

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE
GUAM ECONOMIC DEVELOPMENT AUTHORITY

July 28, 2015

Call to Order

§1. The regular meeting of the Board of Directors of the **Guam Economic Development Authority** (referred to as “GEDA” or the “Authority”) was held on July 28, 2015 at the hour of 1:49 p.m. at the Guam Economic Development Authority conference room, Fifth Floor Suite 511, ITC Building, Tamuning, Guam. The meeting was called to order by Chairman Edward J. Calvo to consider several items on the agenda.

Attendance and Quorum

§2. Roll Call. As determined by the roll call, the following directors were present:

Directors:

Edward J. Calvo

Vera Wu

Monte Mesa

Ernesto V. Eslpaldon, Jr.

Absent and excused was:

David J. John

George Chiu

Offices or Positions:

Chairman

Secretary

Director

Director

Vice Chairman

Director

Also present were:

GEDA Officials:

John A. Rios	GEDA Administrator
Mana Silva Tajeron	GEDA Deputy Administrator
Terry Brooks	GEDA Legal Counsel
Thomas Fisher	GEDA Legal Counsel/GRRP
Christina Garcia	Public Finance Manager
Claire Cruz	Loans & Compliance Manager
Diego Mendiola	Real Property Assistant Manager
Mike Cruz	Project Director
Dong Choe	Program Coordinator
Therese Santos	Executive Assistant
Matt Sgro	Industry Development Specialist
Jha'Aunie Leon Guerrero	Program Coordinator
Mark Mendiola	Special Assistant Inter-Agency Support
Antoinette Leon Guerrero	Public Finance Officer
Natalia Faculo	Commerce & Economic Supervisor
Thomas Paulino	Administrative Services Asst. Manager
Sydney Leon Guerrero	Finance Analyst
Janalynn Damian	Calvo Fisher/GRRP
Ignacio Aguigui	Law Office of Ignacio Aguigui/GRRP
Maria Hernandez	Pacific Daily News
Jasmine Style	Marianas Variety
Dave Sablan	GRRP
Sandra Miller	Office of the Governor
John Camacho	GRRP

Approval of Agenda

§3. The first item considered was approval of the agenda. On motion duly made by Director Mesa and seconded by Director Wu to move item XI. Executive Session to item VI on the agenda and to approve the revised agenda with the revision, the motion was unanimously approved.

Approval of Minutes

§4. The next item on the agenda was the approval of minutes from the Regular Board of Directors Meeting on June 26, 2015.

Motion duly made to approve the minutes from the Regular Board Meeting June 26, 2015 by Director Mesa and seconded by Director Wu. The motion carried and the minutes were unanimously approved.

§5. Executive Session. Chairman Calvo made a motion to move to Executive Session per the recommendation of Legal Counsel, Tom Fisher.

§6. Regular Session. Chairman Calvo made a motion to move to Regular Session.

Communications

§7. The next item on the agenda was Communications.

Administrator, John Rios informed the Board that GEDA received notice from State Small Business Credit Initiative (SSBCI) that the audits on our SSBCI Loans will begin. The request for the third tranche has been sent to SSBCI for the amount of \$4M. We are hoping that once the audit is complete, the request for the third tranche will be granted.

No Board action was required.

Old Business

§8. The next item on the agenda was Old Business. There was none.

New Business

§9. The next item on the agenda was New Business. Resolution Approving the Government of Guam Revenue bonds and Authorizing the Execution of related documents, Agreements and Actions.

Mrs. Christina Garcia presented to the Board that GEDA was seeking their approval on a resolution approving the issuance and sale of a Government of Guam Business Privilege Tax Bond. This would be the fourth supplemental indenture bond. So we are here to request for the Board's approval on the distribution of an official statement authorizing the execution of a Bond Purchase Agreement as it relates to the issuance of a refunding bond.

This opportunity of being able to refund the 2007 and 2009 Government of Guam General Obligation Bonds has been presented to the Legislature. The refund, will allow together an amount not to exceed \$465M. A Public Hearing was held on July 17, 2015 on the refund, and we have received notice of a Special Session to act on the bill.

We are pushing to expedite the closing of the Bond by September 4, 2015 to avoid the next principle payment and to bring immediate cash flow service to the Government of Guam.

On a motion duly made by Director Espaldon and seconded by Director Mesa, the following resolution was unanimously approved:

RESOLUTION NO. 2015-001

RESOLUTION APPROVING THE ISSUANCE AND SALE OF GOVERNMENT OF GUAM BUSINESS PRIVILEGE TAX BONDS; APPROVING A FOURTH SUPPLEMENTAL INDENTURE; APPROVING THE DISTRIBUTION OF AN OFFICIAL STATEMENT; AUTHORIZING THE EXECUTION OF A BOND PURCHASE AGREEMENT, ESCROW LETTER AND OTHER RELATED DOCUMENTS; AND THE TAKING OF RELATED ACTIONS

WHEREAS, pursuant to Section 50103(k) of Title 12 of the Guam Code Annotated, agencies and instrumentalities of the Government shall issue bonds and other obligations only by means of and through the agency of GEDA and only with the approval of the Legislature of Guam (the "Legislature") of the terms and conditions of such bonds;

WHEREAS, on December 1, 2011, pursuant to the §1512.3 of Article 5 of Chapter 1 of Title 5 of the Guam Code Annotated (as amended, the "Act") and an Indenture, dated as of December 1, 2011 (the "General Indenture"), as supplemented by a First Supplemental Indenture, dated as of December 1, 2011, by and among the Government, Bank of Guam, as Trustee (the "Trustee"), and U.S. Bank National Association, as Co-Trustee (the "Co-Trustee"), the Government issued the first series of Bonds in the aggregate principal amount of \$235,000,000, designated Government of Guam Business Privilege Tax Bonds, Series 2011A;

WHEREAS, on June 6, 2012, pursuant to the Act, the General Indenture, and the Second Supplemental Indenture dated as of June 1, 2012 (the "Second Supplemental Indenture"), by and among the Government, the Trustee, and the Co-Trustee, the Government issued the second series of Bonds in the aggregate principal amount of \$108,700,000, designated Government of Guam Business Privilege Tax Bonds, Series 2012B;

WHEREAS, on February 7, 2013, pursuant to the Act, the General Indenture, and the Third Supplemental Indenture dated as of January 1, 2013 (the "Third Supplemental Indenture"), by and among the Government, the Trustee, and the Co-Trustee, the Government issued the second series of Bonds in the

aggregate principal amount of \$22,640,000, designated Government of Guam Business Privilege Tax Bonds, Series 2013C (the “Series 2013C Bonds”);

WHEREAS, the Government is contemplating issuing one or more additional series of the Bonds from time to time (hereinafter, the “Series 2015 Bonds”) in an aggregate principal amount not to exceed \$465,000,000, for the purposes of refunding all or a portion of the outstanding Government of Guam General Obligation Bonds, 2007 Series A and all or a portion of the outstanding Government of Guam General Obligation Bonds, 2009 Series A (collectively, the “Refunded Bonds”);

WHEREAS, this Board of Directors has determined that it is in the public interest for the Government to issue and sell the Series 2015 Bonds, or such portion thereof as may be advisable as determined by the Governor upon consultation with the Administrator or Chairman of GEDA, for such purposes as are set forth in the Act, namely (i) to fund an escrow to pay principal, interest and redemption price on the Refunded Bonds, and (ii) to pay expenses relating to the authorization, sale and issuance of the Bonds, including, without limitation, printing costs, costs of reproducing documents, credit enhancement fees, underwriting, legal, feasibility, financial advisory and accounting fees and charges, fees paid to banks or other financial institutions providing credit enhancement, costs of credit ratings and other costs, charges and fees in connection with the issuance, sale and delivery of the Series 2015 Bonds; and

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Guam Economic Development Authority as follows:

Section 1. The issuance and sale of the Series 2015 Bonds, or such portion thereof as may be advisable as determined by the Governor upon consultation with the Administrator or Chairman of GEDA (each, an “Authorized Representative”), are hereby approved in accordance with Section 50103(k) of Title 12 of the Guam Code Annotated and the Act.

Section 2. A Fourth Supplemental Indenture, supplemental to the General Indenture, pursuant to which the Series 2015 Bonds would be issued (the “Fourth Supplemental Indenture”), substantially in the form of the Third Supplemental Indenture pursuant to which the Series 2013C Bonds were issued, and to be executed and delivered by the Governor on behalf of the Government, is hereby approved, with such additions, changes and modifications as the Governor may approve upon consultation with an Authorized Representative and legal counsel, such approval to be conclusively evidenced by the execution and delivery of the Fourth Supplemental Indenture.

Section 3. A Bond Purchase Agreement, pursuant to which the Series 2015 Bonds would be sold (the “Bond Purchase Agreement”), in substantially the form of the bond purchase agreement pursuant to which the Series 2013C Bonds were sold, and to be executed and delivered by the Governor on behalf of the Government and by an Authorized Representative on behalf of GEDA, is hereby approved for execution and delivery on behalf of the Government and GEDA, with such additions, changes and modifications as the Governor and such Authorized Representative may approve upon consultation with legal counsel, such approval to be conclusively evidenced by the execution and delivery of the Bond Purchase Agreement on behalf of the Government and GEDA; *provided, however*, that the aggregate principal amount of the Series 2015 Bonds shall not exceed \$465,000,000, and the Series 2015 Bonds shall mature not later than November 15, 2039 and shall bear interest at such rates and be sold for such price or prices as shall result in the present value of debt service on the Series 2015 Bonds being at least two percent (2%) less than the present value of

debt service on the Refunded Bonds, inclusive of all fees, for bond counsel and bond underwriters and other costs of issuance, using the yield on the Series 2015 Bonds as the discount rate.

Section 4. An Escrow Letter for the purpose of establishing an escrow fund for the refunding of the Refunded Bonds and the appointment of an escrow agent (the “Escrow Letter”), in substantially the form of the escrow letter relating to the Series 2013C Bonds executed for the purpose of establishing an escrow fund for the refunding of the refunded bonds refunded by the Series 2013C Bonds, to be executed and delivered by the Governor on behalf of the Government, is hereby approved, with such additions, changes and modifications as the Governor may approve upon consultation with an Authorized Representative and legal counsel, such approval to be conclusively evidenced by the execution and delivery of the Escrow Letter.

Section 5. The distribution of an Official Statement, pursuant to which the Series 2015 Bonds would be described to potential investors (the “Official Statement”), in substantially the form of official statement pursuant to which the Series 2013C Bonds was described to potential investors, to be executed and delivered by the Governor on behalf of the Government upon consultation with an Authorized Representative and legal counsel (such approval to be conclusively evidenced by the execution of the final Official Statement by the Governor), is hereby approved. The Governor on behalf of the Government upon consultation with an Authorized Representative and legal counsel is hereby authorized to certify to the underwriters of the Series 2015 Bonds that the Official Statement in preliminary form was deemed final as of its date within the meaning of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934. The underwriters of the Series 2015 Bonds are hereby authorized and directed to deliver copies of the final Official Statement to all subsequent purchasers of the Series 2015 Bonds.

Section 6. Each Authorized Representative is hereby authorized and directed to do any and all things and to execute and deliver any and all documents or certificates which he may deem necessary or advisable in order to consummate the sale of the Series 2015 Bonds and otherwise to effectuate the purposes of this resolution. Such actions may include, but are not limited to, the distribution of material relating to the Series 2015 Bonds and the holding of any appropriate information meetings concerning the Series 2015 Bonds. A designee of, or individual duly acting as, the Administrator of GEDA may also do any and all things authorized hereby to be done by an Authorized Representative of GEDA.

Reports

§10. The next item on the agenda was Reports. There were none.

Recess

§12. A motion to recess until Friday, July 31, 2015 at 11:00 a.m. in order to reconvene and address the remaining agenda items was made by Director Mesa and seconded by Director Espaldon. The motion was unanimously approved.

An Order of Adjournment was signed by Chairman Calvo and posted on the door of the GEDA Board Conference Room.

Dated this 31st day of July, 2015



Edward J. Calvo
Chairman

ATTEST:



Vera Wu
Secretary