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Bank of Guam
P.O. Box BW
Hagatna, Guam 96932

Arriola, Cowan & Arriola
Calvo-Arriola Bldg., Suite 201
259 Martyr Street
Hagatna, Guam 96910

Re: **\$10 Million Loan to Port Authority of Guam**

Dear Sirs:

This opinion is given in connection with loans ("the Loans") in the aggregate amount not to exceed Ten Million Dollars (\$10,000,000.00) to be made by the Bank of Guam to the Port Authority of Guam ("PAG"). In connection with this opinion we have examined copies of:

1. a Loan Agreement between PAG and the Bank of Guam under which the Loans are to be made;
2. a Facility Maintenance Fee Pledge and Assignment made by PAG to the Bank of Guam ("the FMF Pledge").

I have additionally examined the laws of Guam.

Based upon the foregoing, I am of the opinion that:

1. PAG is a Public Corporation and autonomous instrumentality of the Government of Guam validly existing under the laws of Guam. PAG has the statutory authority to make the Loan Agreement, the FMF Pledge, and the Revenue Pledge (as defined in and to be given as provided by the Loan Agreement), and to borrow in accordance with the Loan Agreement, and to give Notes ("the Notes") for the Loans as provided by the Loan Agreement, and to perform its obligations under the Loan Agreement, the Notes, the FMF Pledge and, when given, the Revenue Pledge.

2. PAG is not immune from suit in any action to recover upon or enforce the Notes, Loan Agreement, the FMF Pledge and, when given, the Revenue Pledge, and the Bank of Guam will not be limited in the amount that may be recovered in any action respectively to enforce the obligations of the Borrower under the Loan Agreement, the Notes, the FMF Pledge, and, when given, the Revenue Pledge.

Very Truly Yours,

PHILLIP J. TYDINGCO
Chief Deputy Attorney General