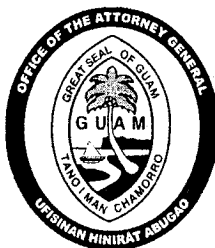


Alicia G. Limtiaco  
Attorney General



Phillip J. Tydingco  
Chief Deputy Attorney General

## OFFICE OF THE ATTORNEY GENERAL

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June 18, 2009

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

Ref: GEDA 09-0534

Ladies and Gentlemen:

This opinion is made in reference to a Subordination Agreement (the "Subordination Agreement") made by the Bank of Guam with the Government of Guam (the "Government") in reference to a Pledge of Section 30 Revenues under a certain Loan Agreement dated September 17, 2002 between the Bank of Guam and the Government, and a certain Loan Agreement dated July 17, 2008 between the Bank of Guam and the Government whereby Section 30 Revenues were pledged as security for each of those loans. Capitalized terms used but not defined herein shall have the respective meanings assigned to them in the Subordination Agreement, and the Government of Guam Limited Obligation (Section 30) Bonds 2009 Series A ("the 2009 Series A Bonds"). In that connection we have examined the following:

1. a letter from the Bank of Guam to the Guam Economic Development Authority dated May 8, 2009 and accepted by Guam Economic Development Authority for the Government on May 12, 2009, concerning the terms and conditions under which the Bank of Guam would commit to entering into the Subordination Agreement;
2. Subordination Agreement made between the Bank of Guam and the Government dated June 18, 2009 ("the Subordination Agreement");
3. an Indenture made and entered into as of June 1, 2009, between the Government and the Bank of Guam, as Trustee and Depository, and the U.S. Bank Trust National Association ("the Indenture") as Co-Trustee;
4. a Supplemental Indenture made and entered into as of June 1, 2009, by and between the parties to the Indenture;
5. the Loan Agreement, Note, Pledges and Assignment, Opinions of the Attorney General of Guam, Rulings of the Department of Revenue and Taxation and other documents and instruments given to Bank of Guam in connection with both of the 2002 and 2008 Loans; and

6. such other documents and instruments as we have deemed relevant in connection with the giving of this Opinion.

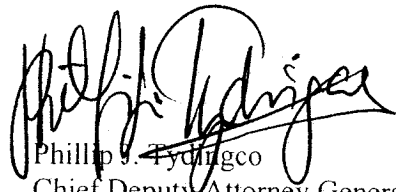
Based upon the foregoing, we are of the opinion that:

1. The terms, covenants and conditions made in the Subordination Agreement on the part of the Government are the binding and enforceable obligations of the Government.
2. Other than any loss of priority by reason of the Subordination of the Pledges of Section 30 Revenues under the 2009 Series A Bonds, the Bank of Guam's rights as against the Government or against Section 30 Revenues under the 2002 or 2008 Loans and related Pledges of Section 30 Revenues shall not be impaired.
3. The terms and conditions of the Subordination Agreement, and the terms and conditions in the letter dated May 8, 2009 are not in breach of any legislation authorizing either the 2002 Loan, the 2008 Loan, or the issuance of the 2009 Series A Bonds.
4. The Pledge of Section 30 Revenues for each of the 2002 and 2008 Loans shall remain valid and existing Pledges subject to only the Subordination, and subordinate only to the Pledges of Section 30 Revenues as security for the 2001 Series A Bonds and the 2009 Series A Bonds.
5. The Subordination under the Subordination Agreement will not result in any change of the tax treatment of the principal or interest upon the 2002 or 2008 Loans as stated in the Rulings of the Department of Revenue and Taxation dated September 12, 2002 and July 19, 2008, with respect to the 2002 and 2008 Loans, respectively.

Sincerely,

ALICIA G. LIMTIACO  
Attorney General of Guam

By:

  
Phillip J. Lydingco  
Chief Deputy Attorney General