

ACT NO. 7453

BILL NO. 29-0385

TWENTY-NINTH LEGISLATURE OF THE VIRGIN ISLANDS

Regular Session

2012

An Act authorizing the issuance of bonds, notes or other evidences of indebtedness of the Government of the Virgin Islands or the Virgin Islands Public Finance Authority to provide funds to finance all or a portion of the costs of certain projects listed in Section 2 of this act in an amount up to \$41,440,000, finance all or a portion of the costs of certain other projects listed in section 2 in an amount up to \$35,000,000 finance all or a portion of the costs of the acquisition of a fleet of police vehicles and related equipment for the Virgin Islands Police Department, t up to \$7,000,000, refund and restructure the debt service on all of the outstanding Gross Receipts Taxes Bonds, Series 1999A issued for working capital purposes fund any necessary reserves, pay the costs of issuance of the Series 2012 Bonds; authorizing the Government and the Authority to enter into certain agreements, and pledge, as applicable, either the Matching Fund Revenues and issue limited special obligation notes to secure repayment of all or a portion of the Series 2012 Bonds or the Gross Receipts Taxes Bonds and issue general obligation notes to secure repayment of all or a portion of the Series 2012 Bonds; and amending Act No. 7267 to provide for the long-term financing of the Broadband Project through issuance of either Gross Receipts Taxes Bonds or Matching Fund Revenue Bonds and authorizing the funding for additional recreational projects through the Community Trust Fund, and for other purposes

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WHEREAS, the Authority has entered into an Indenture of Trust, dated as of May 1, 1998, as amended and supplemented (collectively, the "Matching Fund Revenue Indenture"), authorized under the Virgin Islands Revised Organic Act, as amended, 48 U.S.C.A §1574 et seq. (West 1987) (the "Revised Organic Act"), Title 29, Chapter 15, of the Virgin Islands Code (the "PFA Act", and together with the Revised Organic Act, the "Act"), pursuant to which the Authority previously has issued its bonds; and

WHEREAS, the Authority has entered into an Indenture of Trust, dated as of November 1, 1999, as amended and supplemented (collectively, the "Gross Receipts Taxes Bonds Indenture"), authorized under the Act, pursuant to which the Authority has issued its bonds; and

WHEREAS, in order to finance all or a portion of the costs of (i) the 2012 Projects described in Section 2, below, the Authority intends to issue one or more series of Series 2012 Bonds secured under either of the Matching Fund Revenue Indenture (the "Series 2012 Matching Fund Revenue Bonds") or the Gross Receipts Taxes Bonds Indenture (the "Series 2012 Gross Receipts Taxes Bonds"); and

WHEREAS, in order to provide a portion of the funding for the design and construction of a baseball stadium at the Paul E. Joseph Stadium site and a Multi-Purpose In-Door Recreational Facility in an amount not to exceed \$35,000,000 (exclusive of costs of issuance and any required deposits to a reserve fund, to be distributed evenly between both projects) to satisfy the Government's financial obligations related to the financing for the Series 2012 Recreational Projects, it is desirable that the Government, through the Virgin Islands Public Finance Authority (the "Authority") issue its bonds, notes or other evidence of indebtedness to be secured by the Government's matching fund revenues as defined in Title 29, Section 42, Virgin Islands Code) further secured by the Government's Community Facilities Trust, authorized under Act No. 7012, which trust is funded from a portion of the matching fund cover over revenues attributable to the Diageo Project (the "Community Facilities Trust Revenues") and intended to provide a source of financing for the development, operation and maintenance of recreational facilities in the Virgin Islands; and

WHEREAS, the Government intends to issue up to \$35,000,000 aggregate principal amount (plus any required reserves and associated fees and charges related to the issuance of its bonds, notes or other evidence of indebtedness), (the "Series 2012 Matching Fund Revenue Bonds" or the "Series 2012 Bonds") in one or more series and, pursuant to one or more loan agreements to be entered into between the Government and the Authority (collectively, the "Series 2012 Loan Agreement"), loan the proceeds thereof to the Government (the "Series 2012 Loan") against delivery of one or more limited obligation loan notes of the Government (collectively, the "Series 2012 Loan Notes"), to (i) finance the Government's contribution to the development of the Series 2012 Recreational Projects, (ii) pay capitalized interest on the Series 2012 Bonds during construction of the Series 2012 Recreational Projects, (iii) fund any necessary reserves in connection therewith, and (iv) pay costs of issuance of the Series 2012 Bonds and the Series 2012 Loan Notes, including costs of bond insurance or liquidity facility costs, if any; and

WHEREAS, in order to provide additional flexibility to the Government and the Authority in securing long-term financing for the Broadband Expansion Project authorized pursuant to V. I. Act No. 7257 (the "Broadband Act"), the Broadband Act must be amended to authorize long-term financing through issuance of bonds secured by either (i) Gross Receipts Taxes Bonds, or (ii) Matching Fund Revenues; and

Be it enacted by the Legislature of the Virgin Islands:

SECTION 1. Authorization to Borrow to Finance the Series 2012 Projects

(A) Authorization to Borrow on a Limited Obligation Basis or a General Obligation Basis. The Authority is authorized to issue the Series 2012 Bonds to provide funds to (i) finance all or a portion of the costs of the Series 2012 Projects in an aggregate principal amount not to exceed \$41,440,000 (exclusive of fees, charges, carrying costs and reserves), (ii) fund any necessary reserves, (iii) pay the costs of issuance of the Series 2012 Bonds and Series 2012 Projects Loan Notes, (iv) pay capitalized interest, if any, on the Series 2012 Bonds, and (v) pay the costs of any liquidity facility or bond insurance relating to the Series 2012 Bonds. Such Series 2012 Bonds shall be secured as applicable by the Matching Fund Revenues (the "Series 2012 Matching Fund Revenue Bonds") or the Gross Receipts Taxes Bonds (the "Series 2012 Gross Receipts Taxes Bonds") as determined by the Government and the Authority. As evidence of its obligation to repay the Series 2012 Matching Fund Revenue Bonds, the Government is hereby authorized to issue as its Series 2012 Matching Fund Revenue Loan Notes

and execute the Series 2012 Matching Fund Revenue Loan Agreements. As evidence its obligation to repay the Series 2012 Gross Receipts Taxes Bonds, the Government is hereby authorized to issue its Gross Receipts Taxes Bonds Loan Notes and to execute the Series 2012 Gross Receipts Taxes Loan Agreement.

(B)(1) **Authorization to Pledge Matching Fund Revenues to Secure Series 2012 Matching Fund Revenue Bonds.** The Government is hereby authorized to issue a portion of the Series 2012 Bonds as Series 2012 Matching Fund Revenue Bonds and to pledge certain federal excise tax revenues (hereinafter referred to as “Matching Fund Revenues”) to be received by the Government free and clear of any liens or security interests (except as provided below) pursuant to Title 29, Section 42 of the Virgin Islands Code, as security for repayment of the Series 2012 Matching Fund Revenue Loan Notes. The Special Escrow Agreement, dated as of May 1, 1998, as supplemented and amended, entered into by and between the Government, the Authority and The Bank of New York Trust Company, N.A., as successor Special Escrow Agent (the “Special Escrow Agent”), (collectively, the “Special Escrow Agreement”), providing for the deposit and administration of funds for the benefit of the holders of the outstanding Matching Fund Revenue Bonds, the Series 2012 Matching Fund Revenue Bonds, and any Additional Bonds authorized under the Matching Fund Revenue Bond Indenture (“Matching Fund Revenue Additional Bonds”) shall be maintained for so long as any of the Series 2012 Matching Fund Revenue Bonds or any additional loans made with the proceeds of Matching Fund Revenue Additional Bonds issued under a duly authorized supplement to the Matching Fund Revenue Indenture are outstanding.

In connection with the issuance of the Series 2012 Matching Fund Revenue Bonds and in furtherance of the pledge of the Matching Fund Revenues authorized herein, the Government and the Authority are hereby authorized to execute one or more agreements or other instruments, pursuant to which (i) all Matching Fund Revenues shall continue to be delivered directly from the United States Department of the Treasury to the Special Escrow Agent for deposit to the Special Escrow Fund, known as the “Matching Fund Revenue Special Escrow Account”, which account shall be maintained in the custody of the Special Escrow Agent and shall be held separate from any other funds and accounts of the Government or such banking institution, (ii) the Government shall pledge and assign to the Authority, which shall in turn assign to the Trustee, on behalf of the holders of the outstanding Matching Fund Revenue Bonds, the Series 2012 Matching Fund Revenue Bonds, and any Matching Fund Revenue Additional Bonds, a lien on and a security interest, in all such amounts deposited into the Matching Fund Revenue Special Escrow Account, (iii) such Special Escrow Agent shall remit, or cause to be remitted, from amounts on deposit in the Matching Fund Revenue Special Escrow Account, (x) *first*, to the Trustee, such amounts as are necessary under the Matching Fund Revenue Indenture and all supplemental indentures thereto or the respective loan agreement, to satisfy the Government’s payment obligations then due, (y) *second*, (a) to the Diageo Special Escrow Agent for delivery to the trustee, each appointed in accordance with the provisions of the Agreement, dated June 17, 2008, by and between the Government and Diageo USVI LLC (the “Diageo Agreement”), to the extent available Matching Fund Revenues allocable to the Project (as defined in the Diageo Agreement) are then available, the allocable portion of such Matching Fund Revenues to satisfy (A) the Government’s payment obligations then due under the indenture of trust and loan agreement entered into and (B) the Government’s payment obligations under the Diageo Agreement, (b) to the Cruzan Special Escrow Agent for delivery to the trustee, each appointed in accordance with the provisions of the Agreement, dated October 6, 2009, by and between the Government and Cruzan VIRIL, Ltd. (the “Cruzan Agreement”), to the extent available Matching Fund Revenues allocable to the Project (as defined in the Cruzan Agreement) are then

available, the allocable portion of such Matching Fund Revenues to satisfy (A) the Government's payment obligations then due under the indenture of trust and loan agreement entered into and (B) the Government's payment obligations under the Cruzan Agreement, and (z) *third*, to the Government for use by the Government for any lawful purpose, and (iv) the Government shall covenant that, in the event the United States government discontinues providing Matching Fund Revenues to the Government and substitutes another source of revenues in lieu thereof, the Government shall use its best efforts to add or substitute such source of revenues (the "Substitute Revenues") to pledge as security for the repayment for the Series 2012 Matching Fund Revenue Loan Notes, which Substitute Revenues will be deposited into the Matching Fund Revenues Special Escrow Account, be subject to the security interest granted therein and be remitted therefrom in the same manner as authorized in clauses (i), (ii) and (iii) above. Notwithstanding any other law, rule or regulation to the contrary, upon deposit of the Matching Fund Revenues into the Matching Fund Revenue Special Escrow Account, such amounts so deposited shall not be subject to any prior lien or attachment by any creditor of the Government or by any other person or entity other than the lien and security interests authorized by this paragraph (1).

(2) **Non-Impairment Covenant.** In furtherance of the pledge of the Matching Fund Revenues authorized by this Act, the Government is hereby authorized and directed to covenant and agree for the benefit of the holders of the outstanding Matching Fund Revenue Bonds, Series 2012 Matching Fund Revenue Bonds and any Matching Fund Revenue Additional Bonds that, for so long as any related loan notes issued by the Government remain unpaid, the Government shall continue to (i) take all steps necessary to ensure the receipt and continued collection of Matching Fund Revenues and the deposit of Matching Fund Revenues into the Matching Fund Revenue Special Escrow Account, (ii) to the extent permitted by law, defend, preserve and protect such pledge, lien and security interest and all rights of the holders of such loan notes against all claims and demands of third parties, (iii) not revoke, terminate or amend such pledge, lien and security interest in any way that materially adversely affects the rights of any holder of such loan notes or bondholders, (iv) not take any action that would, directly or indirectly, result in the repeal, rescission or termination of Section 1574a of the Revised Organic Act (or any successor provision) or a reduction in collections of Matching Fund Revenues or a restriction or reduction in application of the Matching Fund Revenues in general, if such action would materially adversely affect the rights of any holder of such loan notes or bondholders, or (v) not take any action or fail to take any action which will limit, restrict or in any way impair in general the collection, transfer, deposit to, or disbursement of Matching Fund Revenues from the Matching Fund Revenues Special Escrow Account, or allow, permit or suffer to exist any prior lien, attachment or pledge (other than any lien and pledge authorized herein) of Matching Fund Revenues deposited into or required to be deposited into the Matching Fund Revenues Special Escrow Account.

(3) **Authorization to Assign Series 2012 Matching Fund Revenue Loan Notes and Series 2012 Matching Fund Revenue Loan Agreements.** In connection with the issuance by the Authority of the Series 2012 Matching Fund Revenue Bonds, the Authority is hereby authorized to assign to the Trustee, for the benefit of the holders of the Series 2012 Matching Fund Revenue Bonds, the Authority's rights and interest in, to and under the Series 2012 Matching Fund Revenue Loan Notes and the Series 2012 Matching Fund Revenue Loan Agreements or other instruments authorized herein, subject to and in accordance with the terms of the Matching Fund Revenue Indenture and the Series 2012 Matching Fund Revenue Loan Agreements.

(4) **Authorization to Execute All Necessary Agreements.** The Government, acting by the Governor or Commissioner of Finance, and the Authority, acting by the Governor as Chairman (or such other member(s) designated in the resolution of the Authority), are each hereby authorized to (i) execute and deliver all documents and agreements necessary or advisable in connection with the issuance of the Series 2012 Bonds authorized herein, (ii) loan the proceeds of the Authority's Series 2012 Bonds to the Government as contemplated herein, and (iii) pay all expenses associated with the issuance of the Series 2012 Bonds authorized herein, including, without limitation, any costs or expenses required to be paid by or in relation to the Series 2012 Matching Fund Revenue Loan Agreement authorized herein, including any liquidity facility or bond insurance policy relating to the Series 2012 Matching Fund Revenue Bonds.

(C) (1) **Authorization to Borrow on a General Obligation Basis and to Pledge Gross Receipts Taxes to Secure the 2012 Gross Receipts Taxes Bonds.** The Authority is authorized to issue the Series 2012 Bonds as Gross Receipts Taxes Bonds to provide funds to (i) finance all or a portion of the costs of the Series 2012 Capital Projects in a principal amount not to exceed \$32,090,000 (exclusive of fees, charges, carrying costs and reserves), (ii) finance the costs of the Series 2012 Refunding Project, (iii) fund any necessary reserves, (iv) pay the costs of issuance of the Series 2012 Gross Receipts Taxes Bonds and the Series 2012 Gross Receipts Taxes Bonds Loan Notes, (v) pay capitalized interest, if any, on the Series 2012 Bonds, and (vi) pay the costs of any liquidity facility or bond insurance relating to the Series 2012 Gross Receipts Taxes Bonds. The Government is hereby authorized to issue its Series 2012 Gross Receipts Taxes Bonds Loan Notes and execute the Series 2012 Gross Receipts Taxes Bonds Loan Agreements to evidence its obligation to repay the Series 2012 Project Loan Notes and to pledge the Gross Receipts Taxes Bonds imposed and the resulting tax revenues collected and to be collected by the Government (together with all fines, interest, penalties and other charges assessed, imposed or otherwise payable in relation to such taxes and revenues) pursuant to Title 33, Section 43 of the Virgin Islands Code (the "Gross Receipts Taxes Bonds Act"), (hereinafter referred to as "Gross Receipts Tax Revenues") as security for repayment of the Series 2012 Gross Receipts Taxes Bonds Loan Notes, subject and subordinate to the Required Annual Moderate Income Housing Fund Deposit. The Special Escrow Agreement, dated as of November 1, 1999, entered into by and between the Government, the Authority and The Bank of New York Mellon Trust Company, N.A., as successor Special Escrow Agent (the "Special Escrow Agent"), as amended (collectively, the "Special Escrow Agreement"); and the Collecting Agent Agreement, dated as of November 1, 1999, entered into by and among the Government, the Authority, the Special Escrow Agent and First Bank Puerto Rico, as successor Collecting Agent (the "Collecting Agent"), as amended (collectively, the "Collecting Agent Agreement"), providing for the deposit and administration of funds for the benefit of the holders of the outstanding Gross Receipts Taxes Bonds, the Series 2012 Gross Receipts Taxes Bonds and any Additional Bonds issued pursuant to the Gross Receipts Taxes Bonds Indenture (the "Gross Receipts Taxes Bonds Additional Bonds") shall be maintained for so long as any of the Series 2012 Gross Receipts Taxes Bonds or any additional loans made with the proceeds of Additional Bonds issued under a duly authorized supplement to the Gross Receipts Taxes Bonds Indenture for the Series 2012 Gross Receipts Taxes Bonds are outstanding.

In connection with the issuance of the Series 2012 Gross Receipts Taxes Bonds and in furtherance of the pledge of the Gross Receipts Tax Revenues authorized herein, the Government and the Authority are hereby authorized to execute one or more agreements or other instruments, pursuant to which (i) all Gross Receipts Tax Revenues shall continue to be delivered directly from the Virgin Islands Internal Revenue Bureau to the Collecting Agent for deposit to the

Special Escrow Agent for deposit to the Special Escrow Account, known as the “Gross Receipts Taxes Bonds Special Escrow Account”, which account shall be maintained in the custody of the Special Escrow Agent and shall be held separate from any other funds and accounts of the Government or such banking institutions, (ii) the Government shall pledge and assign to the Authority, which shall in turn assign to the Trustee, on behalf of the holders of the outstanding Gross Receipts Taxes Bonds, the Series 2012 Gross Receipts Taxes Bonds and any Gross Receipts Taxes Bonds Additional Bonds, a lien on and a security interest in all such amounts deposited into the Gross Receipts Taxes Bonds Special Escrow Account, (iii) the Special Escrow Agent shall remit, or cause to be remitted, from amounts on deposit in the Gross Receipts Taxes Bonds Special Escrow Account, (x) *first*, to the Trustee, such amounts as are necessary under the Gross Receipts Taxes Bonds Indenture and any supplemental indenture thereto or the respective loan agreement, to satisfy the Government’s payment obligations then due, and (y) *second*, to the Government for use by the Government for any lawful purpose, and (iv) the Government shall covenant that, in the event the Government discontinues the imposition of the Gross Receipts Tax Revenues and substitutes another source of revenues in lieu thereof, the Government shall use its best efforts to add or substitute such source of revenues (the “Substitute Revenues”) to pledge as security for the repayment for the Series 2012 Gross Receipts Taxes Bonds Loan Notes, which Substitute Revenues will be deposited into the Gross Receipts Taxes Bonds Special Escrow Account, be subject to the security interest granted therein and be remitted therefrom in the same manner as authorized in clauses (i), (ii) and (iii) above. Notwithstanding any other law, rule or regulation to the contrary, upon deposit of the Gross Receipts Tax Revenues into the Gross Receipts Tax Special Escrow Account, such amounts so deposited shall not be subject to any prior lien or attachment by any creditor of the Government or by any other person or entity other than the lien and security interests authorized by this paragraph (1).

(2) **Non-Impairment Covenant.** In furtherance of the pledge of the Gross Receipts Tax Revenues authorized by this Act, the Government is hereby authorized and directed to covenant and agree for the benefit of the holders of the outstanding Gross Receipts Taxes Bonds, Series 2012 Gross Receipts Taxes Bonds and any Additional Bonds that, for so long as any related loan notes issued by the Government remain unpaid, the Government shall continue to (i) take all steps necessary to ensure the receipt and maximization of Gross Receipts Taxes Bonds, and, if applicable, the Substitute Revenues, and the deposit of all Gross Receipts Tax Revenues, and, if applicable, the Substitute Revenues, into the Gross Receipts Taxes Bonds Special Escrow Account, (ii) to the extent permitted by law, defend, preserve and protect such pledge, lien and security interest and all rights of the holders of such loan notes against all claims and demands of third parties, (iii) not revoke, terminate or amend such pledge, lien and security interest in any way that materially adversely affects the rights of any holder of such loan notes or bondholders, (iv) not take any action that would, directly or indirectly, result in the repeal, rescission or termination of the Gross Receipts Taxes Bonds Act (or any successor provision) or a reduction in the rate or rates at which the Gross Receipts Tax Revenues are imposed or levied or a restriction or reduction in the application of the Gross Receipts Tax Revenues in general, if such action would materially adversely affect the rights of any holder of such loan notes or bondholders, or (v) not take any action or fail to take any action which will limit, restrict or in any way impair in general the collection, transfer, deposit to, or disbursement of Gross Receipts Tax Revenues from the Gross Receipts Taxes Bonds Special Escrow Account, or allow, permit or suffer to exist any prior lien, attachment or pledge (other than any lien and pledge authorized herein) of Gross Receipts Tax Revenues deposited into or required to be deposited into the Gross Receipts Taxes Bonds Special Escrow Account.

(3) **Authorization to Assign Series 2012 Gross Receipts Taxes Bonds Loan Notes and Series 2012 Gross Receipts Taxes Bonds Loan Agreements.** In connection with the issuance by the Authority of the Series 2012 Gross Receipts Taxes Bonds, the Authority is hereby authorized to assign to the Trustee, for the benefit of the holders of the Series 2012 Gross Receipts Taxes Bonds, the Authority's rights and interest in, to and under the Series 2012 Gross Receipts Taxes Bonds Loan Notes and the Series 2012 Gross Receipts Taxes Bonds Loan Agreements or other instruments authorized herein, subject to and in accordance with the terms of the Gross Receipts Taxes Bonds Indenture and the Series 2012 Gross Receipts Taxes Bonds Loan Agreements.

(4) **Authorization to Execute All Necessary Agreements.** The Government, acting by the Governor or Commissioner of Finance, and the Authority, acting by the Governor as Chairman (or such other member(s) designated in the resolution of the Authority), are each hereby authorized to (i) execute and deliver all documents and agreements necessary or advisable in connection with the issuance of the 2012 Gross Receipts Taxes Bonds authorized herein, (ii) loan the proceeds of the Authority's bonds to the Government as contemplated herein, and (iii) pay all expenses associated with the issuance of the bonds, notes, and other evidence of indebtedness authorized herein, including, without limitation, any costs or expenses required to be paid by or in relation to the Series 2012 Gross Receipts Taxes Bonds Loan Agreements authorized herein, including any liquidity facility or bond insurance policy relating to the Series 2012 Gross Receipts Taxes Bonds.

SECTION 2. Series 2012A Projects. Proceeds of the Series 2012 Bonds shall be applied to pay some of all of the costs of the Capital Projects, the 2012 Police Fleet Project, the Series 2012 Refunding Project and the Series 2012 Recreational Projects (collectively, the "Series 2012 Projects"), each as described more fully below:

(A) The Capital Projects include the items described below:

<u>Project</u>	<u>Amount</u>
Ivanna Eudora Kean High School Track and Field - Phase II and III	\$4,500,000
Fort Christian Renovation Phase I and Phase II	2,000,000
St. Thomas Regional Library	2,000,000
Department of Public Works Maintenance and Garage Facility Reconstruction (St. Thomas)	1,500,000
Charlotte Amalie High School Track	1,500,000
St. Croix Educational Complex Track	2,200,000
Central High School Track1	1,800,000
WMA-Anguilla Landfill Closure	5,000,000

Construction of Permanent Building for Annual Celebration of the Crucian Christmas Festival	3,500,000
Monbijou Park Bathroom Repairs/Installation	600,000
Estate Profit's Pedro Cruz Ball Park Bleachers Installation	40,000
Construction of Bathroom Facilities at the Estate Glynn Ball Park	300,000
Sion Farm's Rudy Krieger Ball Park Repairs	<u>150,000</u>
Road Work & Enhancements in Downtown Frederiksted (Queen & Prince Streets)	\$2,000,000
Road Work & Enhancements in downtown Christiansted (King & Company Streets)	\$2,000,000
St. Croix Boardwalk Enhancements (Christiansted)	\$500,000
Methane Gas Energy Project to connect methane gas exhaust from Bovoni Landfill to WAPA electrical Grid, St. Thomas	\$2,850,000
General Improvements, Deferred Maintenance, and Equipment for Governor Juan F. Luis Hospital, St. Croix	\$4,000,000
General Improvements, Deferred Maintenance, and Equipment for the Roy Lester Schneider Hospital, St. Thomas	\$4,000,000
Completion of Phase I of the Leonardo "Nardo" Trotman Drive Project	\$1,000,000
Total figures	\$16,350,000
Overall Total	\$41,440,000

(B) The 2012 Police Fleet Project shall mean the acquisition of approximately 161 police vehicles and related equipment, including 152 marked and unmarked police interceptors, four K-9 interceptors, one Marina Unit vehicle, two 14 passenger wagons and two prisoner vans, as required to comply with the collective bargaining agreement with the Virgin Islands Police Department at a cost of up to \$7,000,000.

(C) The Series 2012 Refunding Project shall mean the refunding of the outstanding Gross Receipts Taxes Bonds, Series 1999A, to achieve debt service saving and/or restructure the debt.

(D) The Series 2012 Recreational Projects shall mean the (i) design, construction and financing of a baseball stadium at the Paul E. Joseph Stadium site in Frederiksted on the Island of St. Croix and (ii) design, construction and financing of a Multi-Purpose In-Door Recreational Facility in Mars Hill on the island of St. Croix.

(E) Loan to UVI Research and Technology Park to complete construction of multi-tenant headquarters building at the entrance to the UVI St. Croix campus \$2,500,000

(F) Economic Development Agency (Enterprise Zone Division) – Save A Building Program to provide low interest rate loans for rehabilitation of buildings in all designated enterprise zones in the Territory with interest rates not to exceed two percent (2%) \$5,000,000

(G) V.I. Legislature – for mold remediation in capitol building \$1,000,000;

(H) Initial funding for the development of an Arts and Technology Institute to be developed by the National Center of the Arts \$1,000,000”.

SECTION 3. Authorization to negotiate and enter into Design/Build/Finance Contracts; Subject to Appropriation of Funds

(A) The Government is hereby authorized, through the Governor and the Commissioner of Property and Procurement, to execute and deliver all documents and agreements, to negotiate and to perform such acts necessary and advisable in connection with the design, construction, and financing of a baseball stadium at the Paul E. Joseph Stadium site in Frederiksted, St. Croix.

(B) The Government is hereby authorized, through the Governor and the Commissioner of Property and Procurement, to execute and deliver all documents and agreements, to negotiate and to perform such acts necessary and advisable in connection with the design, construction, and financing of a Multi-Purpose In-Door Recreational Facility in Mars Hill, St. Croix.

(C) All agreements and contracts for the design, construction and financing, of the Paul E. Joseph Stadium and the Multi-Purpose In-Door Recreational Facility executed by the Government pursuant to the authorization granted in subsection (a) above, shall be subject to the availability of funds and, consistent with the provisions of 33 V.I.C. § 3101. There is no other authorization with respect to such agreements and contracts for expenditure from, or the creation of an obligation under any other appropriation or fund in excess of the amount available therein or to obligate the Government for the payment of money under such agreements and contracts in advance of the financing for such purpose as authorized herein.

SECTION 4. Authorization to Borrow.

(A) **Authorization to Borrow as a Limited Special Obligation.** The Authority is authorized to issue an amount not to exceed \$35,000,000 (plus any required reserves and associated fees and charges) for the purpose of providing funds to (i) finance the costs of the design and construction of the Paul E. Joseph Stadium and a Multi-Purpose In-Door Recreational Facility in equally allotted amounts, (ii) pay capitalized interest on the Series 2012 Bonds during construction of the Series 2012 Recreational Projects, (iii) fund any necessary reserves, (iv) pay the costs of issuance of the Series 2012 Bonds and the Series 2012 Loan Notes, and (v) authorize the Government and the Authority to enter into certain agreements to secure repayment of such bonds, notes or other obligations. The Government is authorized to issue the Series 2012 Loan

Notes and execute the Series 2012 Loan Agreements to evidence its obligation to repay the Series 2012 Loan.

(B) **Authorization to Pledge Matching Fund Revenues.** The Government is hereby authorized to pledge the Matching Fund Revenues to be received by the Government, subject to the existing prior lien and security interest of the Matching Fund Indenture dated as of May 1, 1998, as amended and supplemented (the "Matching Fund Indenture"), as security for repayment of the Series 2012 Loan Notes. The Special Escrow Agreement, dated as of May 1, 1998, entered into by and among the Government, the Authority and The Bank of New York Trust Company, N.A., as successor Special Escrow Agent (the "Special Escrow Agent"), as amended and supplemented (the "Special Escrow Agreement"), providing for the deposit and administration of funds for the benefit of the holders of the Outstanding Matching Fund Bonds, any Additional Bonds (defined below) and the Series 2012 Bonds shall be maintained for so long as any additional loans made with the proceeds of Additional Bonds issued under a duly authorized supplement to the Matching Fund Indenture for the Series 2012 Bonds ("Additional Bonds") are outstanding.

(C) **Authorization to Pledge Community Facilities Trust Revenues.** The Government is hereby authorized to pledge the Community Facilities Trust Revenues received by the Government, subject to the prior lien of the Matching Fund Indenture, as security for repayment of the Series 2012 Loan Notes.

(D) **Authorization to Assign Series 2012 Loan Note and Series 2012 Loan Agreement.** In connection with the issuance by the Authority of the Series 2012 Bonds, the Authority is hereby authorized to assign to the Trustee, for the benefit of the holders of the Series 2012 Bonds, the Authority's rights and interest in, to and under the Series 2012 Loan Notes and the Series 2012 Loan Agreement or other instruments authorized herein subject to and in accordance with the terms of the Matching Fund Indenture and the Series 2012 Loan Agreement.

(E) **Authorization to Execute All Necessary Agreements.** The Government, acting by the Governor or Commissioner of Finance, and the Authority, acting by the Governor as Chairman (or such other member(s) designated in the resolution of the Authority), are each hereby authorized to (i) execute and deliver all documents and agreements necessary or advisable in connection with the issuance of the Series 2012 Bonds authorized herein, (ii) loan the proceeds of the Authority's Series 2012 Bonds to the Government as contemplated herein, and (iii) pay all expenses associated with the issuance of the Series 2012 Bonds authorized herein, including, without limitation, any costs or expenses required to be paid by or in relation to the Series 2012 Loan Agreement and Series 2012 Loan Notes authorized herein, including any liquidity facility or bond insurance policy relating to the Series 2012 Bonds.

(F) **Interest Rate and Term** Neither the Series 2012 Bonds nor the Series 2012 Loan Notes shall bear interest at a rate in excess of eight and a half percent (8.5%) per annum on any federally tax-exempt bonds or any federally taxable bonds. The respective terms of the Series 2012 Bonds and of the Series 2012 Loan Notes shall not exceed thirty (30) years from the date of issuance thereof.

SECTION 5. Interest Rate and Term

Neither the Series 2012 Gross Receipts Taxes Bonds, the Series 2012 Matching Fund Revenue Bonds, the Series 2012 Gross Receipts Taxes Bonds Loan Notes nor the Series 2012

Matching Fund Revenue Loan Notes shall bear interest at a rate in excess of eight and one-half percent (8½%) per annum on any federally tax-exempt or federally taxable bonds. The respective terms of the Series 2012 Gross Receipts Taxes Bonds, the Series 2012 Matching Fund Revenue Bonds, the Series 2012 Gross Receipts Taxes Bonds Loan Notes or the Series 2012 Matching Fund Loan Notes shall not exceed thirty (30) years from the date of issuance thereof.

SECTION 6. In addition to the authority to pledge Gross Receipt Tax Revenues granted by section 2 (a) of Act No. 7257, the Government, as an alternative, may pledge Matching Fund Revenues to secure the long-term financing of the outstanding \$32,235,000 Subordinate Lien Revenue Bond, Anticipation Notes (Virgin Islands Gross Receipts Taxes Bonds Loan Note-Broadband Project) issued in April of 2011, on a senior lien basis, or subordinate lien basis pursuant to the terms of the Matching Fund Revenue Indenture of Trust, dated of May 1, 1998, as amended and supplemented, with documentation in substantially similar form as previously authorized for Matching Fund Revenue Bonds.

SECTION 7. All vehicles weighing more than 7,000 pounds are prohibited from using the Leonardo "Nardo" Trotman Drive to enter or exit the Tutu area.

SECTION 8. The final plans for the general improvements, deferred maintenance and equipment for the Hospitals identified in section 2 are subject to final approval of the Governor or the Virgin Islands Public Finance Authority.

SECTION 9. Act No. 7081 is amended in Section 2 by striking "\$1,200,000 to the DOE for the Restoration of the Addelita Cancryn Junior High School Physical Education Building" and inserting "\$800,000 to the DPW to facilitate the completion of the Addelita Cancryn Jr. High School Auditorium" in lieu thereof.

SECTION 10. In accordance with Act 7012 ratifying the Agreement between Diageo USVI, Inc. and the Government of the United States Virgin Islands establishing the Community Facilities Trust account, the funds of which are to be utilized for the development, operations and maintenance of community and/or sports facilities or urban redevelopment projects on St. Croix and similar facilities and projects on St. Thomas, St John or Water Island, which projects shall be recommended by the Governor and subject to approval by the Legislature, the Governor is hereby authorized to utilize the Community Facilities Trust to fund the following projects in the respective amounts:

Magens Bay Authority for facilities at Smith Bay Park	\$1,500,000
Cruz Bay St. John Office/Recreation Center	\$ 25,000
St. John National Park Little League Ball Field	\$ 20,000
Pine Peace Basketball Court	\$ 150,000
Cruz Bay Tennis Courts	\$ 25,000
Oppenheimer Beach Facility	\$ 20,000
Water Island Honeymoon Beach Pavilion and Related Facilities	\$ 100,000
St. Croix Horace Clarke Recreation Complex	\$ 10,000
Fort Frederik Restroom/Beach House	\$ 10,000
Isaac Boynes Tennis/Basketball Courts	\$ 15,000
Renholdt Jackson Recreation Complex	\$ 50,000
Rudy Kreiger Recreational Complex	\$ 25,000

Our Town Frederksted, Town Plan Implementation	\$ 100,000
Alvin McBean Recreational Complex	\$ 20,000
Lionel Roberts Stadium	\$ 50,000
Emile Griffith Ball Park & Basketball Courts and Related Facilities	\$ 200,000
Joseph Aubain Ball Park	\$ 50,000
Kirwin Terrace Ball Park	\$ 50,000
Doris Hodge Tennis & Racquetball Courts	\$ 75,000
Emancipation Gardens park improvements	\$ 250,000
Roosevelt Park fence renovation and repairs	\$25,000
Fredericksted Waterfront/Verne Richards Veterans Park/Clock Tower	\$20,000
Department of Education for installation/renovation of facilities and equipment for elementary schools Territory wide/ \$250,000 per district	\$500,000
Department of Sports, Parks and Recreation for renovations and Improvements of rest room facilities Territory wide/ \$250,000 per district	\$500,000
Total	\$3,790,000

Thus passed by the Legislature of the Virgin Islands on November 20, 2012.

Witness our Hands and Seal of the Legislature of the Virgin Islands this 30th Day of November, A.D., 2012.



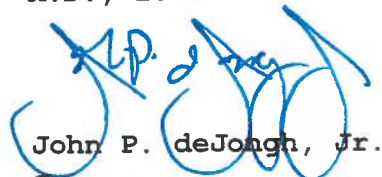
Ronald E. Russell
President

Samuel Sanes
Legislative Secretary



Bill No.29-0385 is hereby approved.

Witness my hand and the Seal of the
Government of the United States
Virgin Islands at Charlotte Amalie,
St. Thomas, this 14th day of December
A.D., 2012.


John P. deJongh, Jr.
Governor