bonds the Redemption Price thereof or of said specified portion of the principal thereof in the case of a Bond to be redeemed in part only, together with interest accrued thereon to the redemption date, and that from and after such redemption date interest thereon shall cease to accrue, and shall require that such Bonds be then surrendered, with a written instrument of transfer duly executed by the registered owner thereof or by such registered owner's attorney duly authorized in writing. No defect in or failure to give such mailed notice of redemption shall affect the validity of proceedings for the redemption of such Bonds. Each notice of redemption shall also state the CUSIP number, date of issue and interest rate on each Bond, or portion thereof, to be redeemed, and shall include the redemption agent name and address; *provided, however*, that failure to include any of such information in any redemption notice, or any inaccuracy in any such information, shall not affect the sufficiency of the proceedings for redemption of any Bonds.

A copy of any notice of redemption given pursuant to the foregoing paragraph shall also be sent by first class mail to each Owner of \$1,000,000 or more in aggregate principal amount of Bonds to be redeemed and to each of the Fiduciaries, each of the Credit Providers, the Securities Depository and the MSRB; *provided, however*, that failure to give notice pursuant to this sentence by first class mail to any Bondowner, Fiduciary, Credit Provider, any Securities Depository or the MSRB, or the insufficiency of any such notices, shall not affect the sufficiency of the proceedings for redemption of any Bonds. A second notice shall be sent by first class mail to the registered owner of any Bond which has been called for redemption in whole or in part, and is not surrendered for payment within sixty (60) days after the date fixed for redemption; *provided, however*, that failure to send any such second notice, or any deficiency of any such notice, shall not affect the sufficiency of the proceedings for redemption of any Bonds.

Notice of redemption of Bonds shall be given by the applicable Registrar for and on behalf of the Government.

A Supplemental Indenture providing for the issuance of Bonds may provide that notice of the redemption of such Bonds shall be given at times and in a manner different from that specified above.

SECTION 4.04. Partial Redemption. Upon surrender of any Bond redeemed in part only, the Government shall execute and the applicable Registrar shall authenticate and deliver to the registered owner thereof, at the expense of the Government, a new Bond or Bonds of authorized denominations, and of the same Series, maturity and tenor, equal in aggregate principal amount to the unredeemed portion of the Bond surrendered.

SECTION 4.05. Effect of Redemption. Notice of redemption having been duly given as aforesaid, and moneys being held by the Trustee, the Co-Trustee or Paying Agents for payment of the Redemption Price of, and interest accrued to the redemption date on, the Bonds (or portions thereof) so called for redemption on the redemption date designated in such notice, such Bonds (or such portions) shall become due and payable at the Redemption Price specified in such notice plus interest accrued thereon to the date fixed for redemption, interest on the Bonds so called for redemption shall cease to accrue, said Bonds (or portions thereof) shall cease to be entitled to any benefit or security under this Indenture, and the Owners of said Bonds shall have no rights in respect thereof except to receive payment of said Redemption Price and accrued interest.

All Bonds purchased or redeemed pursuant to the provisions of this Indenture shall be cancelled upon surrender thereof and delivered to or upon the Order of the Government.

SECTION 4.06. Conditional Notice of Redemption; Rescission of Notice of Redemption. The Government may give a notice of redemption that is subject to rescission or cancellation prior to the date fixed for such redemption and may, at its option prior to the date fixed for redemption in any notice of redemption, rescind and cancel any notice of redemption of Bonds; *provided, however*, that any Supplemental Indenture providing for the issuance of a Series of Bonds may require that the giving of a notice of optional redemption of Bonds of such Series be conditioned upon the deposit with the Trustee in trust of an amount sufficient to pay the Redemption Price of and accrued interest on such Bonds on or prior to the date such notice of redemption is given. The Government may, at its option, prior to the date fixed for redemption in any notice of redemption rescind and cancel such notice of redemption.

ARTICLE V

REVENUES

SECTION 5.01. Pledge and Assignment of Revenues; Revenue Fund.

(A) The Bonds shall constitute the valid and legally binding limited obligations of the Government. Neither the Government nor any political subdivision thereof is obligated to pay the principal of or premium, if any, or interest on the Bonds, except from Revenues, and neither the Government nor any political subdivision thereof has pledged its full faith or credit to the payment to the principal of or premium, if any, or interest on the Bonds. Subject only to the provisions of the Act and this Indenture permitting the application thereof for

or to the purposes and on the terms and conditions set forth herein, there are hereby pledged to secure the payment of the principal of, premium, if any, and interest on the Bonds in accordance with their terms and the provisions of the Act and this Indenture and the payment of Parity Obligations in accordance with their terms, all Revenues (except to the extent of the Rebate Requirement referred to in Section 5.06), and any other amounts held in any Fund or Account established pursuant to this Indenture (except the Rebate Fund and the Proceeds Accounts). Said pledge shall constitute a lien on and security interest in such Revenues and shall be valid and binding against all parties in accordance with its terms from and after delivery by the applicable Registrar of the first Series of Bonds hereunder, and the Revenues so pledged shall immediately be subject to the lien of such pledge without the need for physical delivery, recordation, filing or other further act.

(B) The Trustee, as Depositary, shall establish and maintain and hold in trust hereunder a separate fund designated as the "Revenue Fund." [Commencing October 2013,] the Government shall deposit all Revenues upon the receipt thereof in the Revenue Fund or cause such Revenues to be deposited directly in such fund, except as otherwise provided in Section 5.08. Subject only to the provisions of this Indenture permitting the application thereof for or to the purposes and on the terms and conditions set forth herein and therein, the Trustee and the Depositary shall be entitled to and shall collect and receive all of the Revenues, and any Revenues collected or received by the Government shall be deemed to be held, and to have been collected or received, by the Government as the agent of the Trustee, the Co-Trustee and the Depositary for the Revenue Fund and shall forthwith be paid by the Government to such Depositary.

(C) The Trustee shall establish, maintain and hold in trust the Bond Fund (within the Revenue Fund), and the Co-Trustee shall establish, maintain and hold in trust the Bond Payment Account therein.

(D) The Depositary shall establish, maintain and hold in trust the Bond Expense Fund.

(E) The Trustee shall establish, maintain and hold in trust the Bond Reserve Fund (within the Revenue Fund) and the Rebate Fund and such Rebate Accounts therein as are established pursuant to a Supplemental Indenture.

(F) All moneys at any time deposited with the Trustee, the Co-Trustee or any Depositary, as the case may be, shall be held by the Trustee, the Co-Trustee or such Depositary, as the case may be, in trust for the benefit of the Owners at any time of the Bonds (and, to the extent any Credit Agreement Reimbursement Payment or Parity Payment Agreement Payment is due and payable, for the benefit of the applicable Credit Provider or Qualified Counterparty, as applicable), and the Government shall have no beneficial right or interest in any of such moneys, except as provided in this Indenture. All Revenues so deposited shall be held, disbursed, allocated and applied only as provided in this Indenture.

SECTION 5.02. Allocation of Revenues. On or before the fifth (5th) day of each calendar month, commencing with [October 2013], the Trustee shall transfer from the Revenue Fund (to the Co-Trustee or a Depositary as necessary), for deposit into one or more of the

following respective funds, the following amounts in the following order of priority, the requirements of each such fund or account (including the making up of any deficiencies in any such fund or account resulting from lack of Revenues sufficient to make any earlier required deposit) at the time of deposit to be satisfied, and the results of such satisfaction being taken into account, before any transfer is made to any fund or account subordinate in priority:

(A) into the Bond Fund held by the Trustee, the amount needed to increase the amount in the Bond Fund to the sum of (1) the aggregate amount of interest that will have accrued on the Bonds through the [end of the then current calendar month/next Interest Payment Date] upon all Bonds then Outstanding (after deducting any amount in a Capitalized Interest Account available to pay such interest), plus (2) [commencing October 2014, the amount of principal and Mandatory Sinking Account Payments on the Bonds then Outstanding payable on the next Principal Payment Date/the amount which, if principal on the Bonds then Outstanding payable on the next Principal Payment Date were to accrue in equal monthly installments over the semiannual or annual period next preceding the next Principal Payment Date (as specified herein or by Supplemental Indenture), would aggregate to the amount of principal that will have accrued through the end of the then current calendar month, plus (3) the amount which, if Mandatory Sinking Account Payments on the Bonds then Outstanding payable on the next Principal Payment Date were to accrue in equal monthly installments over the semiannual or annual period next preceding the next Principal Payment Date (as specified herein or by Supplemental Indenture), would aggregate to the amount of Mandatory Sinking Account Payments that will have accrued through the end of the then current calendar month], plus ([3/4]) the aggregate amount of Parity Obligations then due and payable or expected to accrue or become due through the end of the then current calendar month (without duplication of amounts set aside pursuant to [(1), (2) or (3)] of this paragraph);

(B) [into the Bond Reserve Fund held by the Trustee, the amount, if any, needed to increase the amount in the Bond Reserve Fund to the Bond Reserve Fund Requirement;]

(C) into the Rebate Fund held by the Trustee, the amount, if any, required to be deposited therein pursuant to Section 5.06;

(D) into the Bond Expense Fund held by the Depository, an amount, if any, required to be deposited therein in order to increase or restore the amount in such fund to the Bond Expense Fund Requirement; and

(E) to the Government, free and clear from the lien of this Indenture for application for any lawful purpose of the Government.

SECTION 5.03. Application of Bond Fund and Bond Payment Account.

(A) Subject to subsection (C) of this Section, all amounts in the Bond Fund and in the Bond Payment Account therein shall be used and withdrawn by the Trustee or the Co-Trustee, as applicable, solely for the purpose of (1) paying interest on Bonds as it shall become due and payable (including accrued interest on any Bonds purchased or redeemed prior to maturity pursuant to this Indenture), (2) paying the principal of Serial Bonds when due and

payable, (3) purchasing or redeeming or paying at maturity Term Bonds as provided in this Section or any Supplemental Indenture, (4) paying Parity Payment Agreement Payments due and payable, and (5) paying Credit Agreement Reimbursement Payments due and payable. On or before the fifth (5th) Business Day preceding each date on which each such payment is due (or on such earlier date or dates directed by a Request of the Government) the Trustee shall transfer funds in an amount sufficient to make all such payments from the Bond Fund to the Co-Trustee for deposit in the Bond Payment Account.

(B) Subject to subsection (C) of this Section, on each Mandatory Sinking Account Payment date, the Co-Trustee shall apply the Mandatory Sinking Account Payment or Payments required on that date to the redemption (or payment at maturity, as the case may be) of the applicable Term Bonds upon the notice and in the manner provided in Article IV. At any time prior to giving such notice of such redemption, the Trustee, upon the Request of the Government, shall transfer from the Bond Fund to the Co-Trustee for deposit in the Bond Payment Account, and the Co-Trustee shall apply moneys in the Bond Payment Account, in an amount not in excess of such Mandatory Sinking Account Payment, to the purchase of the applicable Term Bonds at public or private sale, as and when and at such prices (including brokerage and other charges) as are specified in such Request, except that the purchase price (excluding accrued interest) shall not exceed the price that would be payable for such Bonds upon redemption by application of such Mandatory Sinking Account Payment. All Bonds redeemed or purchased pursuant to this subsection shall be cancelled and destroyed by the Co-Trustee.

(C) Upon the redemption of Term Bonds other than from Mandatory Sinking Account Payments, the principal amount of such Bonds shall be credited against remaining Mandatory Sinking Account Payments to the extent permitted in the applicable Supplemental Indenture for such Bonds, treating Mandatory Sinking Account Payments as if they were maturities and given that Mandatory Sinking Account Payments shall remain as integral multiples of the minimum Authorized Denomination for such Bonds. If, (1) during the twelve-month period immediately preceding a Mandatory Sinking Account Payment date the Co-Trustee purchases the applicable Term Bonds with moneys in the Bond Payment Account, or (2) during said period and prior to giving said notice of redemption the Government otherwise deposits the applicable Term Bonds with the Co-Trustee (together with a Request of the Government to apply such Bonds so deposited to the Mandatory Sinking Account Payment due on said date), the amount of Bonds so purchased or deposited shall be credited at the time of such purchase or deposit, to the extent of the full principal amount thereof, to reduce such Mandatory Sinking Account Payment. All Bonds purchased or deposited pursuant to this subsection shall be cancelled and destroyed by the Trustee.

SECTION 5.04. [Application of Bond Reserve Fund]. All amounts in the Bond Reserve Fund shall be used and withdrawn by the Trustee and transferred to the Co-Trustee solely for the purpose of paying debt service on the Bonds (and Parity Obligations to the extent provided in any Supplemental Indenture) in the event of a deficiency in the Bond Fund or the Bond Payment Account, in the manner and to the extent set forth in Section 5.07. So long as the Government is not in default hereunder, any amount in the Bond Reserve Fund in excess of the Bond Reserve Fund Requirement shall be transferred to the Revenue Fund on the fifth (5th) day after any Principal Payment Date. Unless otherwise provided in a Supplemental Indenture

providing for the issuance of a Series of Bonds, income derived from the investment of the amounts on deposit in the Bond Reserve Fund shall be deposited in the Revenue Fund.]

SECTION 5.05. Application of Bond Expense Fund. All amounts in the Bond Expense Fund shall be used and withdrawn by the Depository solely for the purpose of paying Bond Expenses. The Depository shall disburse moneys in the Bond Expense Fund only upon Requisition of the Government stating the person to whom payment is to be made, the amount to be paid, the purpose for which the obligation was incurred and that such payment is a proper and lawful charge against said Fund. Any excess amounts in the Bond Expense Fund shall be transferred to the Trustee for deposit in the Revenue Fund pursuant to a Request of the Government.

SECTION 5.06. Rebate Fund.

(A) If and to the extent required by a Supplemental Indenture providing for the issuance of a Series of Bonds, the Trustee shall establish and maintain within the Rebate Fund a separate Rebate Account for such Series. There shall be deposited in such 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 such Series of Bonds. All money at any time deposited in a Rebate Account shall be held by the Trustee in trust, and shall be governed exclusively by this Section and by the Tax Certificate with respect to such Series of Bonds.

(B) Notwithstanding any provisions of this Section, if the Government 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, if any, from gross income for federal income tax purposes of interest on any Series of Bonds, the Trustee and the Government may conclusively rely on such opinion in complying with the requirements of this Section, and notwithstanding Article IX of this Indenture, the covenants hereunder shall be deemed to be modified to that extent.

SECTION 5.07. Deficiencies in Funds or Accounts. In the event that the amount in any Fund or Account established pursuant to Section 5.01 is insufficient for the purposes for which such Fund or Account was established, the Trustee, the Co-Trustee, or the Depository, as applicable, shall transfer to the applicable Fiduciary holding such Fund or Account, the amount of such deficiency by withdrawing said amount from subordinate Funds and Accounts in reverse order of the priority set forth in Section 5.02 (other than the Rebate Fund) and prior to any other claims upon such Funds and Accounts, subject only to the limitation that amounts in the Bond Reserve Fund shall only be used as provided in Section 5.04. If after making all such transfers, the amount in the Bond Payment Account is insufficient, the Co-Trustee shall promptly notify the Government and each Credit Provider of the amount of such insufficiency.

SECTION 5.08. Investment of Moneys in Funds. All Investment Securities and other investments acquired with moneys held hereunder shall be acquired subject to the limitations (as specified in a Request of the Government to the relevant Depository) of any covenant relating to the exclusion of interest on Bonds from gross income for federal income tax purposes, to the limitations as to maturities hereinafter in this Section set forth and to such

additional limitations or requirements consistent with the foregoing as may be established by Request of the Government. No Investment Security which is subject to redemption at the option of the issuer may be purchased at a premium above the amount of the premium payable upon any such redemption.

Moneys in Proceeds Accounts, Capitalized Interest Accounts, the Revenue Fund, the Rebate Fund, the Bond Fund, the Bond Payment Account and Bond Reserve Fund shall be invested solely in Investment Securities to maximize investment income, with proper regard for the preservation of principal, pursuant to a Request of the Government as to such investment. In the absence of any different instruction, such moneys shall be invested in Investment Securities described in clause (6) of the definition thereof. The Trustee, the Co-Trustee or the Depository, as applicable, may create such accounts or subaccounts within the Proceeds Accounts, the Bond Fund, the Bond Payment Account and the Bond Reserve Fund as may be necessary in order to facilitate the investment of funds pursuant to a Request of the Government, and the cash or investments credited to such accounts or subaccounts may be held by a Fiduciary other than the Fiduciary designated herein as holding the fund or account within which such accounts or subaccounts are created, in order to facilitate such investment.

Subject to the provisions of any Supplemental Indenture, moneys in all Funds Accounts established under this Indenture shall be invested in investments paying interest and maturing not later than the dates on which it is estimated that such moneys will be required by the Trustee, the Co-Trustee, the applicable Depository or the Government.

All interest and other profit derived from the investment of moneys in each Fund and Account established under Section 3.03 or Section 5.01 shall be deposited in the Revenue Fund when received, except that interest and other profit derived from the investment of moneys in a Proceeds Account, a Capitalized Interest Account, a Costs of Issuance Account or the Rebate Fund shall be retained in such respective fund. Investments acquired as an investment of moneys in any fund or account established under this Indenture shall be credited to such fund or account.

Subject to the provisions of any Supplemental Indenture, for the purpose of determining the amount in any Fund or Account, except the Rebate Fund, the amount of any obligation allocable to such Fund or Account shall be equal to the purchase price of such obligation (not including accrued interest, if any, paid on the purchase of such obligation) plus the amount of any discount below par accounting for any such discount ratably each year over the term of such obligation (i.e., by dividing the amount of such discount by the number of interest payments remaining to maturity and by multiplying the amount so calculated by the number of interest payment dates having passed since the date of purchase) (in this Section called "amortized value"); *provided, however*, that the amount of any accrued interest on any obligation on deposit in any Fund or Account established under Section 3.03 or Section 5.01 may be credited to the Revenue Fund or to any Fund or Account to which such amount or any portion thereof may have been transferred from the Revenue Fund.

The Trustee, the Co-Trustee or the applicable Depository may sell at the best price reasonably obtainable, or present for redemption, any security purchased hereunder whenever it shall be necessary in order to provide moneys to meet any required payment, transfer,

withdrawal or disbursement from the Fund or Account to which such security is credited, and the Trustee, the Co-Trustee and such Depository shall not be liable or responsible for any loss resulting from such investment.

Each Fiduciary may make any investments hereunder through its own bond or investment departments or trust investment department, or those of its parents or any affiliates.

Each Fiduciary or any of its affiliates may act as sponsor, advisor or manager in connection with any investments made by such Fiduciary hereunder.

The Government acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Government the right to receive brokerage confirmations of security transactions as they occur, the Government specifically waives receipt of such confirmations to the extent permitted by law. The Co-Trustee will furnish the Government periodic cash transaction settlements, which shall include detail for all investment transactions made by the Co-Trustee hereunder.

SECTION 5.09. Credit Facility. The Trustee hereby agrees to hold each Credit Facility for the benefit of the Owners of the related Series of Bonds.

The Government hereby authorizes and directs the Trustee to surrender any Credit Facility to the applicable Credit Provider on the date of termination thereof as provided in such Credit Facility or in the related Credit Agreement, to surrender any Credit Facility to the applicable Credit Provider upon receipt of a substitute for such Credit Facility pursuant hereto and to the Credit Agreement, and, upon the appointment and qualification of a successor Trustee, to surrender Credit Facilities to the respective Credit Providers upon delivery of substitute Credit Facilities by the respective Credit Providers to such successor Trustee pursuant to the provisions of the Credit Agreements. Neither surrender of any Credit Facility by the Trustee nor confirmation in writing of receipt thereof by the applicable Credit Provider shall be deemed to be a condition precedent to any termination of such Credit Facility.

Before the effective date of any substitute Credit Facility, the Trustee shall send written notice by first class mail to each of the registered owners of Bonds of the related Series, at their addresses appearing on the bond registration books of the Registrar, stating the identity of the provider of such Credit Facility and the effective date and stated termination date thereof.

ARTICLE VI

PARTICULAR COVENANTS

SECTION 6.01. Payment of Principal and Interest. The Government shall punctually pay or cause to be paid the principal and interest (and premium, if any) to become due in respect of every Bond issued hereunder at the times and places and in the manner provided herein and in the Bonds, in strict conformity with the terms of the Bonds and of this Indenture, but solely from the Revenues and other moneys held in trust hereunder, as provided herein.

SECTION 6.02. Extension of Payment of Principal and Interest on the Bonds. The Government shall not directly or indirectly extend or assent to the extension of the maturity

of any of the Bonds or the time of payment of any of the claims for interest by the purchase or funding of such Bonds or claims for interest or by any other arrangement; and in case the maturity of any of the Bonds or the time of payment of any such claims for interest shall be extended, such Bonds or claims for interest shall not be entitled, in case of any default hereunder, to the benefits of this Indenture, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest thereon which shall not have been so extended. Nothing in this Section shall be deemed to limit the right of the Government to issue bonds for the purpose of refunding any Outstanding Bonds, and such issuance shall not be deemed to constitute an extension of maturity of Bonds.

SECTION 6.03. Limitation on Encumbrances. The Government shall not create, or permit the creation of, any pledge, lien, charge or other encumbrance upon the Revenues or other assets pledged or assigned under this Indenture while any of the Bonds are Outstanding, except the pledge and assignment created by this Indenture or any encumbrance subordinate to the pledge and assignment created hereby, and shall not issue any bonds secured by such pledge and assignment other than the Bonds. Subject to this limitation, the Government expressly reserves the right to enter into one or more other indentures for any of its governmental purposes, and reserves the right to issue other obligations for such purposes. The Government shall not issue any bonds or other obligations secured by a pledge and assignment of Revenues on a basis senior to the pledge and assignment created by this Indenture.

SECTION 6.04. Power to Issue Bonds and Make Pledge. The Government represents and warrants that it is duly authorized pursuant to law to issue the Bonds and to enter into this Indenture and to pledge the Revenues and other assets purported to be pledged under this Indenture in the manner and to the extent provided in this Indenture. The Bonds and the provisions of this Indenture are and will be the legal, valid and binding limited obligations of the Government in accordance with their terms. The Government and, subject to Section 8.05, each Fiduciary shall at all times, to the extent permitted by law, defend, preserve and protect said pledge of Revenues and other assets and all the rights of the Bondowners under this Indenture against all claims and demands of all persons whomsoever.

SECTION 6.05. Payment of Taxes and Claims. The Government shall, from time to time, duly pay and discharge, or cause to be paid and discharged, any property taxes, assessments or other governmental charges that may be lawfully imposed upon the Revenues or other assets pledged or assigned under this Indenture, when the same shall become due, as well as any lawful claim which, if unpaid, might by law become a lien or charge upon the Revenues or such other assets or which might impair the security of the Bonds.

SECTION 6.06. Accounting Records and Financial Statements. The Government shall at all times keep, or cause to be kept, proper books of record and account in which complete and accurate entries shall be made of all transactions relating to the proceeds of Bonds, the Revenues, and all funds and accounts established pursuant to Section 3.03 and 5.01 of this Indenture. Such books of record and account shall be available for inspection (provided there shall be no duty to so inspect) by the Trustee, the Co-Trustee, the Depository or the Government, as the case may be, and, with respect to such books of record and account maintained by the Trustee, the Co-Trustee and the Depository, by any Bondowner or agent or

representative thereof duly authorized in writing, at reasonable hours and under reasonable circumstances.

[The Government shall file with the Trustee, the Co-Trustee and the Depository, and furnish to each Rating Agency that initially rated any Series of Bonds and to each Bondowner who shall have filed a name and address with the Government or the Trustee for such purpose, within six months after the close of each Fiscal Year so long as any of the Bonds are Outstanding (commencing with the Fiscal Year ending in 2012), complete financial statements with respect to the Revenues and all funds established pursuant to this Indenture, prepared in accordance with generally accepted accounting principles for governmental entities, covering receipts, disbursements, allocation and application of all Revenues for such Fiscal Year, including a statement of revenues, expenditures and fund balances (covering all of the funds established pursuant to this Indenture), balance sheet and statement of changes in financial position, accompanied by an audit report and opinion of an Independent Certified Public Accountant.]

The Government shall also file with the Trustee, the Co-Trustee and the Depository, and furnish to each Rating Agency that initially rated any Series of Bonds, within thirty (30) days after receipt of the annual audited financial statements of the Government a copy of such statement.

SECTION 6.07. Maintenance of Powers. The Government shall at all times use its best efforts to maintain the powers, functions, duties and obligations now reposed in it pursuant to law, and will not at any time voluntarily do, suffer or permit any act or thing the effect of which would be to hinder, delay or imperil either the payment of the indebtedness evidenced by any of the Bonds or the observance of any of the covenants herein contained.

SECTION 6.08. Compliance With Indenture, Contracts, Laws and Regulations. The Government shall faithfully observe and perform all the covenants, conditions and requirements of this Indenture, shall not issue any Bonds in any manner other than in accordance with this Indenture, and shall not take any action that would permit any default to occur hereunder, or do or permit to be done anything that might in any way weaken, diminish or impair the security intended to be given pursuant to this Indenture. Subject to the limitations and consistent with the covenants, conditions and requirements contained in this Indenture, the Government shall comply with the terms, covenants and provisions, express or implied, of all contracts concerning or affecting the application of proceeds of Bonds or Revenues. The Government shall comply promptly, fully and faithfully with and abide by any statute, law, ordinance, order, rule or regulation, judgment, decree, direction or requirement now in force or hereafter enacted, adopted, prescribed, imposed or entered by any competent governmental authority or agency applicable to or affecting the Bonds.

SECTION 6.09. Collection of Business Privilege Tax Revenues. The Government shall impose, levy, and enforce taxes of the type now imposed by Section 26201 of Chapter 26 of Title 11 of the Guam Code Annotated and collect Business Privilege Tax Revenues in accordance herewith.

The Government further covenants and agrees that all such taxes shall be payable in such coin or currency of the United States of America as at the time of payment is legal tender for the payment of public and private debts.

SECTION 6.10. Waiver of Laws. The Government shall not at any time insist upon or plead in any manner whatsoever, or claim or take the benefit or advantage of, any stay or extension law now or at any time hereafter in force that may affect the covenants and agreements contained in this Indenture or in the Bonds, and all benefit or advantage of any such law or laws is hereby expressly waived by the Government to the extent permitted by law. The Government shall not claim, and hereby waives any claim to, sovereign immunity from any suit or other action that may be brought under this Indenture or upon the Bonds.

SECTION 6.11. Further Assurances. Whenever and so often as requested so to do by the Trustee, the Co-Trustee or any Bondowner, the Government will promptly execute and deliver or cause to be executed and delivered all such other and further instruments, documents or assurances, and promptly do or cause to be done all such other and further things, as may be necessary or reasonably required in order to further and more fully vest in the Trustee, the Co-Trustee and the Bondowners all rights, interest, powers, benefits, privileges and advantages conferred or intended to be conferred upon them by this Indenture.

SECTION 6.12. Negative Covenants. As long as any Bonds remain Outstanding, the Government shall not reduce the rate of levy and collection of the pledged Business Privilege Tax below three percent (3%), nor shall the Government reduce the services or the products activities to which the pledged Business Privilege Tax applies, nor shall the Government upwardly adjust any exception or exclusion to, or otherwise impair, the pledged Business Privilege Tax.

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES OF BONDOWNERS

SECTION 7.01. Events of Default. Any one or more of the following events shall be an "Event of Default" hereunder:

(1) if default shall be made in the due and punctual payment of the principal of, or the premium (if any) on, any Bond or Parity Obligation when and as the same shall become due and payable, whether at maturity as therein expressed, by proceedings for redemption, or if default shall be made in the redemption or payment at maturity from any Sinking Account of any Term Bonds in the amounts and at the times provided therefor;

(2) if default shall be made in the due and punctual payment of any installment of interest on any Bond or any Parity Obligation when and as such interest installment or Parity Obligation shall become due and payable;

(3) if default shall be made by the Government in the observance of any of the other covenants, agreements or conditions on its part in this Indenture or in the Bonds contained, if such default shall have continued for a period of sixty (60) days after written notice thereof, specifying such default and requiring the same to be remedied, shall have been given to the

Government by the Trustee, the Co-Trustee or the Owners of not less than twenty-five percent (25%) in aggregate principal amount of the Bonds at the time Outstanding; or

(4) if the Government shall file a petition or answer seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America, or if a court of competent jurisdiction shall approve a petition, filed with or without consent of the Government, seeking reorganization under the federal bankruptcy laws or any other applicable law of the United States of America, or if, under the provisions of any other law for relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the Government or of the whole or any substantial part of its property.

SECTION 7.02. Remedies.

(A) Acceleration of Maturities. If an Event of Default described in paragraph (1) or (2) of Section 7.01 shall occur, then, and in each and every such case during the continuance of such Event of Default, the Trustee or the Owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding shall be entitled, upon notice in writing to the Government but only upon the written consent of each Credit Provider that is not then in default under its Credit Facility, to declare the principal of all of the Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same shall become and shall be immediately due and payable, anything in this Indenture or in the Bonds contained to the contrary notwithstanding. No Credit Provider shall be entitled to give such consent unless it has either agreed to pay the Bonds insured by such Credit Facility as accelerated or agreed to pay such Bonds and the interest thereon on the dates originally scheduled for such payment without regard to such acceleration.

Any such declaration, however, is subject to the condition that if, at any time after such declaration and before any judgment or decree for the payment of the moneys due shall have been obtained or entered, the Government shall deposit with the Trustee a sum sufficient to pay all the principal of and installments of interest and premium, if any, on the Bonds payment of which is overdue, with interest on such overdue principal at the rate borne by the respective Bonds, and the reasonable charges and expenses of the Trustee, and any and all other Events of Default known to the Trustee (other than in the payment of principal of and interest on the Bonds due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall have been made therefor, then, and in every such case, the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding, by written notice to the Government and to the Trustee, may, on behalf of the Owners of all of the Bonds, rescind and annul such declaration and its consequences and waive such default; but no such rescission and annulment shall extend to or shall affect any subsequent default, or shall impair or exhaust any right or power consequent thereon.

(B) Remedies at Law. In each and every case during the continuance of an Event of Default, the Trustee in its discretion may, and upon the written request of the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding, and upon being indemnified to its satisfaction thereof, shall, after providing written notice to the Government, proceed to protect and enforce any rights of the Trustee and, to the full extent that

the Bondowners themselves might do, the rights of such Bondowners under this Indenture and under the laws of the Government by such of the following remedies as such majority shall deem most effectual to protect and enforce such rights:

- (1) by mandamus or other suit, action or proceeding at law or in equity, to enforce all rights of the Bondowners, including the right to require the Government to carry out any covenant or agreement with the Bondowners and to perform its duties under the Act;
- (2) by bringing suit upon the Bonds;
- (3) by action or suit in equity, to require the Government to account as if it were the trustee of an expressed trust for the Bondowners;
- (4) by realizing or causing to be realized through sale or otherwise upon the moneys, securities and other assets pledged hereunder;
- (5) by action or suit in equity, to enjoin any acts or things which may be unlawful or in violation of the rights of the Bondowners;
- (6) by requiring the Government to endorse all checks and other negotiable instruments representing Revenues to the order of the Trustee immediately upon the receipt thereof and to deliver such endorsed instruments daily to the Trustee; and
- (7) by notifying any or all account debtors of the Government to pay any amounts representing Revenues, when due, directly to the Trustee as Trustee.

SECTION 7.03. Application of Revenues and Other Funds After Default. If an Event of Default shall occur and be continuing, all Revenues and any other funds (except funds on deposit in the Rebate Fund) then held or thereafter received by the Trustee, the Co-Trustee or the Depositary under any of the provisions of this Indenture (except any funds held by the Trustee or a Depositary pursuant to Article XV hereof) shall be under the control of and applied by the Trustee, the Co-Trustee or the Depositary, as applicable, as follows and in the following order:

- (A) To the payment of any expenses necessary in the opinion of the Trustee to protect the interests of the Owners of the Bonds and payment of reasonable charges and expenses of the Trustee and the Co-Trustee (including reasonable fees and disbursements of its counsel) incurred in and about the performance of its powers and duties under this Indenture;
- (B) To the payment of the principal premium, if any, and interest then due on the Bonds (upon presentation of the Bonds to be paid, and stamping thereon of the payment if only partially paid, or surrender thereof if fully paid), and all Parity Obligations subject to the provisions of this Indenture (including Section 6.02), as follows:
 - (1) Unless the principal of all of the Bonds shall have become or have been declared due and payable,

First: To the payment to the persons entitled thereto of all installments of interest then due with respect to Bonds or Parity Obligations in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably according to the amounts due thereon, to the persons entitled thereto, without any discrimination or preference; and

Second: To the payment to the persons entitled thereto of the unpaid principal or Redemption Price of any Bond or Parity Obligation which shall have become due, whether at maturity or by call for redemption, in the order of their due dates, with interest on the overdue principal at the rate borne by the respective Bonds or Parity Obligations, and, if the amount available shall not be sufficient to pay in full all the Bonds and Parity Obligations due on any date, together with such interest, then to the payment thereof ratably, according to the amounts of principal and premium, if any, due on such date to the persons entitled thereto, without any discrimination or preference; or

(2) If the principal of all of the Bonds shall have become or shall have been declared due and payable, to the payment of the principal and interest then due and unpaid upon the Bonds and Parity Obligations, with interest on the overdue principal at the rate borne by the respective Bonds or Parity Obligations, and, if the amount available shall not be sufficient to pay in full the whole amount so due and unpaid, then to the payment thereof ratably, without preference or priority of principal over interest, or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond or Parity Obligation over any other Bond or Parity Obligation, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference.

SECTION 7.04. Trustee to Represent Bondowners. The Trustee is hereby appointed (and the successive respective Owners of the Bonds, by taking and holding the same, shall be conclusively deemed to have so appointed the Trustee) as trustee and true and lawful attorney-in-fact of the Owners of the Bonds for the purpose of exercising and prosecuting on their behalf such rights and remedies as may be available to such Owners under the provisions of the Bonds and this Indenture, as well as under the Act and applicable provisions of any other law. Upon the occurrence and continuance of an Event of Default or other occasion giving rise to a right in the Trustee to represent the Bondowners, the Trustee in its discretion may, and upon the written request of the Owners of not less than twenty-five percent (25%) in aggregate principal amount of the Bonds then Outstanding, and upon being indemnified to its satisfaction therefor, shall, proceed to protect or enforce its rights or the rights of such Owners by such appropriate suit, action, mandamus or other proceedings as it shall deem most effectual to protect and enforce any such right, at law or in equity, either for the specific performance of any covenant or agreement contained herein, or in aid of the execution of any power herein granted, or for the enforcement of any other appropriate legal or equitable right or remedy vested in the Trustee or in such Owners under this Indenture, the Act or any other law; and upon instituting such proceeding, the Trustee shall be entitled, as a matter of right to the appointment of a receiver of the Revenues and other assets pledged under this Indenture, pending such proceedings. All rights of action under this Indenture or the Bonds or otherwise may be prosecuted and enforced by the Trustee without the possession of any of the Bonds or the

production thereof in any proceeding; relating thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in the name of the Trustee for the benefit and protection of all the Owners of such Bonds, subject to the provisions of this Indenture.

SECTION 7.05. Bondowners Direction of Proceedings. Anything in this Indenture to the contrary notwithstanding, the Owners of a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, to direct the method of conducting all remedial proceedings taken by the Trustee hereunder, provided that such direction shall not be otherwise than in accordance with law and the provisions of this Indenture, and that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would adversely affect Bondowners not parties to such direction.

SECTION 7.06. Limitation on Bondowners' Right to Sue. No Owner of any Bond shall have the right to institute any suit, action or proceeding at law or in equity, for the protection or enforcement of any right or remedy under this Indenture, the Act or any other applicable law with respect to such Bond, unless (A) such Owner shall have given to the Trustee written notice of the occurrence of an Event of Default; (B) the Owners of not less than twenty-five percent (25%) in aggregate principal amount of the Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such suit, action or proceeding in its own name; (C) such Owner or said Owners shall have tendered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; and (D) the Trustee shall have refused or omitted to comply with such request for a period of sixty (60) days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Owner of Bonds of any remedy hereunder or under law; it being understood and intended that no one or more Owners of Bonds shall have any right in any manner whatever by its or their action to affect, disturb or prejudice the security of this indenture on the rights of any other Owners of Bonds, or to enforce any right under this Indenture, the Act or other applicable law with respect to the Bonds, except in the manner herein provided, and that all proceedings at law or in equity to enforce any such right shall be instituted, had and maintained in the manner herein provided and for the benefit and protection of all Owners of the Outstanding Bonds, subject to the provisions of this Indenture (including Section 6.02).

SECTION 7.07. Obligation of Government. Nothing in Section 7.06 or in any other provision of this Indenture, or in the Bonds, contained shall affect or impair the obligation of the Government, which is absolute and unconditional, to pay the principal or Redemption Price of and interest on the Bonds to the respective Owners of the Bonds at their respective dates of maturity, or upon call for redemption, as herein provided, but only out of the Revenues and other assets herein pledged therefor, or affect or impair the right of such Owners, which is also absolute and unconditional, to enforce such payment (but only out of the Revenues and other assets herein pledged therefor) by virtue of the contract embodied in the Bonds.

SECTION 7.08. Termination of Proceedings. In case any proceedings taken by the Trustee or any one or more Bondowners on account of any Event of Default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or the Bondowners, then in every such case the Government, the Trustee and the Bondowners, subject to any determination in such proceedings, shall be restored to their former positions and rights hereunder, severally and respectively, and all rights, remedies, powers and duties of the Government, the Trustee and the Bondowners shall continue as though no such proceedings had been taken.

SECTION 7.09. Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Trustee or to the Owners of the Bonds is intended to be exclusive of any other remedy or remedies, and each and every such remedy, to the extent permitted by law, shall be cumulative and in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or otherwise.

SECTION 7.10. No Waiver of Default. No delay or omission of the Trustee or of any Owner of the Bonds to exercise any right or power arising upon the occurrence of any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this Indenture to the Trustee or to the Owners of the Bonds may be exercised from time to time and as often as may be deemed expedient.

ARTICLE VIII

THE FIDUCIARIES

SECTION 8.01. Appointment of Trustee. [TRUSTEE] is hereby appointed as Trustee and Depositary under this Indenture.

SECTION 8.02. Appointment of Co-Trustee. [CO-TRUSTEE] is hereby appointed as Co-Trustee under this Indenture.

SECTION 8.03. Duties, Immunities and Liabilities of Trustee, Depositary, Paying Agent and Registrar.

(A) The Trustee and the Co-Trustee shall, prior to an Event of Default, and after the curing of all Events of Default which may have occurred, perform such duties and only such duties as are specifically set forth in this Indenture for each to perform. The Trustee and the Co-Trustee shall, during the existence of any Event of Default which has not been cured, exercise such of the rights and powers vested in them by this Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs. The Government, the Trustee, the Co-Trustee and each Depositary shall establish such accounting, notice and other relationships as are necessary to provide for the operation of the accounts created under or pursuant to Article V, and the handling of the Revenues, credited thereto in accordance herewith.

(B) Each Depositary, Registrar and Paying Agent shall, prior to an Event of Default, and after the curing or waiver of all Events of Default which may have occurred, perform such duties and only such duties as are specifically set forth in this Indenture, and shall, during the existence of any Event of Default (which has not been cured or waived), follow the directions of the Trustee, if any, with respect to any of the Funds and Accounts held under this Indenture.

(C) The Government may remove any Fiduciary at any time unless an Event of Default shall have occurred and then be continuing, and shall remove a Fiduciary if at any time requested to do so by an instrument or concurrent instruments in writing signed by the Owners of not less than a majority in Accreted Value of the Bonds then Outstanding (or their attorneys duly authorized in writing) or if at any time such Fiduciary shall cease to be eligible in accordance with subsection (F) of this Section, or shall become incapable of acting, or shall be adjudged bankrupt or insolvent, or a receiver of such Fiduciary or its property shall be appointed, or any public officer shall take control or charge of such Fiduciary or its property or affairs for the purpose of rehabilitation, conservation or liquidation; in each case by giving notice of such removal to such Fiduciary and thereupon shall appoint a successor Trustee, Co-Trustee, Depositary, Registrar or Paying Agent, as the case may be, by an instrument in writing. Any Supplemental Indenture or Credit Agreement entered into in connection with Bonds may provide that the Credit Provider with respect thereto has the right to direct the Government to remove any Fiduciary and appoint a successor under the circumstances specified therein.

(D) Any Fiduciary may at any time resign by giving notice of such resignation to the Government, the other Fiduciaries and each Credit Provider. Subject to the provisions of any Supplemental Indenture or Credit Agreement, upon receiving such notice of resignation, the Government shall promptly appoint a successor Trustee, Co-Trustee, Depositary, Registrar or Paying Agent, as the case may be, by an instrument in writing.

(E) Any such removal or resignation and appointment of a successor Fiduciary shall become effective upon acceptance of appointment by the successor. Promptly upon such acceptance, the Government shall give notice thereof to each Fiduciary, to each affected Credit Provider and to the affected Bondowners by mail in the manner provided by Section 4.03. If no successor shall have been appointed and have accepted appointment within forty-five (45) days after giving notice of removal or notice of resignation as aforesaid, the resigning Fiduciary or any Bondowner (on behalf of such Bondowner and all other Bondowners) or any Credit Provider may petition any court of competent jurisdiction for the appointment of a successor, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor. Any such successor appointed under this Indenture shall signify its acceptance of such appointment by executing and delivering to the Government and to its predecessor a written acceptance thereof (which may be a Supplemental Indenture), and thereupon such successor, without any further act, deed or conveyance, shall become vested with all the moneys, estates, properties, rights, powers, trusts, duties and obligations of such predecessor, with like effect as if originally named herein; but, nevertheless, at the Request of the Government or the request of the successor, such predecessor shall execute and deliver any and all instruments of conveyance or further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and confirming to such successor all the right, title and interest of such predecessor in and to any property held by it under this Indenture and shall pay over, transfer,

assign and deliver to the successor any money or other property subject to the trusts and conditions herein set forth. Upon request of the successor, the Government shall execute and deliver any and all instruments as may be reasonably required for more fully and certainly vesting in and confirming to such successor all such moneys, estates, properties, rights, powers, trusts, duties and obligations.

(F) (1) The Trustee and the Co-Trustee appointed under the provisions of this Section shall meet the requirements of any Supplemental Indenture and any Credit Agreement and shall each be a trust company or bank having trust powers doing business and having a corporate trust office in any state or territory and having a combined capital and surplus of at least Twenty Million Dollars (\$20,000,000), and subject to supervision or examination by federal, state or territorial authority. Any bank or trust company that meets the requirements of the preceding sentence may serve as both Trustee and Co-Trustee. If a bank or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this Section the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee or the Co-Trustee shall cease to be eligible in accordance with the provisions of this subsection (F)(1), it shall resign immediately in the manner and with the effect specified in this Section. The Trustee and Co-Trustee may be appointed and act as a Depositary, Registrar or Paying Agent hereunder.

(2) Each Registrar and Paying Agent appointed under the provisions of this Section shall meet the requirements of any Supplemental Indenture and any Credit Agreement and shall be a trust company or bank having trust powers doing business and having a corporate trust office in any state of the United States and subject to supervision or examination by federal or state authority. In case at any time any Registrar or Paying Agent shall cease to be eligible in accordance with the provisions of this subsection (F)(2), it shall resign immediately in the manner and with the effect specified in this Section.

(3) Each Depositary appointed under the provisions of this Section shall be a trust company or bank having the powers of a trust company doing business and having a trust office on Guam, having a combined capital and surplus of at least Ten Million Dollars (\$10,000,000), and subject to supervision or examination by federal or territorial authority. If such bank or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this Section the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Depositary shall cease to be eligible in accordance with the provisions of this subsection (F)(3), the Depositary shall resign immediately in the manner and with the effect specified in this Section.

(G) Any company into which any Fiduciary may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which such Fiduciary may sell or transfer all or substantially all of its corporate trust business, provided such company shall be eligible under subsection (F) of this Section, shall be the successor to such Fiduciary without the

execution or filing of any paper or any further act, anything herein to the contrary notwithstanding. Any such successor shall give notice of such merger, conversion or consolidation to each other Fiduciary and to the Government.

SECTION 8.04. Compensation. Subject to the terms of separate contracts with Fiduciaries, the Government shall pay each Fiduciary from time to time reasonable compensation for all services rendered under this Indenture, and also all reasonable expenses, charges, fees of counsel, accountants and consultants and other disbursements, including those of their attorneys, agents and employees, incurred in good faith in and about the performance of their powers and duties under this Indenture. The Government further agrees, to the extent permitted by law, to indemnify and save each Fiduciary harmless against any losses, costs, expenses, claims and liabilities (including, without limitation, those of its attorneys, agents and receivers) which they may incur in the exercise and performance of their respective powers, functions and duties under this Indenture, which are not due to their own respective gross negligence or willful misconduct. Such indemnity shall survive the resignation or removal of each Fiduciary.

SECTION 8.05. Liability of Fiduciaries. The recitals of facts herein and in the Bonds contained shall be taken as statements of the Government, and no Fiduciary assumes any responsibility or liability for the correctness of the same, or makes any representations as to the validity or sufficiency of this Indenture, of the Bonds, of any Credit Facility or of the pledge and assignment of Revenues herein or any information or statements in any offering memorandum or other disclosure material prepared or distributed in connection with the issuance of Bonds or shall incur any responsibility or liability in respect thereof, other than in connection with the duties or obligations herein or in the Bonds assigned to or imposed upon them, respectively. Each Registrar shall, however, be responsible for its representations contained in its certificate of authentication and registration on the Bonds. No Fiduciary shall be liable in connection with the performance of its respective duties hereunder, except for its own respective gross negligence or willful misconduct. Any Fiduciary may become the owner of the Bonds with the same rights it would have if it were not a Fiduciary, and, to the extent permitted by law, may act as depositary for and permit any of their officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bondowners, whether or not such committee shall represent the Owners of a majority in Accreted Value of the Bonds then Outstanding. No Fiduciary shall be under any responsibility or duty with respect to the application of any moneys paid to any other Fiduciary or the acts or omissions of any other Fiduciary. No Fiduciary shall be under any obligation or duty to perform any act which would require it to expend or risk its own moneys or otherwise incur any liability or to institute or defend any action or suit in respect of this Indenture or the Bonds, unless it is in its judgment adequately indemnified. No Fiduciary shall be deemed to have knowledge of an Event of Default hereunder unless it has received actual knowledge thereof at its Principal Office, except, in the case of the Trustee, default in the payment of any amounts due on the Bonds on the due date therefor.

SECTION 8.06. Right of Fiduciaries to Rely on Documents. Any Fiduciary shall be protected in acting upon any notice, resolution, request, consent, order, certificate, requisition, statement, report, opinion, bond or other paper or document believed to be genuine and to have been signed or presented by the proper party or parties. Any Fiduciary may consult with

counsel, who may be counsel of or to the Government, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

Whenever in the administration of the trusts imposed upon it by this Indenture a Fiduciary shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a Certificate of the Government, and such Certificate shall be full warrant to such Fiduciary for any action taken or suffered in good faith under the provisions of this Indenture in reliance upon such Certificate, but in its discretion such Fiduciary may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

The Fiduciaries shall have no responsibility with respect to any information, statement, or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Bonds.

No Fiduciary shall be deemed to have knowledge of an Event of Default hereunder unless such Fiduciary shall have actual knowledge.

The immunities extended to the Fiduciaries also extend to their directors, officers, employees and agents.

The Fiduciaries shall not be liable for any action taken or not taken in accordance with the direction of a majority (or other percentage or any Bond Insurer as provided for herein) in aggregate principal amount of Bonds outstanding relating to the exercise of any right, power or remedy available to the Fiduciaries.

The permissive right of the Fiduciaries to take actions enumerated in this Indenture shall not be construed as a duty.

SECTION 8.07. Preservation and Inspection of Documents. All documents received by any Fiduciary from or on behalf of the Government under the provisions of this Indenture shall be retained in its possession and shall be subject at all reasonable times to the inspection of the Government and any Bondowner, and their agents and representatives duly authorized in writing, at reasonable hours and under reasonable conditions.

ARTICLE IX

MODIFICATION OR AMENDMENT OF THE INDENTURE

SECTION 9.01. Amendments Permitted. (A) (1) This Indenture and the rights and obligations of the Government and of the Owners of the Bonds and of the Trustee and Co-Trustee may be modified or amended at any time by a Supplemental Indenture which shall become binding when the consents of the Owners of at least sixty percent (60%) in Accreted Value of the Bonds then Outstanding, exclusive of Bonds disqualified as provided in Section 9.03 hereof; provided that if such modification or amendment will, by its terms, not take effect so long as any bonds of any particular maturity or Series remain Outstanding, the consent

of the Owners of Bonds of such maturity or Series shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this Section; and provided further that the consent of a Credit Provider for any Bond shall be deemed to be the consent of the Owner of such Bond if specified in the Supplemental Indenture pursuant to which such Credit Provider is designated as providing a Credit Facility for such Bond.

(2) No such modification or amendment shall (a) extend the fixed maturities of the Bonds, or extend the time for making any Mandatory Sinking Account Payments, or reduce the rate of interest thereon, or extend the time of payment of interest, or reduce the amount of principal thereof, or reduce any premium payable on the redemption thereof, without the consent of the Owner of each Bond so affected, or (b) reduce the aforesaid percentage of Owners of Bonds whose consent is required for the execution of any amendment or modification of this Indenture or permit the creation of any lien on the Revenues prior to or on a parity with the lien created by this Indenture, or deprive the Owners of the Bonds of the lien created by this Indenture upon such Revenues, without in each case the consent of the Owners of all of the Bonds then Outstanding.

(3) No such modification or amendment shall modify any of the rights or obligations of any Fiduciary without its consent thereto.

(B) This Indenture and the rights and obligations of the Government and of the Owners of the Bonds may also be modified or amended at any time by a Supplemental Indenture which shall become binding upon adoption, without the consent of any Bondowners, but only to the extent permitted by law and only for any one or more of the following purposes:

(1) to add to the covenants and agreements of the Government in this Indenture contained other covenants and agreements thereafter to be observed or to surrender any right or power herein reserved to or conferred upon the Government;

(2) to cure, correct or supplement any ambiguous or defective provision, contained in this Indenture or in regard to questions arising under this Indenture, as the Government may deem necessary or desirable and not inconsistent with this Indenture, and which shall not materially adversely affect the interests of the Owners of the Bonds or any Credit Provider;

(3) to provide for the issuance of Additional Bonds, and to provide the terms and conditions under which such Additional Bonds may be issued, subject to and in accordance with the provisions of Article III;

(4) to provide for any other matters for which a Supplemental Indenture is expressly permitted or required hereunder;

(5) to pledge additional security to the Bondowners;

(6) to amend or modify any provision in a Supplemental Indenture to the extent permitted by such Supplemental Indenture; and

(7) to make any other amendment or modification which shall not materially adversely affect the interests of the Owners of the Bonds or any Credit Provider.

(C) Any Supplemental Indenture providing for the issuance of a Series of Bonds may require, in addition to or in lieu of any consents required by the foregoing provisions of this Section 9.01, the consent of any Credit Provider for such Bonds in order for any amendment hereto affecting such Bonds to be effective, and may set forth appropriate procedures for obtaining and evidencing such consent.

SECTION 9.02. Procedure for Amendment With Consent of Bondowners. The Government may at any time adopt a Supplemental Indenture amending the provisions of the Bonds or of this Indenture or any Supplemental Indenture, to the extent that such amendment is permitted by Section 9.01(A)(1), to take effect when and as provided in this Section. A copy of such Supplemental Indenture, together with a request to Bondowners for their consent thereto, shall be mailed by the Government to each Owner of Bonds, but failure to receive any such copies of such Supplemental Indenture and request shall not affect the validity of the Supplemental Indenture when assented to as in this Section provided.

Such Supplemental Indenture shall not become effective unless there shall be filed with the Trustee the consents of the Owners of sixty percent (60%) in Accreted Value of the Bonds then Outstanding (exclusive of Bonds disqualified as provided in Section 9.03) and a notice shall have been published as hereinafter in this Section provided. Each such consent shall be effective only if accompanied by proof of ownership of the Bonds for which such consent is given, which proof shall be such as is permitted by Section 11.08. Any such consent shall be binding upon the Owner of the Bonds giving such consent and on any subsequent Owner (whether or not such subsequent Owner has notice thereof) unless such consent is revoked in writing by the Owner giving such consent or a subsequent Owner by filing such revocation with the Trustee prior to the date when the notice hereinafter in this Section provided for has been published.

After the Owners of the required percentage of Bonds shall have filed their consents to the Supplemental Indenture, the Government shall mail a notice to the Bondowners in the manner hereinbefore provided in this Section for the mailing of the Supplemental Indenture and publication of the notice of adoption thereof, stating in substance that the Supplemental Indenture has been consented to by the Owners of the required percentage of the Bonds and will be effective as provided in this Section (but failure to receive copies of said notice shall not affect the validity of the Supplemental Indenture or consents thereto). A record, consisting of the papers required by this Section to be filed with the Trustee, shall be proof of the matters therein stated until the contrary is proved.

In lieu of obtaining any demand, request, direction, consent or waiver in writing, the Trustee may call and hold a meeting of the Bondowners upon such notice and in accordance with such rules and regulations as the Trustee considers fair and reasonable for the purpose of obtaining such action.

SECTION 9.03. Disqualified Bonds. Bonds owned or held by or for the account of the Government (but excluding Bonds held in any pension or retirement fund) shall not be

deemed Outstanding for the purpose of any consent or other action or any calculation of Outstanding Bonds provided for in this Article or Indenture, and shall not be entitled to consent to or take any other action provided for in this Article or Indenture.

The Government may adopt appropriate regulations to require each Bondowner, before his consent provided for in this Article shall be deemed effective, to reveal if the Bonds as to which such consent is given are disqualified as provided in this Section.

SECTION 9.04. Effect of Supplemental Indenture. From and after the time any Supplemental Indenture becomes effective pursuant to this Article, this Indenture shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Indenture of the Government, the Trustee, the Co-Trustee and all Owners of Bonds Outstanding shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any such Supplemental Indenture shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

SECTION 9.05. Endorsement or Replacement of Bonds Issued Before Amendments. The Government may determine that Bonds issued and delivered before the effective date of any action taken as provided in this Article shall bear a notation, by endorsement or otherwise, in form approved by the Government, as to such action. In that case, upon demand of the Owner of any Bond Outstanding at such effective date and presentation of his Bond for that purpose at the office of the Government or at such other office as the Government may select and designate for that purpose, a suitable notation shall be made on such Bond. The Government may determine that new Bonds, so modified as in the opinion of the Government, is necessary to conform to such action, shall be prepared, executed and delivered. In that case, upon demand of the Owner of any Bonds then Outstanding, such new Bonds shall be exchanged at the Principal Office of the applicable Registrar, without cost to such Owner, for Bonds of the same character then Outstanding, upon surrender of such Bonds.

SECTION 9.06. Amendatory Endorsement of Bonds. The provisions of this Article shall not prevent any Bondowner from accepting any amendment as to the particular Bonds held by such Bondowner, provided that due notification thereof is made on such Bonds.

SECTION 9.07. Credit Provider Consent. Nothing in this Article or in this Indenture shall affect any provision of any Credit Agreement or Supplemental Indenture requiring the Government to obtain the consent of the Credit Provider or to satisfy any other conditions before amending or supplementing this Indenture or any Bond.

ARTICLE X

DEFEASANCE

SECTION 10.01. Discharge of Indenture. If the Government shall pay and discharge the entire indebtedness on all Bonds Outstanding in any one or more of the following ways:

(A) by well and truly paying or causing to be paid the principal of (including redemption premiums, if any) and interest on all Bonds Outstanding, as and when the same become due and payable (but this clause shall not include Bonds the principal of or interest on which has been paid by a Credit Provider until such said principal and interest shall have been paid by the Government); or

(B) by depositing with the Co-Trustee, in trust, at or before maturity, money which, together with the amounts then on deposit in the Bond Fund, the Bond Payment Account and the Bond Reserve Fund, is fully sufficient to pay or redeem Bonds Outstanding; or

(C) by delivering to the Co-Trustee, for cancellation by it, all Bonds Outstanding; or

(D) by depositing with the Co-Trustee, in trust, non-callable Federal Securities in such amount which, in the determination of an Independent Certified Public Accountant, who shall certify such determination to the Co-Trustee and, if so provided in a Supplemental Indenture, any Credit Provider, shall, together with the income or increment to accrue thereon and any other moneys of the Government made available for such purpose, be fully sufficient to pay and discharge the indebtedness on all Bonds (including all principal, interest and redemption premiums, if any) at or before their respective maturity dates;

and if the Government shall also pay or cause to be paid all other sums payable hereunder by the Government (including all Parity Payment Agreement Payments and any Termination Payments payable in connection with a termination of a Parity Payment Agreement and any Credit Agreement Payments then due and payable) and deliver or have delivered to the Trustee, the Co-Trustee and each Credit Provider an Opinion of Counsel to the effect that upon satisfaction of the other requirements of this Section 10.01 and any Supplemental Indenture all obligations of the Government under this Indenture have ceased, terminated and been completely discharged, then and in that case, at the election of the Government (evidenced by a Certificate of the Government signifying its intention to pay and discharge all such indebtedness and that this Indenture and all other obligations of the Government under this Indenture shall cease and terminate, which shall be filed with the Trustee and the Co-Trustee), and notwithstanding that any Bonds shall not have been surrendered for payment, the pledge of Revenues and other funds provided for in this Indenture and all other obligations of the Government under this Indenture shall cease, terminate and be completely discharged, and the Owners of the Bonds not so surrendered and paid shall thereafter be entitled to payment only out of the money or Federal Securities deposited with the Co-Trustee as aforesaid for their payment; subject, however, to the provisions of Section 10.03. The discharge of the obligations of the Government under this Indenture shall be without prejudice to the rights of the Co-Trustee to charge for and be reimbursed by the Government for any expenditures which it may thereafter incur in connection herewith.

The Government may at any time surrender to the Co-Trustee for cancellation by it any Bonds previously issued and delivered, which the Government may have acquired in any manner whatsoever, and such Bonds, upon such surrender and cancellation, shall be deemed to be paid and retired.

SECTION 10.02. Discharge of Liability on Bonds. Upon the deposit with the Co-Trustee, in trust, at or before maturity, of money or Federal Securities in the necessary amount to pay or redeem Outstanding Bonds (whether upon or prior to their maturity or the redemption date of such Bonds), provided that if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as in Article IV provided or provision satisfactory to the Co-Trustee shall have been made for the giving of such notice, then all liability of the Government in respect of such Bonds shall cease, determine and be completely discharged and the Owners thereof shall thereafter be entitled only to the payment out of the money or Federal Securities deposited with the Trustee as aforesaid for their payment, subject, however, to the provisions of Section 10.03.

SECTION 10.03. Payment of Bonds After Discharge of Indenture. Notwithstanding any provisions of this Indenture, any moneys deposited with the Co-Trustee in trust for the payment of the principal of, or interest or premium on, any Bonds and remaining unclaimed for two years after the principal of all the Outstanding Bonds has become due and payable (whether at maturity or upon call for redemption or by declaration as provided in this Indenture) shall then be repaid to the Government upon its Request, and the Owners of such Bonds shall thereafter be entitled to look only to the Government for payment thereof, and all liability of the Co-Trustee with respect to such moneys shall thereupon cease. In the event of the repayment of any such moneys to the Government as aforesaid, the Owners of the Bonds in respect of which such moneys were deposited shall thereafter be deemed to be general creditors of the Government for amounts equivalent to the respective amounts deposited for the payment of such Bonds and so repaid to the Government (without interest thereon).

ARTICLE XI

MISCELLANEOUS

SECTION 11.01. Liability of Government Limited to Revenues. Notwithstanding anything to the contrary in this Indenture or in the Bonds contained, the Government shall not be required to advance any moneys derived from any source other than the Revenues and other assets pledged under this Indenture for any of the purposes in this Indenture mentioned, whether for the payment of the principal or Redemption Price of or interest on the Bonds or for any other purpose of this Indenture. Nevertheless, the Government may, but shall not be required to, advance for any of the purposes hereof any funds of the Government which may be made available to it for such purposes.

SECTION 11.02. Successor Is Deemed Included in All References to Predecessor. Whenever in this Indenture either the Government or any Fiduciary is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Indenture contained by or on behalf of the Government or any Fiduciary shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

SECTION 11.03. Limitation of Rights to Parties and Bondowners. Nothing in this Indenture or in the Bonds expressed or implied is intended or shall be construed to give to any person, other than the Government, the Fiduciaries, and the Owners of the Bonds issued

hereunder and to the extent set forth herein or in a Supplemental Indenture any Credit Provider, any legal or equitable right, remedy or claim under or in respect of this Indenture or any covenant, condition or provision therein or herein contained; and all such covenants, conditions and provisions are and shall be held to be for the sole and exclusive benefit of the Government, the Fiduciaries and the Owners of the Bonds issued hereunder and any such Credit Provider.

SECTION 11.04. Waiver of Notice. Whenever in this Indenture the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person entitled to receive such notice and in any such case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

SECTION 11.05. Destruction of Bonds. Whenever in this Indenture provision is made for the cancellation by the Co-Trustee and the delivery to the Government of any Bonds, the Co-Trustee may destroy such Bonds (in the presence of an officer of the Government, if the Government shall so require), and deliver a certificate of such destruction to the Government, unless the Government shall, by Request of the Government, request the Co-Trustee to instead cancel and deliver said Bonds to the Government.

SECTION 11.06. Severability of Invalid Provisions. If any one or more of the provisions contained in this Indenture or in the Bonds shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Indenture and such invalidity, illegality or unenforceability shall not affect any other provision of this Indenture, and this Indenture shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The Government hereby declares that it would have adopted this Indenture and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issuance of the Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses or phrases of this Indenture may be held illegal, invalid or unenforceable. If, by reason of the judgment of any court, the Trustee or the Co-Trustee or any successor Trustee or Co-Trustee is rendered unable to perform its duties hereunder, and if no successor Trustee or Co-Trustee be then appointed, all such duties and all of the rights and powers of the Trustee or the Co-Trustee hereunder, as applicable, shall be assumed by and vest in the Director of Administration of the Government in trust for the benefit of the Bondowners.

SECTION 11.07. Notice to Government, Trustee and Co-Trustee. Any notice to or demand upon the Government, the Trustee, the Co-Trustee, and any Depositary or any Registrar shall be deemed to have been sufficiently given or served for all purposes by being deposited, postage prepaid, in a post office letter box, addressed to the applicable address set forth below, or at such other address as may have been specified by the Supplemental Indenture appointing such party or filed in writing by such party with each other party.

Any notice to or demand upon the Government shall be deemed to have been sufficiently given or served for all purposes by being deposited, postage prepaid, in a post office letter box, addressed to the Department of Administration, P.O. Box 884, Hagåtña, Guam 96932, Attention: Director.

Any notice to or demand upon the Trustee or the Depository may be served or presented, and such demand may be made, at the Principal Office of the Trustee, which at the date of adoption of this Indenture is: [TRUSTEE ADDRESS]; *provided, however*, that for purposes of payment, transfer, registration and exchange of Bonds, presentation shall be made at the Principal Office of the Co-Trustee located at [CO-TRUSTEE ADDRESS], Reference: Government of Guam Business Privilege Tax Bonds.

SECTION 11.08. Evidence of Rights of Bondowners. Any request, consent or other instrument required by this Indenture to be signed and executed by Bondowners may be in any number of concurrent writings of substantially similar tenor and may be signed or executed by such Bondowners in person or by an agent or agents duly appointed in writing. Proof of the execution of any such request, consent or other instrument or of a writing appointing any such agent shall be sufficient for any purpose of this Indenture and shall be conclusive in favor of the Trustee, the Co-Trustee and of the Government if made in the manner provided in this Section.

The fact and date of the execution by any person of any such request, consent or other instrument or writing may be proved in any manner reasonably accepted to the Trustee or the Co-Trustee, as applicable.

The ownership of Bonds shall be proved by the Bond registration books maintained pursuant to Section 2.06.

Any request, consent, vote or declaration of the Owner of any Bond shall bind every future Owner of the same Bond and the Owner of every Bond issued in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Trustee, the Co-Trustee or the Government in pursuance of such request, consent, vote or declaration.

SECTION 11.09. Article and Section Headings and References. The headings or titles of the several Articles and Sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this Indenture.

All references herein to “Articles,” “Sections” and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Indenture; and the words “herein,” “hereof,” “hereunder” and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or subdivision hereof.

SECTION 11.10. Funds and Accounts. Any fund required by this Indenture to be established and maintained by the Government, the Trustee, the Co-Trustee or any Depository may be established and maintained in the accounting records of the Government, the Trustee, the Co-Trustee or the Depository, as applicable, either as a fund or an account, and may, for the purposes of such records, any audits thereof and any reports or statements with respect thereto, be treated either as a fund or as an account; but all such records with respect to all such funds shall at all times be maintained in accordance with generally accepted accounting practices (and as to the Trustee, the Co-Trustee and any Depository, sound industry practice) and with due regard for the protection of the security of the Bonds and the rights of every Owner thereof.

SECTION 11.11. Saturdays, Sundays and Legal Holidays. If any party hereto is required to perform, pursuant to a provision of this Indenture, any act on a date which falls on a Saturday, Sunday or legal holiday, the party required to perform such act shall be deemed to have performed it in a timely manner, and in conformance with such provision, if it shall perform such act on the next succeeding Business Day. Any payments or transfers which would otherwise become due on any day which is not a Business Day shall become due or shall be made on the next succeeding Business Day.

SECTION 11.12. Waiver of Personal Liability. Neither the Governor, any employee of the Government nor any elected official of the Government shall be individually or personally liable for the payment of any amounts due on any Bonds, or for any other liability arising in connection with the Bonds; *provided, however*, that nothing herein shall relieve any employee or elected official from the performance of any ministerial duty required by law.

SECTION 11.13. Governing Law. This Indenture and any Supplemental Indenture shall be construed and governed in accordance with the laws of the Government of Guam, *provided, however*, that the administration of the trusts imposed upon the Trustee and the Co-Trustee by the Indenture and the rights and duties of the Trustee and Co-Trustee hereunder shall be governed by, and construed in accordance with, the laws of the jurisdiction in which the Trustee or the Co-Trustee, as applicable, has its applicable corporate trust office.

SECTION 11.14. Execution in Several Counterparts. This Indenture may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the Government, the Trustee and the Co-Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

SECTION 11.15. Credit Agreements and Credit Providers. Anything herein to the contrary notwithstanding, a Supplemental Indenture providing for the issuance of a Series of Bonds for which a Credit Facility provides supplemental credit support may, so long as such Credit Facility shall be Outstanding or any Credit Agreement Payments are due and payable with respect thereto, provide additional terms, provisions and limitations not inconsistent with the provisions hereof for the protection and benefit of the related Credit Provider.

IN WITNESS WHEREOF, the GOVERNMENT OF GUAM has caused this Indenture to be signed in its name by its duly authorized officers; and [TRUSTEE] and [CO-TRUSTEE], in token of their acceptance of the respective trusts created hereunder, have caused this Indenture to be signed in their respective corporate names by one of their authorized officers, all as of the day and year first above written.

GOVERNMENT OF GUAM

By _____
Governor

Approved as to form:

[TRUSTEE],
as Trustee

By _____
Attorney General

By _____
Authorized Officer

[CO-TRUSTEE],
as Co-Trustee

By _____
Authorized Officer

EXHIBIT B2

GOVERNMENT OF GUAM

and

[TRUSTEE],
as Trustee,

and

[CO-TRUSTEE],
as Co-Trustee

SUPPLEMENTAL INDENTURE

Dated as of [November] 1, 2011

Relating to

[\$[PAR AMOUNT]
Government of Guam
Business Privilege Tax Bonds,
Series 2011A

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THIS SUPPLEMENTAL INDENTURE, made and entered into as of [November] 1, 2011, by and among the GOVERNMENT OF GUAM, duly organized and existing under and by virtue of the laws of the United States of America (the "Government"), [TRUSTEE], a [_____] organized under the laws of [_____] , authorized to do business within Guam and qualified to accept and administer the trusts hereby created, as trustee (the "Trustee") and depositary (the "Depositary"), and [CO-TRUSTEE], a [_____] organized under the laws of [_____] and qualified to accept and administer the trusts hereby created, as co-trustee (the "Co-Trustee"), paying agent (the "Paying Agent") and registrar (the "Registrar");

W I T N E S S E T H:

WHEREAS, pursuant to Section 1512.3 of Chapter 1 of Title 5 of the Guam Code Annotated, the Governor of Guam (the "Governor") has the power and is authorized to issue bonds on behalf of the Government to raise funds for the purpose paying unpaid individual and corporate income tax refunds from 2010 and earlier years and for the purpose of restructuring and refunding a portion of the outstanding Government of Guam General Obligation Bonds, [1993 Series A, 2007 Series A and 2009 Series A] (collectively, the "Refunded Bonds");

WHEREAS, the Government has determined to issue limited obligation bonds for such purposes and to that end has duly authorized the execution and delivery of that certain Indenture, dated as of [November] 1, 2011 (the "Indenture"), by and among the Government, the Trustee and the Co-Trustee, 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, limited obligation bonds may be issued pursuant to the Act and the Indenture and one or more indentures supplemental thereto ("Supplemental Indentures"), from time to time, in an aggregate principal amount limited to \$600,000,000, except as therein provided, and said limited obligation bonds are to be designated as the "Government of Guam Business Privilege Tax Bonds" (the "Bonds");

WHEREAS, it is now desirable and necessary and in the best interests of the Government to authorize the issuance of \$[PAR AMOUNT] aggregate principal amount of Bonds further designated as "Series 2011A Bonds" to raise funds for the Series 2011A Expenses (as defined herein), including the refunding and restructuring of the Refunded Bonds;

WHEREAS, the Legislature (as required by Section 50103(k) of Title 12, Guam Code Annotated (the "GEDA Law")) has approved the terms and conditions of the Series 2011A Bonds pursuant to P.L. 30-228;

WHEREAS, pursuant to the GEDA Law, the Guam Economic Development Authority has approved the sale of said Series 2011A Bonds pursuant to its Resolution No. 11-[___], adopted on [_____] , 2011; and

WHEREAS, all acts, conditions and things required by the laws of the United States of America and the laws of Guam to exist, to have happened and to have been performed precedent to and in connection with the issuance of said Series 2011A Bonds exist, have happened, and have been performed in regular and due time, form and manner as required by law, and the Government 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 and conditions herein provided;

NOW, THEREFORE, in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Series 2011A Bonds by the owners thereof, and for other valuable considerations, the receipt whereof is hereby acknowledged, the Government does hereby covenant and agree with the Trustee and the Co-Trustee as follows:

ARTICLE XII

DEFINITIONS

SECTION 12.01 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 the Indenture and this Supplemental Indenture and of any certificate, opinion or other document herein mentioned, have the meanings herein specified.

Act

“Act,” as defined in the Indenture, includes Section 1512.3 of Article 5 of Chapter 1 of Title 5 of the Guam Code Annotated, as it may from time to time hereafter be amended or supplemented.

DTC

“DTC” means The Depository Trust Company, New York, New York, and its successors and assigns.

Escrow Agreement

“Escrow Agreement” means that certain Escrow Agreement, dated as of [November] 1, 2011, by and between the Government and [_____], as escrow agent, regarding the Refunded Bonds.

Representation Letter

“Representation Letter” means any representation letter delivered to or agreement with DTC with respect to the Series 2011A Bonds.

Series 2011A Expenses

“Series 2011A Expenses” means (1) the amount required to restructure and refund the principal and interest payments accruing or payable on the Refunded Bonds, (2) up to two hundred ninety million dollars (\$290,000,000) for the purpose of paying unpaid individual and corporate income tax refunds from 2010 and earlier years, (3) such amount as may be needed to capitalize and pay interest on the Series 2011A Bonds accruing or due in Fiscal Years 2012 and 2013, and (iv) to pay expenses incurred in connection with the issuance of the Series 2011A Bonds.

Series 2011A Bonds, Series 2011A Serial Bonds, Series 2011A Term Bonds

“Series 2011A Bonds” means the \$[PAR AMOUNT] aggregate principal amount of Government of Guam Business Privilege Tax Bonds, Series 2011A.



“Series 2011A Serial Bonds” means the Series 2011A Bonds designated as such by Section 13.02, and for which no Mandatory Sinking Account Payments are provided.

“Series 2011A Term Bonds” means the Series 2011A Bonds designated as such by Section 13.02, and for which Mandatory Sinking Account Payments are provided.

ARTICLE XIII

AUTHORIZATION AND TERMS OF THE SERIES 2011A BONDS

SECTION 13.01 Authorization of Series 2011A Bonds. An initial Series of Bonds is hereby authorized and created under the Act to raise funds for the purposes of paying the costs of the Series 2011A Expenses. Such Series of Bonds is designated as the “Government of Guam Business Privilege Tax Bonds, Series 2011A”. The aggregate principal amount of Series 2011A Bonds which may be issued and Outstanding under this Supplemental Indenture shall not exceed \$[PAR AMOUNT].

The Series 2011A Bonds shall be treated as a single Series under the Indenture.

SECTION 13.02 Terms of Series 2011A Bonds; Appointments; Designations.

The Series 2011A Bonds shall be issued as fully registered Bonds without coupons in the denominations of \$5,000 or any integral multiple thereof. The Series 2011A Bonds shall be dated their date of delivery, and interest thereon (based on a 360-day year of twelve thirty-day months) shall be payable on [April 1] and [October 1] of each year, commencing [April 1], 2012 (each, an “Interest Payment Date” for the Series 2011A Bonds). The Series 2011A Bonds shall be numbered from one upward preceded by the letter “R” prefixed to the number and may bear such additional letters, numbers, legends or designations as the Registrar determines are desirable.

The Series 2011A Bonds shall mature on the dates and in the amounts and shall bear interest at the rates per annum specified in the following table:

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

The Series 2011A Bonds maturing on [October 1], 2015 through [October 1], 20[___] are Serial Bonds, and the Series 2011A Bonds maturing on [October 1], 20[___], [October 1], 20[___] and [October 1], 20[___] are Term Bonds.

The Principal Payment Period for the Series 2011A 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 Series 2011A 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 Series 2011A Bonds and Registrar for the Series 2011A Bonds, and the Co-Trustee's corporate trust office in [_____, _____], is hereby designated as the Principal Office of the Co-Trustee; provided, however, that, with respect to the transfer, registration, exchange and cancellation of the Series 2011A Bonds, the office of the Paying Agent in [_____, _____] shall be the Principal Office of the Co-Trustee.

[TRUSTEE] is serving as Trustee hereunder and is hereby appointed Depository for the Series 2011A Proceeds Account, the Series 2011A Capitalized Interest Account, the Series 2011A Costs of Issuance Account and the Series 2011A Rebate Account.

The principal of and premium, if any, on each Series 2011A Bond shall be payable in lawful money of the United States of America to the Owner of such Bond, upon the surrender of such Bond at the Principal Office of any Paying Agent for such Bond. The interest on each Series 2011A Bond shall be payable in like lawful money to the person whose name appears on the bond registration books of the Registrar for such Bond as the Owner of such Bond as of the close of business on the Record Date for such Bond preceding the Interest Payment Date, whether or not such Record Date is a Business Day, such interest to be paid by check or mailed by first class mail to such Owner at such address as appears on such registration books or at such address as such Owner may have filed with the Registrar for that purpose. Upon the written request of a registered owner of one million dollars (\$1,000,000) or more in aggregate principal amount of Series 2011A Bonds, 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. Any such principal payment by wire transfer shall nevertheless be subject to prior surrender of the Series 2011A Bonds with respect to which such payment is made. Each payment of interest or principal on Series 2011A Bonds, whether by check, draft 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).

Each Series 2011A Bond shall bear interest from the Interest Payment Date next preceding the date of authentication thereof unless it is authenticated as of a day during the period from the Record Date preceding any Interest Payment Date to the Interest Payment Date, inclusive, in which event it shall bear interest from such Interest Payment Date, or unless it is authenticated on or before [March 15], 2012, in which event it shall bear interest from its date of delivery; provided, however, that if, at the time of authentication of any Series 2011A Bond, interest is in default on Outstanding Bonds of such Series, such Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment on the Outstanding Bonds of such Series.

The Series 2011A Bonds shall be subject to redemption as provided in Section 13.03.

The Registrar for the Series 2011A Bonds shall assign each Series 2011A Bond authenticated and registered by it a distinctive letter, or number, or letter and number, and shall maintain a record thereof which shall be available to the Government for inspection.

The Series 2011A Bonds, the Registrar's certificate of authentication and registration and the form of assignment to appear thereon shall be in substantially the forms set forth in Exhibit A hereto, respectively, with necessary or appropriate variations, omissions and insertions as permitted or required by the Indenture.

SECTION 13.03 Terms of Redemption of the Series 2011A Bonds. (A) The Series 2011A Bonds maturing on or after [October 1], 20[___] are subject to redemption prior to their respective stated maturities, at the option of the Government, from any source of available moneys, on any date on or after [____ 1, 20__], as a whole, or in part by such maturities or portions of maturities as shall be determined by a Request of the Government (or by lot within a maturity in the absence of such a determination), at a redemption price equal to the principal amount of each Series 2011A Bond called for redemption plus interest accrued to the date fixed for redemption, [without premium].

(B) The Series 2011A Term Bonds maturing on [October 1], 20[___] are subject to redemption prior to their stated maturity from Mandatory Sinking Account Payments in part, by lot, on [October 1] of each year, commencing [October 1], 20[___], at a redemption price equal to their principal amount, plus accrued interest thereon to the date fixed for redemption, [without premium], in the years and in the amounts, as set forth below. The Co-Trustee shall establish within the Bond Payment Account a Sinking Account to be designated the "Series 2011A 20[___] Sinking Account." In accordance with Section 5.03(A) of the Indenture, on the fifth Business Day prior to [October 1] of each of the following years, the Trustee shall transfer the designated amount from the Debt Service Fund to the Co-Trustee for deposit to the Series 2011A 20[___] Sinking Account:

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

† Final maturity.

(C) The Series 2011A Term Bonds maturing on [October 1], 20[___] are subject to redemption prior to their stated maturity from Mandatory Sinking Account Payments in part, by lot, on [October 1] of each year, commencing [October 1], 20[___], at a redemption price equal to their principal amount, plus accrued interest thereon to the date fixed for redemption, [without premium], in the years and in the amounts, as set forth below. The Co-Trustee shall establish within the Bond Payment Account a Sinking Account to be designated the "Series 2011A 20[___] Sinking Account." In accordance with Section 5.03(A) of the Indenture, on the fifth Business Day prior to [October 1] of each of the following years, the Trustee shall transfer the designated amount from the Debt Service Fund to the Co-Trustee for deposit to the Series 2011A 20[___] Sinking Account:

Year Amount

† Final maturity.

(D) The Series 2011A Term Bonds maturing on [October 1], 20[___] are subject to redemption prior to their stated maturity from Mandatory Sinking Account Payments in part, by lot, on [October 1] of each year, commencing [October 1], 20[___], at a redemption price equal to their principal amount, plus accrued interest thereon to the date fixed for redemption, [without premium], in the years and in the amounts, as set forth below. The Co-Trustee shall establish within the Bond Payment Account a Sinking Account to be designated the “Series 2011A 20[___] Sinking Account.” In accordance with Section 5.03(A) of the Indenture, on the fifth Business Day prior to [October 1] of each of the following years, the Trustee shall transfer the designated amount from the Debt Service Fund to the Co-Trustee for deposit to the Series 2011A 20[___] Sinking Account:

Year Amount

† Final maturity.

(E) Upon the optional redemption of Term Bonds, the principal amount of such Series 2011A Bonds shall be credited against remaining Mandatory Sinking Account Payments in such manner as may be designated by a Request of the Government, provided that Mandatory Sinking Account Payments shall remain as integral multiples of \$5,000.

SECTION 13.04 Rescindable Notice. The option of the Government to redeem the Series 2011A Bonds may be conditioned upon the deposit with the Trustee or the Co-Trustee in trust of an amount sufficient to pay the Redemption Price of and accrued interest on the Series 2011A Bonds being redeemed on or prior to the date fixed for redemption, and any notice of such redemption may be rescinded upon the failure of such condition.

SECTION 13.05 Special Covenants as to Book-Entry Only System for Series 2011A Bonds. (A) Except as otherwise provided in subsections (b) and (c) of this Section 13.05, all of the Series 2011A Bonds initially issued shall be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”), or such other nominee as DTC shall request pursuant to the Government’s Blanket Issuer Letter of Representations with DTC (the “Representation Letter”). Payment of the interest on any Series 2011A Bond registered in the name of

Cede & Co. shall be made on each interest payment date for such Series 2011A Bonds to the account, in the manner and at the address indicated in or pursuant to the Representation Letter.

(B) The Series 2011A Bonds initially shall be issued in the form of a single authenticated fully registered bond for each stated maturity and tenor of such Series 2011A Bonds, representing the aggregate principal amount of the Series 2011A Bonds of maturity and tenor. Upon initial issuance, the ownership of all such Series 2011A Bonds shall be registered in the registration records maintained by the Registrar pursuant to Section 2.05 hereof in the name of Cede & Co., as nominee of DTC, or such other nominee as DTC shall request pursuant to the Representation Letter. The Trustee, the Co-Trustee, the Registrar, the Government and any Paying Agent may treat DTC (or its nominee) as the sole and exclusive owner of the Series 2011A Bonds registered in its name for the purposes of payment of the principal or redemption price of and interest on such Series 2011A Bonds, selecting the Series 2011A Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Bondowners hereunder, registering the transfer of Series 2011A Bonds, obtaining any consent or other action to be taken by Bondowners of the Series 2011A Bonds and for all other purposes whatsoever; and the Trustee, the Co-Trustee, the Registrar, the Government and any Paying Agent shall not be affected by any notice to the contrary. Neither the Trustee, the Co-Trustee, the Government nor any Paying Agent shall have any responsibility or obligation to any Participant (which shall mean, for purposes of this Section 13.05, securities brokers and dealers, banks, trust companies, clearing corporations and other entities, some of whom directly or indirectly own DTC), any person claiming a beneficial ownership interest in the Series 2011A Bonds under or through DTC or any Participant, or any other person which is not shown on the registration records as being a Bondowner, with respect to (i) the accuracy of any records maintained by DTC or any Participant, (ii) the payment by DTC or any Participant of any amount in respect of the principal or redemption price of or interest on the Series 2011A Bonds, (iii) any notice which is permitted or required to be given to Holders of Series 2011A Bonds hereunder, (iv) the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of the Series 2011A Bonds, or (v) any consent given or other action taken by DTC as Holder of Series 2011A Bonds. The Paying Agent shall pay all principal of and premium, if any, and interest on the Series 2011A Bonds only at the times, to the accounts, at the addresses and otherwise in accordance with the Representation Letter, and all such payments shall be valid and effective to satisfy fully and discharge the Government's obligations with respect to the principal of and premium, if any, and interest on the Series 2011A Bonds to the extent of the sum or sums so paid. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of its then existing nominee, the Series 2011A Bonds will be transferable to such new nominee in accordance with subsection (F) of this Section 13.05.

(C) In the event that the Government elects to discontinue the book-entry system for any Series 2011A Bonds, the Trustee shall, upon the written instruction of the Government, so notify DTC, whereupon DTC shall notify the Participants of the availability through DTC of bond certificates. In such event, such Series 2011A Bonds will be transferable in accordance with subsection (F) of this Section 13.05. DTC may determine to discontinue providing its services with respect to the Series 2011A Bonds at any time by giving written notice of such discontinuance to the Government or the Trustee and discharging its responsibilities with respect thereto under applicable law. In such event, the Series 2011A Bonds will be transferable in accordance with subsection (F) of this Section 13.05. Whenever DTC requests the Government and the Trustee to do so, the Trustee and the Government will cooperate with DTC in taking appropriate action after reasonable notice to arrange for another securities depository to maintain custody of all certificates evidencing the Series 2011A Bonds then Outstanding. In such event, the Series 2011A Bonds will be transferable to such securities depository in accordance with subsection (F) of this Section 13.05, and thereafter, all references in this Supplemental Indenture to DTC or its nominee shall be deemed to refer to such successor securities depository and its nominee, as appropriate.

(D) Notwithstanding any other provision of this Supplemental Indenture to the contrary, so long as all Series 2011A Bonds Outstanding are registered in the name of any nominee of DTC, all payments with respect to the principal of and premium, if any, and interest on each such Series 2011A Bond and all notices with respect to each such Series 2011A Bond shall be made and given, respectively, to DTC as provided in the Representation Letter.

(E) The Co-Trustee is hereby authorized and requested to execute and deliver the Representation Letter 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.

(F) In the event that any transfer or exchange of Series 2011A Bonds is authorized under subsection (B) or (C) of this Section 13.05, such transfer or exchange shall be accomplished upon receipt by the Registrar from the registered owner thereof of the Series 2011A Bonds to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee, all in accordance with the applicable provisions of Sections 2.03 and 2.04 of the Indenture. In the event Series 2011A Bond certificates are issued to Holders other than Cede & Co., its successor as nominee for DTC as holder of all the Series 2011A Bonds, another securities depository as holder of all the Series 2011A Bonds, or the nominee of such successor securities depository, the provisions of Sections 2.03 and 2.04 of the Indenture shall also apply to, among other things, the registration, exchange and transfer of the Series 2011A Bonds and the method of payment of principal of, premium, if any, and interest on the Series 2011A Bonds.

ARTICLE XIV

ISSUANCE OF SERIES 2011A BONDS; APPLICATION OF PROCEEDS

SECTION 14.01 Issuance of Series 2011A Bonds. At any time after the execution and delivery of this Supplemental Indenture, the Government may sell and execute and the Registrar for the Series 2011A Bonds shall authenticate and, upon the Order of the Government, deliver Series 2011A Bonds in an aggregate principal amount not to exceed \$[PAR AMOUNT].

SECTION 14.02 Application of Proceeds of Series 2011A Bonds and Other Moneys. The net proceeds received by the Government from the sale of the Series 2011A Bonds in the amount of \$[] shall be deposited with the Trustee, who shall forthwith apply such proceeds in the following manner, as directed by a Request of the Government:

(1) Barclays Capital Inc., as representative of the underwriters, shall transfer \$[] to [], as escrow agent for the Refunded Bonds, who shall forthwith deposit such amount to the Escrow Fund for the Refunded Bonds and apply such moneys to the redemption of the Refunded Bonds in accordance with the Escrow Agreement;

(2) [the Trustee shall deposit in the Bond Reserve Fund the amount of \$[], an amount equal to the Bond Reserve Fund Requirement after the issuance of the Series 2011A Bonds;]

(3) the Trustee shall transfer to the Series 2011A Capitalized Interest Account Depository, for deposit in the Series 2011A Capitalized Interest Account, the amount of \$[];

(4) the Trustee shall transfer to the Series 2011A Costs of Issuance Account Depository, for deposit in the Series 2011A Costs of Issuance Account, the amount of \$[_____]; and

(5) the Trustee shall transfer to the Series 2011A Proceeds Account Depository, for deposit in the Series 2011A Proceeds Account, the balance of such proceeds.

SECTION 14.03 Application of Moneys in the Series 2011A Capitalized Interest Account. The proceeds of the Series 2011A Bonds deposited in the Series 2011A Capitalized Interest Account shall be used for the payment of Capitalized Interest on the Series 2011A Bonds and shall be transferred by the Series 2011A Capitalized Interest Account Depository from the 2011A Capitalized Interest Account to the Co-Trustee for deposit in the Bond Payment Account, on the date that is five Business Days prior to each of the following payment dates, in the following respective amounts:

<u>Payment Date</u>	<u>Amount</u>
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After all of such transfers have been made, the Series 2011A Capitalized Interest Account Depository shall close the Series 2011A Capitalized Interest Account.

SECTION 14.04 Application of Moneys in the Series 2011A Proceeds Account. Proceeds of the Series 2011A Bonds deposited in the Series 2011A Proceeds Account shall be disbursed by the Series 2011A Proceeds Account Depository upon receipt of a Requisition of the Government to pay the Series 2011A Expenses. Each such Requisition of the Government shall state the person to whom payment is to be made, the amount to be paid, the purpose for which the obligation was incurred and that such payment is a proper and lawful charge against said fund.

Upon receipt by the Series 2011A Proceeds Account Depository of a Certificate of the Government that amounts in the Series 2011A Proceeds Account are no longer required for the purpose of such account, said amounts shall be transferred to the Revenue Fund or any other fund or account designated by such Certificate; provided, however, that any such transfer shall be subject to receipt by the Trustee of an opinion of Bond Counsel to the effect that such transfer and the use of such amounts for the purposes intended by the Government after such transfer are consistent with the Act and will not adversely affect the exclusion, if any, of interest on any Bonds from gross income for federal income tax purposes.

SECTION 14.05 Application of Moneys in the Series 2011A Costs of Issuance Account. Proceeds of the Series 2011A Bonds deposited in the Series 2011A Costs of Issuance Account shall be disbursed by the Series 2011A Costs of Issuance Account Depository upon a Requisition of the Government to pay Costs of Issuance of the Series 2011A Bonds. Each such Requisition of the Government shall state the person to whom payment is to be made, the amount to be paid, the purpose for which the obligation was incurred and that such payment is a proper and lawful charge against said fund.

Any amounts remaining in the Series 2011A Costs of Issuance Account one hundred eighty (180) days after the date of issuance of the Series 2011A Bonds shall be transferred to the Series 2011A Proceeds Account Depository for deposit to the Series 2011A Proceeds Account.

ARTICLE XV

TAX COVENANTS

SECTION 15.01 2011A Rebate Account. (A) The Trustee, as Depository for the Rebate Fund, shall establish and maintain within the Rebate Fund a separate subaccount designated as the “2011A Rebate Account.” There shall be deposited in the 2011A 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 delivered by the Government in connection with the issuance of the Series 2011A Bonds. All money at any time deposited in the 2011A Rebate Account shall be held by the Trustee in trust, to the extent required to satisfy the Rebate Requirement for the Series 2011A Bonds (as defined in such Tax Certificate), 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 2011A Rebate Account shall be governed exclusively by this Section and by such Tax Certificate (which is incorporated herein by reference). The interest, profits or other income derived from the investment of amounts in the 2011A Rebate Account shall not constitute Revenues.

In the event that the amount in the 2011A Rebate Account exceeds the Rebate Requirement for the Series 2011A Bonds, upon the Request of the Government, the Trustee shall transfer the excess from the 2011A Rebate Account to the Revenue Fund.

(B) Notwithstanding any provisions of this Section, if the Government 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 Government 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 15.02 Tax Covenants for Series 2011A Bonds. (A) The Government intends that interest on the Series 2011A Bonds be excluded from gross income for federal income tax purposes, that the Series 2011A Bonds and the interest thereon be exempt from taxation by any state or political subdivision or the District of Columbia and that interest on the Series 2011A Bonds not be treated as a specific preference item for purposes of the federal individual and corporate alternative minimum taxes. The Government reserves the right to determine the desired tax status of any additional Series of Bonds.

(B) The Government shall not use or permit the use of any proceeds of the Series 2011A Bonds or any other funds of the Government, directly or indirectly, to acquire any securities or obligations, and shall not use or permit the use of any amounts received by the Government 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.

(C) The Government shall at all times do and perform all acts and things permitted by law, the Indenture and this Supplemental Indenture which are necessary or desirable in order to assure that interest paid on the Series 2011A Bonds (or on any of them) shall be excluded from gross income for federal income tax purposes and that interest paid on the Series 2011A Bonds shall not be treated as a specific preference item for purposes of the federal individual and corporate alternative minimum taxes.

(Remainder of Page Intentionally Blank)

IN WITNESS WHEREOF, the GOVERNMENT OF GUAM has caused this Supplemental Indenture to be signed in its name by its duly authorized officers; and [TRUSTEE] and [CO-TRUSTEE] have caused this Supplemental Indenture to be signed in their respective corporate names by one of their authorized officers, all as of the day and year first above written.

GOVERNMENT OF GUAM

By _____
Governor

Approved as to form:

By _____
Attorney General

[TRUSTEE], as Trustee

By _____
Authorized Officer

[CO-TRUSTEE], as Co-Trustee

By _____
Authorized Officer

The undersigned [TRUSTEE] hereby accepts and agrees to perform the duties and obligations of Depositary for the Series 2011A Proceeds Account, the Series 2011A Capitalized Interest Account and the Series 2011A Rebate Account under this Supplemental Indenture.

[TRUSTEE], as Trustee

By _____
Authorized Officer

The undersigned [CO-TRUSTEE] hereby accepts and agrees to perform the duties and obligations of Registrar and Paying Agent under this Supplemental Indenture.

[CO-TRUSTEE], as Co-Trustee

By _____
Authorized Officer

EXHIBIT A

FORM OF BOND

No. _____

\$ _____

GOVERNMENT OF GUAM
BUSINESS PRIVILEGE TAX BOND, SERIES 2011A

INTEREST RATE
%

DATED DATE
[____], 2011

MATURITY DATE

CUSIP

Registered Holder

Principal Sum:

The GOVERNMENT OF GUAM, duly organized and existing under and by virtue of the laws of the United States of America (herein called the "Government"), 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 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 registration of this Bond (unless this Bond is registered as of a day during the period from and including the fifteenth day of the calendar month next preceding any interest payment date to and including such interest payment date in which event it shall bear interest from such interest payment date, or unless this Bond is registered on or prior to the fifteenth day of the calendar month immediately preceding the first interest payment date, in which event it shall bear interest from the Dated 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 [April 1], 2012. The principal (or redemption price) hereof is payable upon surrender hereof at the corporate trust office of [CO-TRUSTEE] (herein called the "Co-Trustee" or the "Registrar") in [____, _____], and the interest hereon is payable by check or draft mailed to the person in whose name this Bond or any predecessor Bond is registered at the close of business on the fifteenth day immediately preceding an interest payment date, at such person's address as it appears on the bond registration books of the Registrar.

The Bonds (as herein defined) are limited obligations of the Government and are not a lien or charge upon the funds or property of the Government except from Revenues as defined and as expressly set forth in the hereafter-defined Indenture. Neither the faith and credit of the Government nor the faith and credit of the United States of America or any political subdivision thereof is pledged to the payment of the principal of or interest on the Bonds.

This Bond is one of the duly authorized bonds of the Government designated as the "Government of Guam Business Privilege Tax Bonds" (herein called the "Bonds"), [limited to \$600,000,000 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 hereinafter mentioned, 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 the laws of Guam, that certain Indenture, dated as of [November] 1, 2011 (herein called the "General Indenture"), by and among the Government, [TRUSTEE], as trustee (the "Trustee"), and the Co-Trustee, as supplemented, including as

supplemented by that certain Supplemental Indenture, dated as of [November] 1, 2011 (herein called the “Supplemental Indenture” and together with the General Indenture, the “Indenture”), by and among the Government, the Trustee, and the Co-Trustee. Reference is hereby made to the Indenture (a copy of which is on file at said office of the Trustee) 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 and the Co-Trustee and other fiduciaries and of the rights and obligations of the Government thereunder, to all the provisions of which Indenture the registered owner of this Bond, by acceptance hereof, assents and agrees.

This Bond is one of a series of Bonds of the Government further designated as the “Government of Guam Business Privilege Tax Bonds, Series 2011A” (herein called the “Series 2011A Bonds”), in the aggregate principal amount of \$[PAR AMOUNT], which series of Bonds consists or may consist of bonds of varying dates, maturities, interest rates, and redemption and other provisions, all issued or to be issued pursuant to Section 1512.3 of Title 5 of the Guam Code Annotated, as amended, and the Indenture. The Series 2011A Bonds are issued for the purposes set forth in the Indenture. This Bond is subject to redemption prior to its stated maturity as set forth in the Indenture.

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, the proceeds of the sale of the Bonds and amounts held in the funds and accounts established pursuant to the Indenture (except the Proceeds Account and the Rebate Fund), 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.

If certain Events of Default (as 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 aggregate principal amount of the Bonds then outstanding.

The 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 the office of [CO-TRUSTEE], as Registrar, in [_____, _____], for a new fully registered Bond or Bonds, of the same maturity and tenor and bearing interest at the same rate 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 Registrar, 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 maturity and tenor and bearing interest at the same rate 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 herefor.

The Government, the Trustee, the Co-Trustee and the Registrar may treat the registered owner hereof as the absolute owner hereof for all purposes, and neither the Government, the Trustee, the Co-Trustee nor the Registrar shall be affected by any notice to the contrary.

The Indenture and the rights and obligations of the Government, the registered owners of the Bonds, the Trustee, the Co-Trustee, the Registrar and other fiduciaries 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, or amend the provisions concerning the redemption of this Bond prior to its maturity, 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 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, 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 signed by the Registrar.

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 the issuance of this Bond 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 Government, 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, the GOVERNMENT OF GUAM has caused this Bond to be executed in its name and on its behalf by the facsimile signature of the Governor of Guam and its seal to be reproduced hereon by facsimile, all as of the Dated Date specified above.

GOVERNMENT OF GUAM

[SEAL]

By: _____
Governor

[FORM OF] REGISTRAR'S CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This is one of the Bonds described in the within-mentioned Indenture, which has been registered as of _____.

[CO-TRUSTEE],
as Registrar

By _____
Authorized Officer

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof Cede & Co., has an interest herein.

[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 written out in full according to applicable laws or regulations.

TEN COM - as tenants in common	UNIF GIFT MIN ACT - _____ Custodian
TEN ENT - as tenants by the entireties	(Cust) (Minor)
JT TEN - as joint tenants with right of survivorship and not as tenants in common (State)	under Uniform Gifts to Minors Act _____

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 transfer the same on the books of the Registrar 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 a member firm of the New York Stock Exchange or a commercial bank or trust company.

Note: Transfer fees must be paid to the Registrar in order to transfer or exchange this bond as provided in the within-mentioned Indenture.