

JOHN M. WEISENBERGER
Attorney General



PHILLIP J. TYDINGCO
Chief Deputy Attorney General

7/1/10
1:50 p.m.
OP

OFFICE OF THE ATTORNEY GENERAL

July 1, 2010

Morgan Stanley & Co. Incorporated
Los Angeles, California

Ref: GPA 10-0625

Piper Jaffray & Co.
El Segundo, California

**Re: Guam Power Authority
Revenue Bonds, 2010 Series A,
and
Guam Power Authority
Subordinate Revenue Bonds, 2010 Series A**

Ladies and Gentlemen:

The letter is addressed to you, as the Underwriters, pursuant to Section 8(e)(11) of the Bond Purchase Agreement, dated June 23, 2010 (the "Bond Purchase Agreement"), between Morgan Stanley & Co. Incorporated, as representative of the underwriters, and the Guam Power Authority (the "Authority"), providing for the purchase of \$150,440,000 aggregate principal amount of Guam Power Authority Revenue Bonds, 2010 Series A (the "2010 Senior Bonds"), and \$56,115,000 aggregate principal amount of Guam Power Authority Subordinate Revenue Bonds, 2010 Series A (the "2010 Subordinate Bonds" and, together with the 2010 Senior Bonds, the "2010 Bonds"). The 2010 Senior Bonds are being issued pursuant to an indenture, dated as of December 1, 1992, as heretofore supplemented and amended (the "Master Indenture"), and as supplemented and amended by a fourth supplemental indenture, dated as of June 1, 2010 (the "Fourth Supplemental Indenture" and, together with the Master Indenture, the "Senior Indenture"), by and among the Authority, Bank of Guam, as trustee (the "Trustee"), and U.S. Bank National Association, as co-trustee (the "Co-Trustee"). The 2010 Subordinate Bonds are being issued pursuant to a subordinate indenture, dated as of June 1, 2010 (the "Subordinate Indenture" and together with the Senior Indenture, the "Indentures"), by and among the Authority, the Trustee and the Co-Trustee. The 2010 Bonds are authorized to be issued pursuant to Public Law No. 30-147, passed by the Guam Legislature on May 3, 2010 and signed by the Acting Governor on May 17, 2010 (the "Bond Act"). Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Indentures or, if not defined in the Indentures, in the Purchase Contract.

I have reviewed the Bond Act, the Bond Purchase Agreement, the Indentures, and such other documents, opinions and matters to the extent I deemed necessary to provide the opinions or conclusions set forth herein.

The opinions and conclusions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions or conclusions may be affected by actions taken or omitted or events occurring after the date hereof. I have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to my attention after the date hereof. I call attention to the fact that the rights and obligations under the Indentures and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles and to the exercise of judicial discretion in appropriate cases. I express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, waiver or severability provisions contained in the foregoing documents.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, I am of the following opinions or conclusions:

(i) the Bond Act, approving and authorizing the Bonds, was duly passed by the Guam Legislature and signed by the Acting Governor of Guam, has not been amended or repealed and is now in full force and effect; and

(ii) in accordance with Chapter 8 of Title 12 of the Guam Code Annotated, the Governor of Guam has duly executed and delivered the Fourth Supplemental Indenture and the Subordinate Indenture to indicate his approval thereof and of the issuance of the 2010 Bonds in accordance therewith, and such approval has not been amended or rescinded and is in full force and effect.

The letter is delivered to you as Underwriters of the 2010 Bonds, is solely for your benefit as such Underwriters and is not to be used, circulated, quoted or otherwise referred to or relied upon for any other purpose or by any other person. The letter is not intended to, and may not, be relied upon by holders of the 2010 Bonds or any other party to whom it is not specifically addressed.

Very truly yours,


JOHN M. WEISENBERGER
Attorney General of Guam