
GROUND LEASE

between the

GUAM PUBLIC SCHOOL SYSTEM, GOVERNMENT OF GUAM,

and

**GUAM EDUCATION FINANCING FOUNDATION,
a Guam nonprofit corporation,**

Dated as of _____, 2005

EXHIBIT C

GROUND LEASE

This lease, dated as of _____, 2005, by and between the [Guam Public School System, Government of Guam] (the "Ground Lessor"), as ground lessor, and Guam Education Financing Foundation, a Guam nonprofit corporation (the "Ground Lessee"), as ground lessee;

WITNESSETH:

WHEREAS, the Ground Lessor is the [owner in fee] [ground lessee] of certain real estate parcels located in Guam and described in Exhibit A (collectively, the "Sites");

WHEREAS, the Ground Lessor is willing to lease the Sites, and the Ground Lessee desires to hire the same from the Ground Lessor, upon the terms and conditions and for the purposes set forth in this lease (the "Ground Lease"), dated as of _____, 2005;

WHEREAS, the Ground Lessee desires to sublease the Sites, and lease certain school facilities, including three elementary schools, one middle school and one high school, to be constructed and installed by the Ground Lessee on the Sites (collectively, the "Facilities") and certain equipment to be located primarily on the Sites (the "Equipment," and, collectively with the Facilities and such subleasehold interest in the Sites, the "Project") to the Government of Guam, Guam Public School System (the "Government of Guam"), and the Government of Guam desires to sublease and lease the same from the Ground Lessee, pursuant to and as further described in the Lease Agreement (the "Lease"), dated as of _____, 2005, by and between the Ground Lessee, as lessor thereunder, and the Government of Guam, as lessee thereunder;

WHEREAS, the Ground Lessor and Ground Lessee intend that the leasing by the Ground Lessor to the Ground Lessee of the Sites shall not effect or result in a merger of the Government of Guam's leasehold estate pursuant to the Lease and the Ground Lessor's [fee] [leasehold] estate as lessor under this Ground Lease, and the Ground Lessee shall continue to have and hold a leasehold estate in said Sites pursuant to this Ground Lease throughout the term hereof and the term of the Lease; and

WHEREAS, all capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Lease;

NOW, THEREFORE, IT IS HEREBY MUTUALLY AGREED as follows:

SECTION 1. Sites.

The Ground Lessor hereby leases to the Ground Lessee and the Ground Lessee hereby hires from the Ground Lessor, on the terms and conditions hereinafter set forth, the real property described in Exhibit A attached hereto and made a part hereof, subject, however, to any conditions, reservations, and easements of record as of the date hereof (herein collectively called the "Sites").

SECTION 2. Term.

The term of this Ground Lease shall commence on the date of recordation of a short form of this Ground Lease in the [Land Court of Guam], and shall end at midnight on the date 20 years after such commencement, unless such term is extended or sooner terminated as hereinafter provided.

If on the date 20 years after the date of commencement of the term of this lease, the Certificates shall not be fully paid, then the term of this Ground Lease shall be extended until ten (10) days after the Certificates shall be fully paid, except that the term of this Ground Lease shall in no event be extended beyond the date which is 30 years after the date of commencement of the term of this Lease. If prior to the date 20 years after the date of commencement of the term of this Lease, the Certificates shall be fully paid, the term of this Ground Lease shall end ten (10) days thereafter or ten (10) days after written notice by the Ground Lessor to the Ground Lessee, whichever is earlier.

SECTION 3. Rental.

The Ground Lessee shall pay to the Ground Lessor as and for rental hereunder the sum of One Dollar (\$1.00).

SECTION 4. Use of Sites; Reletting of Sites by Ground Lessee.

(a) For the term of the Lease, the Ground Lessee shall use the Sites solely for the purpose of construction and financing of the Project and the Facilities thereon and leasing the Sites, the Project and the Facilities to the Government of Guam pursuant to the Lease and for such purposes as may be incidental thereto.

(b) In the event that the Lease is terminated, the right of the Ground Lessee to sublease the Premises is subject to the following terms and conditions:

(i) the permitted use of the Premises under the sublease shall be limited to purposes consistent with the nature of the facilities and the neighborhood.

(ii) the sublessee shall agree to indemnify and hold harmless the Government of Guam and the Ground Lessor against any and all claims, actions, suits, judgments, damages and liabilities arising out of the sublessee's use of the Premises;

(iii) the sublease shall be a "net-net-net" lease, and shall contain provisions requiring the sublessee to pay all taxes, to maintain the Project and to provide insurance covering such hazards and in such amounts as is commercially reasonable for similar buildings;

(iv) the sublease shall contain covenants of the sublessee regarding hazardous materials which are substantially the same as the covenants contained in Section 12.01 of the Lease;

(v) the sublease shall provide that the Ground Lessee shall have the right to terminate the sublease following a material breach by the sublessee of any of the terms and provisions required pursuant to clauses (i), (ii), (iii) or (iv) above; and

(vi) following a material breach by the sublessee of any of the terms and provisions of the sublease required pursuant to clauses (i) through (v) above, the sublease shall be subject to termination at the written direction of the Government of Guam.

SECTION 5. Owner in Fee.

The Ground Lessor covenants that it is the owner in fee of the Sites, as described in Exhibit A hereto. The Ground Lessor further covenants and agrees that if for any reason this covenant proves to be incorrect, the Ground Lessor will either institute eminent domain proceedings to condemn the property or institute a quiet title action to clarify the Ground Lessor's title, and will diligently pursue such action to completion.

SECTION 6. Assignments and Subleases.

The Ground Lessee shall not assign its rights under this Ground Lease or sublet the Sites, except pursuant to the Indenture, the Assignment Agreement and the Lease, unless (i) the Ground Lessee shall have obtained the written consent of the Ground Lessor, or (ii) the Government of Guam shall be in default under the Lease or the Lease shall have been terminated pursuant to its provisions, and any such assignment or sublease shall be subject to the terms and conditions of Section 4 hereof.

Following the assignment of this Ground Lease to the Trustee pursuant to the Assignment Agreement, Guam Education Financing Foundation shall have no rights, title or interest in, or obligation under, this Ground Lease. Guam Education Financing Foundation shall have no liability for the Trustee's actions or the exercise by the Trustee of any rights under this Ground Lease.

SECTION 7. Right of Entry.

The Ground Lessor reserves the right for any of its duly authorized representatives to enter upon the Sites at any reasonable time to inspect the same or to make any repairs, improvements or changes necessary for the preservation thereof.

SECTION 8. Termination.

The Ground Lessee agrees, upon the termination of this Ground Lease, to quit and surrender the Sites in the same good order and condition as the same were in at the time of commencement of the term hereunder, reasonable wear and tear excepted, and agrees that any permanent improvements and structures existing upon the Sites at the time of the termination of this Ground Lease shall remain thereon and title thereto shall vest in the Ground Lessor.

Upon the exercise of the option to purchase set forth in Section 14.04 of the Lease and upon payment of the Purchase Price required by said section, the term of this Ground Lease shall terminate.

SECTION 9. Default.

In the event the Ground Lessee shall be in default in the performance of any obligation on its part to be performed under the terms of this Ground Lease, which default continues for thirty (30) days following notice and demand for correction thereof to the Ground Lessee, the Ground Lessor may exercise any and all remedies granted by law, except that no merger of this Ground Lease and of the Lease shall be deemed to occur as a result thereof. So long as any such assignee or subtenant of the Ground Lessee shall duly perform the terms and conditions of this Ground Lease and of its then existing sublease (if any), such assignee or subtenant shall be deemed to be and shall become the tenant of the Ground Lessor hereunder and shall be entitled to all of the rights and privileges granted under any such assignment; provided, further, that so long as any Certificates are outstanding and unpaid in accordance with the terms thereof, the rentals or any part thereof payable to the Trustee shall continue to be paid to the Trustee.

SECTION 10. Quiet Enjoyment.

The Ground Lessee at all times during the term of this Ground Lease, subject to the provisions of Section 9 hereof, shall peaceably and quietly have, hold and enjoy all of the Sites.

SECTION 11. Taxes.

The Ground Lessee covenants and agrees to pay any and all assessments of any kind or character and also all taxes, including possessory interest taxes, levied or assessed upon the Sites (including both land and improvements), if any.

SECTION 12. Eminent Domain.

In the event the whole or any part of the Sites or the Project (including all or any part of the Project) is taken by eminent domain proceedings, the interest of the Ground Lessee shall be recognized and is hereby determined to be the amount of the then unpaid or outstanding Certificates attributable to such part of the Project and shall be paid to the Trustee, and the balance of the award, if any, shall be paid to the Ground Lessor.

SECTION 13. Partial Invalidity.

If any one or more of the terms, provisions, covenants or conditions of this Ground Lease shall to any extent be declared invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, the finding or order or decree of which becomes final, none of the remaining terms, provisions, covenants and conditions of this Ground Lease shall be affected thereby, and each provision of this Ground Lease shall be valid and enforceable to the fullest extent permitted by law.

SECTION 14. Notices.

All notices, statements, demands, consents, approvals, authorizations, offers, designations, requests or other communications hereunder by either party to the other shall be in writing and shall be sufficiently given and served upon the other party if delivered personally or if mailed by United States registered or certified mail, return receipt requested, postage prepaid, addressed as set forth below, or to such other addresses as the respective parties may from time to time designate by notice in writing:

If to the Ground Lessee:

Guam Education Financing Foundation
c/o Mr. Richard B. Inman, Jr.
3060 Peachtree Road
Suite 1700
Atlanta Georgia 30305
Telephone: 404/504-2772
Facsimile: 404/504-2790

with a copy to:
Lawrence Barusch
Parsons Behle & Latimer
201 South Main Street, Suite 1800
Salt Lake City, Utah 84111
Telephone: 801/532-1234
Facsimile 801/536-6111

If to the Ground Lessor:

The Honorable Felix P. Camacho
Governor of Guam
P.O. Box 2950
Hagatna, Guam 96932
Telephone: 671/472-8931
Facsimile: 671/477-4826

Department of Public Works
542 North Marine Drive
Tamuning, Guam 96913
Attention: Lawrence P. Perez, Acting Director
Telephone: (671) 646-3131 / 646-3217 / 646-3117
Facsimile: (671) 646-3169

Guam Public School System
P.O. Box DE
Hagatna, Guam 96932
Attention: Juan P. Flores, Superintendent
Telephone: (671) 475-0462
Facsimile: (671) 472-5003

SECTION 15. Section Headings.

All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this Ground Lease.

SECTION 16. Applicable Law.

This Ground Lease shall be governed by and construed in accordance with the Organic Act of Guam and laws of Guam.

SECTION 17. Amendments.

This Lease may be amended in writing as may be mutually agreed by Ground Lessor and Ground Lessee, subject to any restrictions contained in the Indenture, and subject to any applicable limitations of Guam law.

SECTION 18. Execution.

This Ground Lease may be executed in any number of counterparts, each of which shall be deemed to be an original, but all together shall constitute but one and the same lease. It is also agreed that separate counterparts of this Ground Lease may separately be executed by the Ground Lessor and the Ground Lessee, all with the same force and effect as though the same counterpart had been executed by both the Ground Lessor and the Ground Lessee.

IN WITNESS WHEREOF, the Ground Lessor and the Ground Lessee have caused this lease to be executed by their respective officers thereunto duly authorized, all as of the day and year first above written.

GOVERNMENT OF GUAM, GUAM PUBLIC SCHOOL SYSTEM

By _____
[Name]
[Title]

(SEAL)

ATTEST:

By _____
[Name]
[Title]

As to Lessee, signed, sealed and delivered in the presence of:

Unofficial Witness

Notary Public

My Commission Expires:

(NOTARIAL SEAL)

APPROVED AS TO FORM:

[Name]
[Title]

**GUAM EDUCATION FINANCING
FOUNDATION**

By: _____
Richard B. Inman, Jr.
Chairman

ATTEST:

(SEAL)

By: _____
Michael J. Alvarez
Secretary

As to the Lessor, signed, sealed
and delivered in the presence of:

Witness

Notary Public

My Commission Expires:

(NOTARIAL SEAL)

EXHIBIT A

All of that certain parcel of land situated at Adacao Mangilao Elementary School Site – Lot 5402-R5NEW-6, Municipality of Mangilao, Guam, described as follows:

Lot No. 5402-R5NEW-6, Mangilao containing an area of 16.98 acres as shown on Land Management Drawing No. 14-05T691
LM Check No. 238 FY2005

GROUND LEASE

between the

[GUAM GUAM PUBLIC SCHOOL SYSTEM, GOVERNMENT OF GUAM],

and

**GUAM EDUCATION FINANCING FOUNDATION,
a Guam nonprofit corporation,**

Dated as of _____, 2005

GROUND LEASE

This lease, dated as of _____, 2005, by and between the [Guam Public School System, Government of Guam] (the "Ground Lessor"), as ground lessor, and Guam Education Financing Foundation, a Guam nonprofit corporation (the "Ground Lessee"), as ground lessee;

WITNESSETH:

WHEREAS, the Ground Lessor is the [owner in fee] [ground lessee] of certain real estate parcels located in Guam and described in Exhibit A (collectively, the "Sites");

WHEREAS, the Ground Lessor is willing to lease the Sites, and the Ground Lessee desires to hire the same from the Ground Lessor, upon the terms and conditions and for the purposes set forth in this lease (the "Ground Lease"), dated as of _____, 2005;

WHEREAS, the Ground Lessee desires to sublease the Sites, and lease certain school facilities, including three elementary schools, one middle school and one high school, to be constructed and installed by the Ground Lessee on the Sites (collectively, the "Facilities") and certain equipment to be located primarily on the Sites (the "Equipment," and, collectively with the Facilities and such subleasehold interest in the Sites, the "Project") to the Government of Guam, Guam Public School System (the "Government of Guam"), and the Government of Guam desires to sublease and lease the same from the Ground Lessee, pursuant to and as further described in the Lease Agreement (the "Lease"), dated as of _____, 2005, by and between the Ground Lessee, as lessor thereunder, and the Government of Guam, as lessee thereunder;

WHEREAS, the Ground Lessor and Ground Lessee intend that the leasing by the Ground Lessor to the Ground Lessee of the Sites shall not effect or result in a merger of the Government of Guam's leasehold estate pursuant to the Lease and the Ground Lessor's [fee] [leasehold] estate as lessor under this Ground Lease, and the Ground Lessee shall continue to have and hold a leasehold estate in said Sites pursuant to this Ground Lease throughout the term hereof and the term of the Lease; and

WHEREAS, all capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Lease;

NOW, THEREFORE, IT IS HEREBY MUTUALLY AGREED as follows:

SECTION 1. Sites.

The Ground Lessor hereby leases to the Ground Lessee and the Ground Lessee hereby hires from the Ground Lessor, on the terms and conditions hereinafter set forth, the real property described in Exhibit A attached hereto and made a part hereof, subject, however, to any conditions, reservations, and easements of record as of the date hercof (herein collectively called the "Sites").

SECTION 2. Term.

The term of this Ground Lease shall commence on the date of recordation of a short form of this Ground Lease in the [Land Court of Guam], and shall end at midnight on the date 20 years after such commencement, unless such term is extended or sooner terminated as hereinafter provided.

If on the date 20 years after the date of commencement of the term of this lease, the Certificates shall not be fully paid, then the term of this Ground Lease shall be extended until ten (10) days after the Certificates shall be fully paid, except that the term of this Ground Lease shall in no event be extended beyond the date which is 30 years after the date of commencement of the term of this Lease. If prior to the date 20 years after the date of commencement of the term of this Lease, the Certificates shall be fully paid, the term of this Ground Lease shall end ten (10) days thereafter or ten (10) days after written notice by the Ground Lessor to the Ground Lessee, whichever is earlier.

SECTION 3. Rental.

The Ground Lessee shall pay to the Ground Lessor as and for rental hereunder the sum of One Dollar (\$1.00).

SECTION 4. Use of Sites; Reletting of Sites by Ground Lessee.

(a) For the term of the Lease, the Ground Lessee shall use the Sites solely for the purpose of construction and financing of the Project and the Facilities thereon and leasing the Sites, the Project and the Facilities to the Government of Guam pursuant to the Lease and for such purposes as may be incidental thereto.

(b) In the event that the Lease is terminated, the right of the Ground Lessee to sublease the Premises is subject to the following terms and conditions:

(i) the permitted use of the Premises under the sublease shall be limited to purposes consistent with the nature of the facilities and the neighborhood.

(ii) the sublessee shall agree to indemnify and hold harmless the Government of Guam and the Ground Lessor against any and all claims, actions, suits, judgments, damages and liabilities arising out of the sublessee's use of the Premises;

(iii) the sublease shall be a "net-net-net" lease, and shall contain provisions requiring the sublessee to pay all taxes, to maintain the Project and to provide insurance covering such hazards and in such amounts as is commercially reasonable for similar buildings;

(iv) the sublease shall contain covenants of the sublessee regarding hazardous materials which are substantially the same as the covenants contained in Section 12.01 of the Lease;

(v) the sublease shall provide that the Ground Lessee shall have the right to terminate the sublease following a material breach by the sublessee of any of the terms and provisions required pursuant to clauses (i), (ii), (iii) or (iv) above; and

(vi) following a material breach by the sublessee of any of the terms and provisions of the sublease required pursuant to clauses (i) through (v) above, the sublease shall be subject to termination at the written direction of the Government of Guam.

SECTION 5. Owner in Fee.

The Ground Lessor covenants that it is the owner in fee of the Sites, as described in Exhibit A hereto. The Ground Lessor further covenants and agrees that if for any reason this covenant proves to be incorrect, the Ground Lessor will either institute eminent domain proceedings to condemn the property or institute a quiet title action to clarify the Ground Lessor's title, and will diligently pursue such action to completion.

SECTION 6. Assignments and Subleases.

The Ground Lessee shall not assign its rights under this Ground Lease or sublet the Sites, except pursuant to the Indenture, the Assignment Agreement and the Lease, unless (i) the Ground Lessee shall have obtained the written consent of the Ground Lessor, or (ii) the Government of Guam shall be in default under the Lease or the Lease shall have been terminated pursuant to its provisions, and any such assignment or sublease shall be subject to the terms and conditions of Section 4 hereof.

Following the assignment of this Ground Lease to the Trustee pursuant to the Assignment Agreement, Guam Education Financing Foundation shall have no rights, title or interest in, or obligation under, this Ground Lease. Guam Education Financing Foundation shall have no liability for the Trustee's actions or the exercise by the Trustee of any rights under this Ground Lease.

SECTION 7. Right of Entry.

The Ground Lessor reserves the right for any of its duly authorized representatives to enter upon the Sites at any reasonable time to inspect the same or to make any repairs, improvements or changes necessary for the preservation thereof.

SECTION 8. Termination.

The Ground Lessee agrees, upon the termination of this Ground Lease, to quit and surrender the Sites in the same good order and condition as the same were in at the time of commencement of the term hereunder, reasonable wear and tear excepted, and agrees that any permanent improvements and structures existing upon the Sites at the time of the termination of this Ground Lease shall remain thereon and title thereto shall vest in the Ground Lessor.

Upon the exercise of the option to purchase set forth in Section 14.04 of the Lease and upon payment of the Purchase Price required by said section, the term of this Ground Lease shall terminate.

SECTION 9. Default.

In the event the Ground Lessee shall be in default in the performance of any obligation on its part to be performed under the terms of this Ground Lease, which default continues for thirty (30) days following notice and demand for correction thereof to the Ground Lessee, the Ground Lessor may exercise any and all remedies granted by law, except that no merger of this Ground Lease and of the Lease shall be deemed to occur as a result thereof. So long as any such assignee or subtenant of the Ground Lessee shall duly perform the terms and conditions of this Ground Lease and of its then existing sublease (if any), such assignee or subtenant shall be deemed to be and shall become the tenant of the Ground Lessor hereunder and shall be entitled to all of the rights and privileges granted under any such assignment; provided, further, that so long as any Certificates are outstanding and unpaid in accordance with the terms thereof, the rentals or any part thereof payable to the Trustee shall continue to be paid to the Trustee.

SECTION 10. Quiet Enjoyment.

The Ground Lessee at all times during the term of this Ground Lease, subject to the provisions of Section 9 hereof, shall peaceably and quietly have, hold and enjoy all of the Sites.

SECTION 11. Taxes.

The Ground Lessee covenants and agrees to pay any and all assessments of any kind or character and also all taxes, including possessory interest taxes, levied or assessed upon the Sites (including both land and improvements), if any.

SECTION 12. Eminent Domain.

In the event the whole or any part of the Sites or the Project (including all or any part of the Project) is taken by eminent domain proceedings, the interest of the Ground Lessee shall be recognized and is hereby determined to be the amount of the then unpaid or outstanding Certificates attributable to such part of the Project and shall be paid to the Trustee, and the balance of the award, if any, shall be paid to the Ground Lessor.

SECTION 13. Partial Invalidity.

If any one or more of the terms, provisions, covenants or conditions of this Ground Lease shall to any extent be declared invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, the finding or order or decree of which becomes final, none of the remaining terms, provisions, covenants and conditions of this Ground Lease shall be affected thereby, and each provision of this Ground Lease shall be valid and enforceable to the fullest extent permitted by law.

SECTION 14. Notices.

All notices, statements, demands, consents, approvals, authorizations, offers, designations, requests or other communications hereunder by either party to the other shall be in writing and shall be sufficiently given and served upon the other party if delivered personally or if mailed by United States registered or certified mail, return receipt requested, postage prepaid, addressed as set forth below, or to such other addresses as the respective parties may from time to time designate by notice in writing:

If to the Ground Lessee:

Guam Education Financing Foundation
c/o Mr. Richard B. Inman, Jr.
3060 Peachtree Road
Suite 1700
Atlanta Georgia 30305
Telephone: 404/504-2772
Facsimile: 404/504-2790

with a copy to:
Lawrence Barusch
Parsons Behle & Latimer
201 South Main Street, Suite 1800
Salt Lake City, Utah 84111
Telephone: 801/532-1234
Facsimile 801/536-6111

If to the Ground Lessor:

The Honorable Felix P. Camacho
Governor of Guam
P.O. Box 2950
Hagåtña, Guam 96932
Telephone: 671/472-8931
Facsimile: 671/477-4826

Department of Public Works
542 North Marine Drive
Tamuning, Guam 96913
Attention: Lawrence P. Perez, Acting Director
Telephone: (671) 646-3131 / 646-3217 / 646-3117
Facsimile: (671) 646-3169

Guam Public School System
P.O. Box DE
Hagåtña, Guam 96932
Attention: Juan P. Flores, Superintendent
Telephone: (671) 475-0462
Facsimile: (671) 472-5003

SECTION 15. Section Headings.

All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this Ground Lease.

SECTION 16. Applicable Law.

This Ground Lease shall be governed by and construed in accordance with the Organic Act of Guam and laws of Guam.

SECTION 17. Amendments.

This Lease may be amended in writing as may be mutually agreed by Ground Lessor and Ground Lessee, subject to any restrictions contained in the Indenture, and subject to any applicable limitations of Guam law.

SECTION 18. Execution.

This Ground Lease may be executed in any number of counterparts, each of which shall be deemed to be an original, but all together shall constitute but one and the same lease. It is also agreed that separate counterparts of this Ground Lease may separately be executed by the Ground Lessor and the Ground Lessee, all with the same force and effect as though the same counterpart had been executed by both the Ground Lessor and the Ground Lessee.

IN WITNESS WHEREOF, the Ground Lessor and the Ground Lessee have caused this lease to be executed by their respective officers thereunto duly authorized, all as of the day and year first above written.

GOVERNMENT OF GUAM, GUAM PUBLIC SCHOOL SYSTEM

By _____
[Name]
[Title]

(SEAL)

ATTEST:

By _____
[Name]
[Title]

As to Lessee, signed, sealed and delivered in the presence of:

Unofficial Witness

Notary Public

My Commission Expires:

(NOTARIAL SEAL)

APPROVED AS TO FORM:

[Name]
[Title]

**GUAM EDUCATION FINANCING
FOUNDATION**

By: _____
Richard B. Inman, Jr.
Chairman

ATTEST:

(SEAL)

By: _____
Michael J. Alvarez
Secretary

**As to the Lessor, signed, sealed
and delivered in the presence of:**

Witness

Notary Public

My Commission Expires:

(NOTARIAL SEAL)

EXHIBIT A

All of that certain parcel of land situated at Liguán Terrace Dededo Elementary School Site – Lot 264, Block 4, Tract 100, Municipality of Dededo, Guam, described as follows:

Lot No. 264, Block 4, Tract 100, Municipality of Dededo containing an area of 24.7 acres as shown on Land Management Drawing No. 14-05T692 LM Check No. 085 FY2005.

GROUND LEASE

between the

[GUAM PUBLIC SCHOOL SYSTEM, GOVERNMENT OF GUAM],

and

**GUAM EDUCATION FINANCING FOUNDATION,
a Guam nonprofit corporation,**

Dated as of _____, 2005

GROUND LEASE

This lease, dated as of _____, 2005, by and between the [Guam Public School System, Government of Guam] (the "Ground Lessor"), as ground lessor, and Guam Education Financing Foundation, a Guam nonprofit corporation (the "Ground Lessee"), as ground lessee;

WITNESSETH:

WHEREAS, the Ground Lessor is the [owner in fee] [ground lessee] of certain real estate parcels located in Guam and described in Exhibit A (collectively, the "Sites");

WHEREAS, the Ground Lessor is willing to lease the Sites, and the Ground Lessee desires to hire the same from the Ground Lessor, upon the terms and conditions and for the purposes set forth in this lease (the "Ground Lease"), dated as of _____, 2005;

WHEREAS, the Ground Lessee desires to sublease the Sites, and lease certain school facilities, including three elementary schools, one middle school and one high school, to be constructed and installed by the Ground Lessee on the Sites (collectively, the "Facilities") and certain equipment to be located primarily on the Sites (the "Equipment," and, collectively with the Facilities and such subleasehold interest in the Sites, the "Project") to the Government of Guam, Guam Public School System (the "Government of Guam"), and the Government of Guam desires to sublease and lease the same from the Ground Lessee, pursuant to and as further described in the Lease Agreement (the "Lease"), dated as of _____, 2005, by and between the Ground Lessee, as lessor thereunder, and the Government of Guam, as lessee thereunder;

WHEREAS, the Ground Lessor and Ground Lessee intend that the leasing by the Ground Lessor to the Ground Lessee of the Sites shall not effect or result in a merger of the Government of Guam's leasehold estate pursuant to the Lease and the Ground Lessor's [fee] [leasehold] estate as lessor under this Ground Lease, and the Ground Lessee shall continue to have and hold a leasehold estate in said Sites pursuant to this Ground Lease throughout the term hereof and the term of the Lease; and

WHEREAS, all capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Lease;

NOW, THEREFORE, IT IS HEREBY MUTUALLY AGREED as follows:

SECTION I. Sites.

The Ground Lessor hereby leases to the Ground Lessee and the Ground Lessee hereby hires from the Ground Lessor, on the terms and conditions hereinafter set forth, the real property described in Exhibit A attached hereto and made a part hereof, subject, however, to any conditions, reservations, and easements of record as of the date hereof (herein collectively called the "Sites").

SECTION 2. Term.

The term of this Ground Lease shall commence on the date of recordation of a short form of this Ground Lease in the [Land Court of Guam], and shall end at midnight on the date 20 years after such commencement, unless such term is extended or sooner terminated as hereinafter provided.

If on the date 20 years after the date of commencement of the term of this lease, the Certificates shall not be fully paid, then the term of this Ground Lease shall be extended until ten (10) days after the Certificates shall be fully paid, except that the term of this Ground Lease shall in no event be extended beyond the date which is 30 years after the date of commencement of the term of this Lease. If prior to the date 20 years after the date of commencement of the term of this Lease, the Certificates shall be fully paid, the term of this Ground Lease shall end ten (10) days thereafter or ten (10) days after written notice by the Ground Lessor to the Ground Lessee, whichever is earlier.

SECTION 3. Rental.

The Ground Lessee shall pay to the Ground Lessor as and for rental hereunder the sum of One Dollar (\$1.00).

SECTION 4. Use of Sites; Reletting of Sites by Ground Lessee.

(a) For the term of the Lease, the Ground Lessee shall use the Sites solely for the purpose of construction and financing of the Project and the Facilities thereon and leasing the Sites, the Project and the Facilities to the Government of Guam pursuant to the Lease and for such purposes as may be incidental thereto.

(b) In the event that the Lease is terminated, the right of the Ground Lessee to sublease the Premises is subject to the following terms and conditions:

(i) the permitted use of the Premises under the sublease shall be limited to purposes consistent with the nature of the facilities and the neighborhood.

(ii) the sublessee shall agree to indemnify and hold harmless the Government of Guam and the Ground Lessor against any and all claims, actions, suits, judgments, damages and liabilities arising out of the sublessee's use of the Premises;

(iii) the sublease shall be a "net-net-net" lease, and shall contain provisions requiring the sublessee to pay all taxes, to maintain the Project and to provide insurance covering such hazards and in such amounts as is commercially reasonable for similar buildings;

(iv) the sublease shall contain covenants of the sublessee regarding hazardous materials which are substantially the same as the covenants contained in Section 12.01 of the Lease;

(v) the sublease shall provide that the Ground Lessee shall have the right to terminate the sublease following a material breach by the sublessee of any of the terms and provisions required pursuant to clauses (i), (ii), (iii) or (iv) above; and

(vi) following a material breach by the sublessee of any of the terms and provisions of the sublease required pursuant to clauses (i) through (v) above, the sublease shall be subject to termination at the written direction of the Government of Guam.

SECTION 5. Owner in Fee.

The Ground Lessor covenants that it is the owner in fee of the Sites, as described in Exhibit A hereto. The Ground Lessor further covenants and agrees that if for any reason this covenant proves to be incorrect, the Ground Lessor will either institute eminent domain proceedings to condemn the property or institute a quiet title action to clarify the Ground Lessor's title, and will diligently pursue such action to completion.

SECTION 6. Assignments and Subleases.

The Ground Lessee shall not assign its rights under this Ground Lease or sublet the Sites, except pursuant to the Indenture, the Assignment Agreement and the Lease, unless (i) the Ground Lessee shall have obtained the written consent of the Ground Lessor, or (ii) the Government of Guam shall be in default under the Lease or the Lease shall have been terminated pursuant to its provisions, and any such assignment or sublease shall be subject to the terms and conditions of Section 4 hereof.

Following the assignment of this Ground Lease to the Trustee pursuant to the Assignment Agreement, Guam Education Financing Foundation shall have no rights, title or interest in, or obligation under, this Ground Lease. Guam Education Financing Foundation shall have no liability for the Trustee's actions or the exercise by the Trustee of any rights under this Ground Lease.

SECTION 7. Right of Entry.

The Ground Lessor reserves the right for any of its duly authorized representatives to enter upon the Sites at any reasonable time to inspect the same or to make any repairs, improvements or changes necessary for the preservation thereof.

SECTION 8. Termination.

The Ground Lessee agrees, upon the termination of this Ground Lease, to quit and surrender the Sites in the same good order and condition as the same were in at the time of commencement of the term hereunder, reasonable wear and tear excepted, and agrees that any permanent improvements and structures existing upon the Sites at the time of the termination of this Ground Lease shall remain thereon and title thereto shall vest in the Ground Lessor.

Upon the exercise of the option to purchase set forth in Section 14.04 of the Lease and upon payment of the Purchase Price required by said section, the term of this Ground Lease shall terminate.

SECTION 9. Default.

In the event the Ground Lessee shall be in default in the performance of any obligation on its part to be performed under the terms of this Ground Lease, which default continues for thirty (30) days following notice and demand for correction thereof to the Ground Lessee, the Ground Lessor may exercise any and all remedies granted by law, except that no merger of this Ground Lease and of the Lease shall be deemed to occur as a result thereof. So long as any such assignee or subtenant of the Ground Lessee shall duly perform the terms and conditions of this Ground Lease and of its then existing sublease (if any), such assignee or subtenant shall be deemed to be and shall become the tenant of the Ground Lessor hereunder and shall be entitled to all of the rights and privileges granted under any such assignment; provided, further, that so long as any Certificates are outstanding and unpaid in accordance with the terms thereof, the rentals or any part thereof payable to the Trustee shall continue to be paid to the Trustee.

SECTION 10. Quiet Enjoyment.

The Ground Lessee at all times during the term of this Ground Lease, subject to the provisions of Section 9 hereof, shall peaceably and quietly have, hold and enjoy all of the Sites.

SECTION 11. Taxes.

The Ground Lessee covenants and agrees to pay any and all assessments of any kind or character and also all taxes, including possessory interest taxes, levied or assessed upon the Sites (including both land and improvements), if any.

SECTION 12. Eminent Domain.

In the event the whole or any part of the Sites or the Project (including all or any part of the Project) is taken by eminent domain proceedings, the interest of the Ground Lessee shall be recognized and is hereby determined to be the amount of the then unpaid or outstanding Certificates attributable to such part of the Project and shall be paid to the Trustee, and the balance of the award, if any, shall be paid to the Ground Lessor.

SECTION 13. Partial Invalidity.

If any one or more of the terms, provisions, covenants or conditions of this Ground Lease shall to any extent be declared invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, the finding or order or decree of which becomes final, none of the remaining terms, provisions, covenants and conditions of this Ground Lease shall be affected thereby, and each provision of this Ground Lease shall be valid and enforceable to the fullest extent permitted by law.

SECTION 14. Notices.

All notices, statements, demands, consents, approvals, authorizations, offers, designations, requests or other communications hereunder by either party to the other shall be in writing and shall be sufficiently given and served upon the other party if delivered personally or if mailed by United States registered or certified mail, return receipt requested, postage prepaid, addressed as set forth below, or to such other addresses as the respective parties may from time to time designate by notice in writing:

If to the Ground Lessee:

Guam Education Financing Foundation
c/o Mr. Richard B. Inman, Jr.
3060 Peachtree Road
Suite 1700
Atlanta Georgia 30305
Telephone: 404/504-2772
Facsimile: 404/504-2790

with a copy to:
Lawrence Barusch
Parsons Behle & Latimer
201 South Main Street, Suite 1800
Salt Lake City, Utah 84111
Telephone: 801/532-1234
Facsimile 801/536-6111

If to the Ground Lessor:

The Honorable Felix P. Camacho
Governor of Guam
P.O. Box 2950
Hagatna, Guam 96932
Telephone: 671/472-8931
Facsimile: 671/477-4826

Department of Public Works
542 North Marine Drive
Tamuning, Guam 96913
Attention: Lawrence P. Perez, Acting Director
Telephone: (671) 646-3131 / 646-3217 / 646-3117
Facsimile: (671) 646-3169

Guam Public School System
P.O. Box DE
Hagåtña, Guam 96932
Attention: Juan P. Flores, Superintendent
Telephone: (671) 475-0462
Facsimile: (671) 472-5003

SECTION 15. Section Headings.

All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this Ground Lease.

SECTION 16. Applicable Law.

This Ground Lease shall be governed by and construed in accordance with the Organic Act of Guam and laws of Guam.

SECTION 17. Amendments.

This Lease may be amended in writing as may be mutually agreed by Ground Lessor and Ground Lessee, subject to any restrictions contained in the Indenture, and subject to any applicable limitations of Guam law.

SECTION 18. Execution.

This Ground Lease may be executed in any number of counterparts, each of which shall be deemed to be an original, but all together shall constitute but one and the same lease. It is also agreed that separate counterparts of this Ground Lease may separately be executed by the Ground Lessor and the Ground Lessee, all with the same force and effect as though the same counterpart had been executed by both the Ground Lessor and the Ground Lessee.

IN WITNESS WHEREOF, the Ground Lessor and the Ground Lessee have caused this lease to be executed by their respective officers thereunto duly authorized, all as of the day and year first above written.

GOVERNMENT OF GUAM, GUAM PUBLIC SCHOOL SYSTEM

By _____
[Name]
[Title]

(S E A L)

ATTEST:

By _____
[Name]
[Title]

As to Lessee, signed, sealed and delivered in the presence of:

Unofficial Witness

Notary Public

My Commission Expires:

(NOTARIAL SEAL)

APPROVED AS TO FORM:

[Name]
[Title]

**GUAM EDUCATION FINANCING
FOUNDATION**

By: _____
Richard B. Inman, Jr.
Chairman

ATTEST:

(SEAL)

By: _____
Michael J. Alvarez
Secretary

**As to the Lessor, signed, sealed
and delivered in the presence of:**

Witness

Notary Public

My Commission Expires:

(NOTARIAL SEAL)

EXHIBIT A

All of that certain parcel of land situated at Astumbo Dededo Middle School Site - Block 26-1NEW, Tract 240, Municipality of Dededo, Guam, described as follows:

Block 26-1NEW, Tract 240 Municipality of Dededo containing an area of 15+/- acres as shown on Land Management Drawing No. 14-05T693 LM Check No. 253 FY2005

GROUND LEASE

between the

[GUAM PUBLIC SCHOOL SYSTEM, GOVERNMENT OF GUAM],

and

**GUAM EDUCATION FINANCING FOUNDATION,
a Guam nonprofit corporation,**

Dated as of _____, 2005

GROUND LEASE

This lease, dated as of _____, 2005, by and between the [Guam Public School System, Government of Guam] (the "Ground Lessor"), as ground lessor, and Guam Education Financing Foundation, a Guam nonprofit corporation (the "Ground Lessee"), as ground lessee;

WITNESSETH:

WHEREAS, the Ground Lessor is the [owner in fee] [ground lessee] of certain real estate parcels located in Guam and described in Exhibit A (collectively, the "Sites");

WHEREAS, the Ground Lessor is willing to lease the Sites, and the Ground Lessee desires to hire the same from the Ground Lessor, upon the terms and conditions and for the purposes set forth in this lease (the "Ground Lease"), dated as of _____, 2005;

WHEREAS, the Ground Lessee desires to sublease the Sites, and lease certain school facilities, including three elementary schools, one middle school and one high school, to be constructed and installed by the Ground Lessee on the Sites (collectively, the "Facilities") and certain equipment to be located primarily on the Sites (the "Equipment," and, collectively with the Facilities and such subleasehold interest in the Sites, the "Project") to the Government of Guam, Guam Public School System (the "Government of Guam"), and the Government of Guam desires to sublease and lease the same from the Ground Lessee, pursuant to and as further described in the Lease Agreement (the "Lease"), dated as of _____, 2005, by and between the Ground Lessee, as lessor thereunder, and the Government of Guam, as lessee thereunder;

WHEREAS, the Ground Lessor and Ground Lessee intend that the leasing by the Ground Lessor to the Ground Lessee of the Sites shall not effect or result in a merger of the Government of Guam's leasehold estate pursuant to the Lease and the Ground Lessor's [fee] [leasehold] estate as lessor under this Ground Lease, and the Ground Lessee shall continue to have and hold a leasehold estate in said Sites pursuant to this Ground Lease throughout the term hereof and the term of the Lease; and

WHEREAS, all capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Lease;

NOW, THEREFORE, IT IS HEREBY MUTUALLY AGREED as follows:

SECTION 1. Sites.

The Ground Lessor hereby leases to the Ground Lessee and the Ground Lessee hereby hires from the Ground Lessor, on the terms and conditions hereinafter set forth, the real property described in Exhibit A attached hereto and made a part hereof, subject, however, to any conditions, reservations, and easements of record as of the date hereof (herein collectively called the "Sites").

SECTION 2. Term.

The term of this Ground Lease shall commence on the date of recordation of a short form of this Ground Lease in the [Land Court of Guam], and shall end at midnight on the date 20 years after such commencement, unless such term is extended or sooner terminated as hereinafter provided.

If on the date 20 years after the date of commencement of the term of this lease, the Certificates shall not be fully paid, then the term of this Ground Lease shall be extended until ten (10) days after the Certificates shall be fully paid, except that the term of this Ground Lease shall in no event be extended beyond the date which is 30 years after the date of commencement of the term of this Lease. If prior to the date 20 years after the date of commencement of the term of this Lease, the Certificates shall be fully paid, the term of this Ground Lease shall end ten (10) days thereafter or ten (10) days after written notice by the Ground Lessor to the Ground Lessee, whichever is earlier.

SECTION 3. Rental.

The Ground Lessee shall pay to the Ground Lessor as and for rental hereunder the sum of One Dollar (\$1.00).

SECTION 4. Use of Sites; Reletting of Sites by Ground Lessee.

(a) For the term of the Lease, the Ground Lessee shall use the Sites solely for the purpose of construction and financing of the Project and the Facilities thereon and leasing the Sites, the Project and the Facilities to the Government of Guam pursuant to the Lease and for such purposes as may be incidental thereto.

(b) In the event that the Lease is terminated, the right of the Ground Lessee to sublease the Premises is subject to the following terms and conditions:

(i) the permitted use of the Premises under the sublease shall be limited to purposes consistent with the nature of the facilities and the neighborhood.

(ii) the sublessee shall agree to indemnify and hold harmless the Government of Guam and the Ground Lessor against any and all claims, actions, suits, judgments, damages and liabilities arising out of the sublessee's use of the Premises;

(iii) the sublease shall be a "net-net-net" lease, and shall contain provisions requiring the sublessee to pay all taxes, to maintain the Project and to provide insurance covering such hazards and in such amounts as is commercially reasonable for similar buildings;

(iv) the sublease shall contain covenants of the sublessee regarding hazardous materials which are substantially the same as the covenants contained in Section 12.01 of the Lease;

(v) the sublease shall provide that the Ground Lessee shall have the right to terminate the sublease following a material breach by the sublessee of any of the terms and provisions required pursuant to clauses (i), (ii), (iii) or (iv) above; and

(vi) following a material breach by the sublessee of any of the terms and provisions of the sublease required pursuant to clauses (i) through (v) above, the sublease shall be subject to termination at the written direction of the Government of Guam.

SECTION 5. Owner in Fee.

The Ground Lessor covenants that it is the owner in fee of the Sites, as described in Exhibit A hereto. The Ground Lessor further covenants and agrees that if for any reason this covenant proves to be incorrect, the Ground Lessor will either institute eminent domain proceedings to condemn the property or institute a quiet title action to clarify the Ground Lessor's title, and will diligently pursue such action to completion.

SECTION 6. Assignments and Subleases.

The Ground Lessee shall not assign its rights under this Ground Lease or sublet the Sites, except pursuant to the Indenture, the Assignment Agreement and the Lease, unless (i) the Ground Lessee shall have obtained the written consent of the Ground Lessor, or (ii) the Government of Guam shall be in default under the Lease or the Lease shall have been terminated pursuant to its provisions, and any such assignment or sublease shall be subject to the terms and conditions of Section 4 hereof.

Following the assignment of this Ground Lease to the Trustee pursuant to the Assignment Agreement, Guam Education Financing Foundation shall have no rights, title or interest in, or obligation under, this Ground Lease. Guam Education Financing Foundation shall have no liability for the Trustee's actions or the exercise by the Trustee of any rights under this Ground Lease.

SECTION 7. Right of Entry.

The Ground Lessor reserves the right for any of its duly authorized representatives to enter upon the Sites at any reasonable time to inspect the same or to make any repairs, improvements or changes necessary for the preservation thereof.

SECTION 8. Termination.

The Ground Lessee agrees, upon the termination of this Ground Lease, to quit and surrender the Sites in the same good order and condition as the same were in at the time of commencement of the term hereunder, reasonable wear and tear excepted, and agrees that any permanent improvements and structures existing upon the Sites at the time of the termination of this Ground Lease shall remain thereon and title thereto shall vest in the Ground Lessor.

Upon the exercise of the option to purchase set forth in Section 14.04 of the Lease and upon payment of the Purchase Price required by said section, the term of this Ground Lease shall terminate.

SECTION 9. Default.

In the event the Ground Lessee shall be in default in the performance of any obligation on its part to be performed under the terms of this Ground Lease, which default continues for thirty (30) days following notice and demand for correction thereof to the Ground Lessee, the Ground Lessor may exercise any and all remedies granted by law, except that no merger of this Ground Lease and of the Lease shall be deemed to occur as a result thereof. So long as any such assignee or subtenant of the Ground Lessee shall duly perform the terms and conditions of this Ground Lease and of its then existing sublease (if any), such assignee or subtenant shall be deemed to be and shall become the tenant of the Ground Lessor hereunder and shall be entitled to all of the rights and privileges granted under any such assignment; provided, further, that so long as any Certificates are outstanding and unpaid in accordance with the terms thereof, the rentals or any part thereof payable to the Trustee shall continue to be paid to the Trustee.

SECTION 10. Quiet Enjoyment.

The Ground Lessee at all times during the term of this Ground Lease, subject to the provisions of Section 9 hereof, shall peaceably and quietly have, hold and enjoy all of the Sites.

SECTION 11. Taxes.

The Ground Lessee covenants and agrees to pay any and all assessments of any kind or character and also all taxes, including possessory interest taxes, levied or assessed upon the Sites (including both land and improvements), if any.

SECTION 12. Eminent Domain.

In the event the whole or any part of the Sites or the Project (including all or any part of the Project) is taken by eminent domain proceedings, the interest of the Ground Lessee shall be recognized and is hereby determined to be the amount of the then unpaid or outstanding Certificates attributable to such part of the Project and shall be paid to the Trustee, and the balance of the award, if any, shall be paid to the Ground Lessor.

SECTION 13. Partial Invalidity.

If any one or more of the terms, provisions, covenants or conditions of this Ground Lease shall to any extent be declared invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, the finding or order or decree of which becomes final, none of the remaining terms, provisions, covenants and conditions of this Ground Lease shall be affected thereby, and each provision of this Ground Lease shall be valid and enforceable to the fullest extent permitted by law.

SECTION 14. Notices.

All notices, statements, demands, consents, approvals, authorizations, offers, designations, requests or other communications hereunder by either party to the other shall be in writing and shall be sufficiently given and served upon the other party if delivered personally or if mailed by United States registered or certified mail, return receipt requested, postage prepaid, addressed as set forth below, or to such other addresses as the respective parties may from time to time designate by notice in writing:

If to the Ground Lessee:

Guam Education Financing Foundation
c/o Mr. Richard B. Inman, Jr.
3060 Peachtree Road
Suite 1700
Atlanta Georgia 30305
Telephone: 404/504-2772
Facsimile: 404/504-2790

with a copy to:
Lawrence Barusch
Parsons Behle & Latimer
201 South Main Street, Suite 1800
Salt Lake City, Utah 84111
Telephone: 801/532-1234
Facsimile 801/536-6111

If to the Ground Lessor:

The Honorable Felix P. Camacho
Governor of Guam
P.O. Box 2950
Hagatna, Guam 96932
Telephone: 671/472-8931
Facsimile: 671/477-4826

Department of Public Works
542 North Marine Drive
Tamuning, Guam 96913
Attention: Lawrence P. Perez, Acting Director
Telephone: (671) 646-3131 / 646-3217 / 646-3117
Facsimile: (671) 646-3169

Guam Public School System
P.O. Box DE
Hagatna, Guam 96932
Attention: Juan P. Flores, Superintendent
Telephone: (671) 475-0462
Facsimile: (671) 472-5003

SECTION 15. Section Headings.

All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this Ground Lease.

SECTION 16. Applicable Law.

This Ground Lease shall be governed by and construed in accordance with the Organic Act of Guam and laws of Guam.

SECTION 17. Amendments.

This Lease may be amended in writing as may be mutually agreed by Ground Lessor and Ground Lessee, subject to any restrictions contained in the Indenture, and subject to any applicable limitations of Guam law.

SECTION 18. Execution.

This Ground Lease may be executed in any number of counterparts, each of which shall be deemed to be an original, but all together shall constitute but one and the same lease. It is also agreed that separate counterparts of this Ground Lease may separately be executed by the Ground Lessor and the Ground Lessee, all with the same force and effect as though the same counterpart had been executed by both the Ground Lessor and the Ground Lessee.

IN WITNESS WHEREOF, the Ground Lessor and the Ground Lessee have caused this lease to be executed by their respective officers thereunto duly authorized, all as of the day and year first above written.

GOVERNMENT OF GUAM, GUAM PUBLIC SCHOOL SYSTEM

By _____
[Name]
[Title]

(SEAL)

ATTEST:

By _____
[Name]
[Title]

As to Lessee, signed, sealed and delivered in the presence of:

Unofficial Witness

Notary Public

My Commission Expires:

(NOTARIAL SEAL)

APPROVED AS TO FORM:

[Name]
[Title]

**GUAM EDUCATION FINANCING
FOUNDATION**

By: _____
Richard B. Inman, Jr.
Chairman

ATTEST:

(SEAL)

By: _____
Michael J. Alvarez
Secretary

As to the Lessor, signed, sealed
and delivered in the presence of:

Witness

Notary Public

My Commission Expires:

(NOTARIAL SEAL)

EXHIBIT A

All of that certain parcel of land situated at Wettengel (Ukudu) High School Site - Tract 11406, Municipality of Dededo, Guam, described as follows:

Tract 11406, Municipality of Dededo containing an area of 87 +/- acres as shown on Land Management Drawing No. 14-05T694 LM Check No. 254 FY2005

GROUND LEASE

between the

[GUAM PUBLIC SCHOOL SYSTEM, GOVERNMENT OF GUAM],

and

**GUAM EDUCATION FINANCING FOUNDATION,
a Guam nonprofit corporation,**

Dated as of _____, 2005

GROUND LEASE

This lease, dated as of _____, 2005, by and between the [Guam Public School System, Government of Guam] (the "Ground Lessor"), as ground lessor, and Guam Education Financing Foundation, a Guam nonprofit corporation (the "Ground Lessee"), as ground lessee;

WITNESSETH:

WHEREAS, the Ground Lessor is the [owner in fee] [ground lessee] of certain real estate parcels located in Guam and described in Exhibit A (collectively, the "Sites");

WHEREAS, the Ground Lessor is willing to lease the Sites, and the Ground Lessee desires to hire the same from the Ground Lessor, upon the terms and conditions and for the purposes set forth in this lease (the "Ground Lease"), dated as of _____, 2005;

WHEREAS, the Ground Lessee desires to sublease the Sites, and lease certain school facilities, including three elementary schools, one middle school and one high school, to be constructed and installed by the Ground Lessee on the Sites (collectively, the "Facilities") and certain equipment to be located primarily on the Sites (the "Equipment," and, collectively with the Facilities and such subleasehold interest in the Sites, the "Project") to the Government of Guam, Guam Public School System (the "Government of Guam"), and the Government of Guam desires to sublease and lease the same from the Ground Lessee, pursuant to and as further described in the Lease Agreement (the "Lease"), dated as of _____, 2005, by and between the Ground Lessee, as lessor thereunder, and the Government of Guam, as lessee thereunder;

WHEREAS, the Ground Lessor and Ground Lessee intend that the leasing by the Ground Lessor to the Ground Lessee of the Sites shall not effect or result in a merger of the Government of Guam's leasehold estate pursuant to the Lease and the Ground Lessor's [fee] [leasehold] estate as lessor under this Ground Lease, and the Ground Lessee shall continue to have and hold a leasehold estate in said Sites pursuant to this Ground Lease throughout the term hereof and the term of the Lease; and

WHEREAS, all capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Lease;

NOW, THEREFORE, IT IS HEREBY MUTUALLY AGREED as follows:

SECTION 1. Sites.

The Ground Lessor hereby leases to the Ground Lessee and the Ground Lessee hereby hires from the Ground Lessor, on the terms and conditions hereinafter set forth, the real property described in Exhibit A attached hereto and made a part hereof, subject, however, to any conditions, reservations, and easements of record as of the date hereof (herein collectively called the "Sites").

SECTION 2. Term.

The term of this Ground Lease shall commence on the date of recordation of a short form of this Ground Lease in the [Land Court of Guam], and shall end at midnight on the date 20 years after such commencement, unless such term is extended or sooner terminated as hereinafter provided.

If on the date 20 years after the date of commencement of the term of this lease, the Certificates shall not be fully paid, then the term of this Ground Lease shall be extended until ten (10) days after the Certificates shall be fully paid, except that the term of this Ground Lease shall in no event be extended beyond the date which is 30 years after the date of commencement of the term of this Lease. If prior to the date 20 years after the date of commencement of the term of this Lease, the Certificates shall be fully paid, the term of this Ground Lease shall end ten (10) days thereafter or ten (10) days after written notice by the Ground Lessor to the Ground Lessee, whichever is earlier.

SECTION 3. Rental.

The Ground Lessee shall pay to the Ground Lessor as and for rental hereunder the sum of One Dollar (\$1.00).

SECTION 4. Use of Sites; Reletting of Sites by Ground Lessee.

(a) For the term of the Lease, the Ground Lessee shall use the Sites solely for the purpose of construction and financing of the Project and the Facilities thereon and leasing the Sites, the Project and the Facilities to the Government of Guam pursuant to the Lease and for such purposes as may be incidental thereto.

(b) In the event that the Lease is terminated, the right of the Ground Lessee to sublease the Premises is subject to the following terms and conditions:

(i) the permitted use of the Premises under the sublease shall be limited to purposes consistent with the nature of the facilities and the neighborhood.

(ii) the sublessee shall agree to indemnify and hold harmless the Government of Guam and the Ground Lessor against any and all claims, actions, suits, judgments, damages and liabilities arising out of the sublessee's use of the Premises;

(iii) the sublease shall be a "net-net-net" lease, and shall contain provisions requiring the sublessee to pay all taxes, to maintain the Project and to provide insurance covering such hazards and in such amounts as is commercially reasonable for similar buildings;

(iv) the sublease shall contain covenants of the sublessee regarding hazardous materials which are substantially the same as the covenants contained in Section 12.01 of the Lease;

(v) the sublease shall provide that the Ground Lessee shall have the right to terminate the sublease following a material breach by the sublessee of any of the terms and provisions required pursuant to clauses (i), (ii), (iii) or (iv) above; and

(vi) following a material breach by the sublessee of any of the terms and provisions of the sublease required pursuant to clauses (i) through (v) above, the sublease shall be subject to termination at the written direction of the Government of Guam.

SECTION 5. Owner in Fee.

The Ground Lessor covenants that it is the owner in fee of the Sites, as described in Exhibit A hereto. The Ground Lessor further covenants and agrees that if for any reason this covenant proves to be incorrect, the Ground Lessor will either institute eminent domain proceedings to condemn the property or institute a quiet title action to clarify the Ground Lessor's title, and will diligently pursue such action to completion.

SECTION 6. Assignments and Subleases.

The Ground Lessee shall not assign its rights under this Ground Lease or sublet the Sites, except pursuant to the Indenture, the Assignment Agreement and the Lease, unless (i) the Ground Lessee shall have obtained the written consent of the Ground Lessor, or (ii) the Government of Guam shall be in default under the Lease or the Lease shall have been terminated pursuant to its provisions, and any such assignment or sublease shall be subject to the terms and conditions of Section 4 hereof.

Following the assignment of this Ground Lease to the Trustee pursuant to the Assignment Agreement, Guam Education Financing Foundation shall have no rights, title or interest in, or obligation under, this Ground Lease. Guam Education Financing Foundation shall have no liability for the Trustee's actions or the exercise by the Trustee of any rights under this Ground Lease.

SECTION 7. Right of Entry.

The Ground Lessor reserves the right for any of its duly authorized representatives to enter upon the Sites at any reasonable time to inspect the same or to make any repairs, improvements or changes necessary for the preservation thereof.

SECTION 8. Termination.

The Ground Lessee agrees, upon the termination of this Ground Lease, to quit and surrender the Sites in the same good order and condition as the same were in at the time of commencement of the term hereunder, reasonable wear and tear excepted, and agrees that any permanent improvements and structures existing upon the Sites at the time of the termination of this Ground Lease shall remain thereon and title thereto shall vest in the Ground Lessor.

Upon the exercise of the option to purchase set forth in Section 14.04 of the Lease and upon payment of the Purchase Price required by said section, the term of this Ground Lease shall terminate.

SECTION 9. Default.

In the event the Ground Lessee shall be in default in the performance of any obligation on its part to be performed under the terms of this Ground Lease, which default continues for thirty (30) days following notice and demand for correction thereof to the Ground Lessee, the Ground Lessor may exercise any and all remedies granted by law, except that no merger of this Ground Lease and of the Lease shall be deemed to occur as a result thereof. So long as any such assignee or subtenant of the Ground Lessee shall duly perform the terms and conditions of this Ground Lease and of its then existing sublease (if any), such assignee or subtenant shall be deemed to be and shall become the tenant of the Ground Lessor hereunder and shall be entitled to all of the rights and privileges granted under any such assignment; provided, further, that so long as any Certificates are outstanding and unpaid in accordance with the terms thereof, the rentals or any part thereof payable to the Trustee shall continue to be paid to the Trustee.

SECTION 10. Quiet Enjoyment.

The Ground Lessee at all times during the term of this Ground Lease, subject to the provisions of Section 9 hereof, shall peaceably and quietly have, hold and enjoy all of the Sites.

SECTION 11. Taxes.

The Ground Lessee covenants and agrees to pay any and all assessments of any kind or character and also all taxes, including possessory interest taxes, levied or assessed upon the Sites (including both land and improvements), if any.

SECTION 12. Eminent Domain.

In the event the whole or any part of the Sites or the Project (including all or any part of the Project) is taken by eminent domain proceedings, the interest of the Ground Lessee shall be recognized and is hereby determined to be the amount of the then unpaid or outstanding Certificates attributable to such part of the Project and shall be paid to the Trustee, and the balance of the award, if any, shall be paid to the Ground Lessor.

SECTION 13. Partial Invalidity.

If any one or more of the terms, provisions, covenants or conditions of this Ground Lease shall to any extent be declared invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, the finding or order or decree of which becomes final, none of the remaining terms, provisions, covenants and conditions of this Ground Lease shall be affected thereby, and each provision of this Ground Lease shall be valid and enforceable to the fullest extent permitted by law.

SECTION 14. Notices.

All notices, statements, demands, consents, approvals, authorizations, offers, designations, requests or other communications hereunder by either party to the other shall be in writing and shall be sufficiently given and served upon the other party if delivered personally or if mailed by United States registered or certified mail, return receipt requested, postage prepaid, addressed as set forth below, or to such other addresses as the respective parties may from time to time designate by notice in writing:

If to the Ground Lessee:

Guam Education Financing Foundation
c/o Mr. Richard B. Inman, Jr.
3060 Peachtree Road
Suite 1700
Atlanta Georgia 30305
Telephone: 404/504-2772
Facsimile: 404/504-2790

with a copy to:
Lawrence Barusch
Parsons Behle & Latimer
201 South Main Street, Suite 1800
Salt Lake City, Utah 84111
Telephone: 801/532-1234
Facsimile 801/536-6111

If to the Ground Lessor:

The Honorable Felix P. Camacho
Governor of Guam
P.O. Box 2950
Hagatna, Guam 96932
Telephone: 671/472-8931
Facsimile: 671/477-4826

Department of Public Works
542 North Marine Drive
Tamuning, Guam 96913
Attention: Lawrence P. Perez, Acting Director
Telephone: (671) 646-3131 / 646-3217 / 646-3117
Facsimile: (671) 646-3169

Guam Public School System
P.O. Box DE
Hagatna, Guam 96932
Attention: Juan P. Flores, Superintendent
Telephone: (671) 475-0462
Facsimile: (671) 472-5003

SECTION 15. Section Headings.

All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this Ground Lease.

SECTION 16. Applicable Law.

This Ground Lease shall be governed by and construed in accordance with the Organic Act of Guam and laws of Guam.

SECTION 17. Amendments.

This Lease may be amended in writing as may be mutually agreed by Ground Lessor and Ground Lessee, subject to any restrictions contained in the Indenture, and subject to any applicable limitations of Guam law.

SECTION 18. Execution.

This Ground Lease may be executed in any number of counterparts, each of which shall be deemed to be an original, but all together shall constitute but one and the same lease. It is also agreed that separate counterparts of this Ground Lease may separately be executed by the Ground Lessor and the Ground Lessee, all with the same force and effect as though the same counterpart had been executed by both the Ground Lessor and the Ground Lessee.

IN WITNESS WHEREOF, the Ground Lessor and the Ground Lessee have caused this lease to be executed by their respective officers thereunto duly authorized, all as of the day and year first above written.

GOVERNMENT OF GUAM, GUAM PUBLIC SCHOOL SYSTEM

By _____
[Name]
[Title]

(SEAL)

ATTEST:

By _____
[Name]
[Title]

As to Lessee, signed, sealed and delivered in the presence of:

Unofficial Witness

Notary Public

My Commission Expires:

(NOTARIAL SEAL)

APPROVED AS TO FORM:

[Name]
[Title]

**GUAM EDUCATION FINANCING
FOUNDATION**

By: _____
Richard B. Inman, Jr.
Chairman

ATTEST:

(SEAL)

By: _____
Michael J. Alvarez
Secretary

**As to the Lessor, signed, sealed
and delivered in the presence of:**

Witness

Notary Public

My Commission Expires:

(NOTARIAL SEAL)

EXHIBIT A

All of that certain parcel of land situated at Harmon Loop Elementary School Conversion to Middle School – Lot No. 10126-R2, Harmon, Municipality of Dededo, Guam, described as follows:

Lot No. 10126-R2, Municipality of Dededo containing an area of 15.36 acres as described as shown on Land Management Drawing No. 14-05T695 LM Check No. 255 FY2005