Exhibit A

LOAN AGREEMENT

This Agreement is made by the **BANK OF GUAM**, a Guam banking corporation ("Lender"), and the **GUAM MEMORIAL HOSPITAL AUTHORITY**, a public corporation, and autonomous instrumentality within the Government of Guam, (hereinafter sometimes referred to as "the Authority") to govern a Loan to be made by the Lender to the Authority upon the terms and conditions hereafter stated:

1. **Amount**. The Loan shall be in the amount of TWELVE MILLION DOLLARS ($12,000,000.00) for principal.

2. **Interest and Repayment.** The Loan shall bear interest and shall be repaid pursuant to the provisions of a Note in the form of **Exhibit A** hereto. The Note shall provide for payment of interest at a variable interest rate 1% percentage point per annum over the Bank of Guam Reference Rate, adjusted from time to time as provided in **Exhibit A,** subject to a minimum interest rate of 6.5% per annum and a maximum interest rate of 9.5% per annum and for monthly payments of principal and interest upon the Note to be made in an amount based upon an amortization of principal and interest in fixed monthly payments determined as of the date of the Note, but subject to adjustment as provided in **Exhibit A,** based upon a 15 year amortization of principal with interest at the rate in effect on the date of the Note but for said note to mature seven (7) years from date.

3. **Maturity.** All remaining principal and outstanding interest and other charges upon the Note shall be due and payable seven (7) years from the date of such Note.

4. **Security.** The Loan shall be guaranteed by the Government of Guam and entitled to the full faith and credit of the Government of Guam. The Loan shall be secured by a Pledge and Assignment ("the Pledge") made by the Authority in the form of **Exhibit B** hereto of Revenues, as defined in the Pledge, including the Guam Memorial Hospital Authority Pharmaceuticals Fund, as defined in the Pledge ("the GMAHPF"), the Healthy Futures Fund, as defined in the Pledge ("the HFF"), and Medical Services Revenues, as defined in the Pledge.

5. **Use of Loan Funds by the Authority.** Proceeds of the Loan shall be used by the Authority only for purposes permitted by law. The Authority covenants that the Loan shall be used by the Authority when a cash shortage threatens the operation of the Guam Memorial Hospital, and that the Authority shall not use the Loan for the hiring of non-health care professionals not involved with providing direct patient care or patient care support.

6. **Conditions to Disbursement.** The obligations of the Lender hereunder to disburse funds and extend the Loan hereunder shall be conditioned upon the following, which shall be satisfied prior to disbursement of any loan funds hereunder:

(a) All necessary enabling legislation and regulatory approvals prerequisite to the lawful borrowing by the Authority hereunder, to the making of the Guaranty, and to the making of the Pledge and to the performance of this Agreement and of the Pledge by the Authority and of the Guaranty by the Guarantor shall have been obtained, and appropriate evidence thereof shall have been given and satisfactory to Lender and its counsel.

(b) The Authority shall have executed and delivered to Lender the Promissory Note in the form of **Exhibit A** attached hereto (the "Note"), with approval of the Governor of Guam.

(c) The Authority shall have executed and delivered to the Lender the Pledge in the form of **Exhibit B** hereto, with approval of the Governor of Guam.

(d) Notice of the Pledge shall have been given to the Director of Administration of the Government of Guam, and the Director of Administration shall have acknowledged notice of the Pledge in the form of **Exhibit C** hereto. Each Payor (as defined in the Pledge), including but not limited StayWell, NetCare, SelectCare and TakeCare shall have been furnished Notice of the Pledge and shall have acknowledged Notice of the Pledge in the form of **Exhibit D** hereto.

(e) The Government of Guam shall have executed and delivered to the Lender a Guaranty of the Loan in the form of **Exhibit E** hereto.

(f) Lender shall have been furnished a copy of a resolution of the Board of Directors of the Authority authorizing the Loan upon the terms and conditions herein provided, duly certified by the Secretary of the Board of Directors of the Authority as true, correct and duly adopted.

(g) Lender and its counsel shall have been furnished an opinion of Counsel to the Authority in substantially the form of **Exhibit F** hereto.

(h) Lender and its counsel shall have been furnished an opinion of the Attorney General of Guam in substantially the form of **Exhibit G** hereto.

(i) The Director of Administration of the Government of Guam shall have issued to Lender a certification that all "public indebtedness" of the Government of Guam, including the obligations of the Government of Guam under the Guaranty, do not exceed the limitation imposed by Section 11 of the Organic Act of Guam, 48 U.S. Code §1423a.

(j) The Authority shall have furnished to Lender and its legal counsel the Revenue Ruling, and a true copy of the application for the Revenue Ruling referred to in **Section 8** hereof, together with other assurances as to the tax-exempt status of the Loan reasonably requested by Lender.

7. **Representations, Warranties and Agreements.** The Authority makes the following representations, covenants and warranties, which shall survive the execution and delivery of this Agreement, the Pledge and the Note and shall be continuing:

(a) The Authority has the authority necessary to execute, deliver and perform this Agreement, the Pledge and the Note, and to borrow hereunder. The execution, delivery and performance of this Agreement, the Pledge and the Note, and all other agreements, instruments and documents provided for herein and the borrowing contemplated hereby have been duly authorized by proper proceedings and do not and will not conflict with or result in a breach by the Authority or any officer or representative of the Authority of any law or any regulation, order, writ, injunction or decree.

(b) This Agreement constitutes a valid and binding obligation of the Authority, enforceable in accordance with its terms, and the Pledge and the Note when duly executed on behalf of the Authority, and delivered in accordance with this Agreement, will constitute valid and binding obligations of the Authority enforceable in accordance with their terms. The Pledge is valid, binding and enforceable upon the Authority and upon the property subject thereto, and is effective to create and perfect the lien it purports to create upon the property subject thereto.

(c) There is no action, suit or proceeding pending or, to the knowledge of the Authority, threatened against or affecting the Authority in any court or before any arbitrator or

before any governmental agency, wherein an adverse determination would materially adversely affect the ability of the Authority to perform its obligations under this Agreement, the Pledge and the Note.

(d) Neither the Authority nor the Guarantor is entitled to claim sovereign immunity in any proceedings in relation to the Loan or Guaranty, respectively.

8. **Warranty and Covenants with Respect to Tax-Exempt Status of Loan.** This Agreement is made upon the condition that the interest on the Loan paid to the Lender shall be excluded from taxation under the Guam Territorial Income Tax and exempt from taxation under the Guam Business Privilege Tax.

Prior to initial disbursement hereunder the Authority shall furnish to the Lender a Revenue Ruling referring specifically to the Loan and issued by the Department of Revenue of Taxation to the effect that the interest of the Loan is excluded from taxation under the Guam Territorial Income Tax and exempt from taxation under the Guam Business Privilege Tax.

The Authority shall not use, directly or indirectly, any of the Loan proceeds hereunder in any manner that may result in a determination that any of the Loan or interest thereon is, in whole or in part, or for the whole or any portion of the term of such Loan or period in which it remains outstanding, subject to taxation under the Guam Territorial Income Tax or Guam Business Privilege Tax.

The provisions of this Section and obligations of Authority hereunder shall be continuing and survive repayment of the Loan.

9. **Default and Remedies of the Lender.** Any of the following shall constitute Events of Default:

(a) Default in the due and punctual payment of principal or interest when due and payable under the Loan,

(b) Any breach of any other obligation on the part of the Authority under the Loan, if such breach is not cured within 30 days after notice of breach is given to the Authority, and opportunity to cure, and

(c) Any breach of or failure to comply with the provisions of Section 12 hereof entitled "Assurances of the Government of Guam".

Upon the occurrence of an Event of Default, Lender (i) may elect to accelerate all sums outstanding upon the Loan, and to demand the immediate payment of the full principal and interest thereof, and other amounts due and outstanding thereon, and cease further disbursement of any undisbursed funds hereunder; (ii) may apply any such funds or other funds pledged as security for the Loan, to amounts due under the Loan, including amounts due by acceleration; (iii) and may further exercise any remedies at law or in equity, including the initiation of proceedings in mandamus, or for specific performance to compel the performance of this Agreement and the Pledge.

10. **Affirmative Covenants of the Authority.** The Authority will duly perform and observe all covenants and conditions undertaken and to be observed by it pursuant to this Agreement, the Pledge and the Note and be bound by all warranties thereon, the terms of all of which are incorporated herein.

11. **Restriction on Further Pledge.** The Authority shall not create or permit the creation of any pledge, lien, charge or other encumbrance upon the Revenues, or other assets pledged or assigned under the Pledge while any Loan remains outstanding except any encumbrance subordinate to such Pledge.

12. **Assurances of the Government of Guam**. The Government of Guam hereby pledges to Lender that while any obligations hereunder remain outstanding and not fully performed or discharged (a) to maintain the rights, powers and duties of the Board of Directors of the Authority in accordance with law, (b) to maintain the rights and remedies of the Lender provided in the Loan Agreement and Pledge given with respect to the obligations hereunder, (c) to maintain the GMHAPF and HFF and to maintain, not to revoke, fail to renew or fail to make any annual or other appropriation presently in effect or contemplated to be made on an annual or continuing basis to either the GMHAPF or to the HFF, all as contemplated by the statutes and laws of Guam in effect as of the date of this Agreement, provided that this provision shall not be construed to preclude any increase in amounts allocated or appropriated to the GMHAPF or the HFF.

13. **Non-Waiver.** Any failure or neglect by Lender to collect or receive any payments due upon any collateral, or to collect any collateral or to collect or receive any payments due under this Agreement, the Note or the Pledge shall not release the Authority from any liability to Lender or constitute a waiver of any of the rights or remedies available to the Lender.

14. **Saturdays, Sundays and Legal Holidays.** If any party hereto is required to perform, pursuant to a provision of this Agreement, any act on a date which falls on a Saturday, Sunday or legal holiday, the party required to perform such act shall be deemed to have performed it in a timely manner, and in conformance with such provision, if it shall perform such act on the next succeeding business day.

15. **Construction.**

(a) Powers Cumulative. All rights, powers and remedies herein given to the Lender are cumulative and not alternative, and are in addition to all statutes or rules of law; and partial exercise or forbearance or delay by Lender in exercising the same shall not operate as any waiver thereof or of any other power or rights hereunder or granted to Lender by law, and the exercise of any rights or partial exercise thereof or of any other rights, and the same shall continue in full force and effect until specifically waived by an instrument in writing executed by Lender.

(b) Covenants Survive Closing. All covenants, agreements, undertakings, representations and warranties made herein shall survive the execution hereof and all closings hereunder.

(c) No Trust for Third Parties. Nothing herein contained shall be deemed to establish any trust fund for the benefit of any third person or persons, nor to impose any liability upon Lender to pay or be chargeable with any claims of third persons against the Authority.

(d) Invalid Provisions. In the event any one or more of the provisions contained in this Loan Agreement or in any documents which are the subject of this Loan Agreement or given hereunder shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, unenforceability or illegality shall not affect any other provision of this Loan Agreement and/or of such other documents, and this Loan Agreement and such documents shall be construed as if such provision had never been contained herein or therein.

(e) Governing Law and Venue. This Loan Agreement is executed, delivered and to be performed in Guam, and the validity, construction, enforcement, and interpretation of this Loan Agreement and all security agreements executed and delivered pursuant to this Loan

Agreement shall be governed by the laws of Guam. All actions to enforce this Loan Agreement shall be brought in the Superior Court of Guam.

(f) Captions and Section Headings. The captions and section headings herein are for reference and convenience only, and shall not enter into the interpretation hereof. In the event of any conflict between any caption and the written text, the terms of the written text shall control.

16. **Fees and Expenses.** The Authority shall pay on demand the reasonable fees and out-of-pocket expenses of outside legal counsel for the Lender incurred in connection with the making of the Loan and the preparation, execution, delivery, filing and recording of this Agreement and other documents to be made, executed and delivered in connection with the Loan. The Authority shall pay all other expenses of the Lender, including reasonable attorney's fees, in connection with the administration of the Loan, and all costs and expenses, if any, in connection with enforcement of this Loan Agreement, the Note, the Pledge or the Guaranty, including reasonable attorney's fees.

17. **Counterparts.** This Loan Agreement may be executed in as many counterparts as may be deemed necessary or convenient, and each counterpart shall be deemed an original.

18. **Assignment.** The Authority hereby grants to the Lender the unrestricted and unqualified right and power to sell, assign, convey or transfer all, or any part of, the Loan, and the Note, and all the rights, powers, remedies, and benefits appertaining thereto, to another lending institution, as the Lender may in its sole discretion decide.

19. **Miscellaneous.** Any notice or demand upon the Authority, the Lender or any other signatory hereto shall be deemed to have been sufficiently given or served for all purposes by being deposited, postage prepaid, in a post office letter box, addressed to the applicable

address set forth below, or at such other address as may have been filed in writing by such party with each other party or by delivery to such place as may be designated herein. At the date of execution of this Agreement, the address of the Authority and Lender are as follows:

Authority:	Guam Memorial Hospital Authority 850 GOV. CARLOS G. CAMACHO RD. OKA, TAMUNING, GUAM 96913
Lender:	Bank of Guam Route 4 and Chalan Santo Papa P.O. Box BW Hagåtña, Guam 96932
Governor of Guam:	Edward J. B. Calvo Governor of Guam Ricardo J. Bordallo Governor's Complex, Adelup Hagåtña, Guam 96910
Attorney General of Guam:	Leonardo M. Rapadas Attorney General of Guam Office of the Attorney General 287 W O'Brien Drive Hagåtña, Guam 96910

(a) The Note contemplated to be executed and delivered pursuant to this Agreement is hereby made subject to all conditions, agreements and covenants contained herein to the same extent as if they were fully set forth in and made a part of such Note, and this Agreement is made subject to all the conditions, agreements and covenants contained in the Note to the same extent as if they would be set forth herein, and made a part hereof.

(b) The Authority shall execute and deliver to Lender, such other and further documents or instruments as may be reasonably requested in connection with the transaction contemplated hereunder.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed and delivered by their duly authorized officers on this 31st day of JANUARY, 2011.

GUAM MEMORIAL HOSPITAL AUTHORITY

By: _____

BANK OF GUAM

By: _____ - VP/CLO

Its Duly Authorized Representative

APPROVED:

_____

EDWARD J. B. CALVO
GOVERNOR OF GUAM

APPROVED AS TO FORM AND LEGALITY:

_____

Phillip J. Tydingco
ATTORNEY GENERAL OF GUAM
Chief Deputy

Exhibit A
to Loan Agreement

PROMISSORY NOTE

The **GUAM MEMORIAL HOSPITAL AUTHORITY**, a public corporation, and autonomous instrumentality within the Government of Guam, (the "Authority") promises to pay to the **BANK OF GUAM**, a Guam banking corporation ("Lender"), or to its order, the principal sum of **TWELVE MILLION DOLLARS ($12,000,000.00)** with interest as hereafter provided. This Note is made under a Loan extended by the Bank of Guam to Authority pursuant to a certain Loan Agreement (the "Loan Agreement") and is given to evidence the obligation of the Authority to the Bank of Guam for repayment of the Loan as provided by the Loan Agreement. This Note is secured by a Pledge and Assignment ("the Pledge") of certain property.

1. **Interest**. The principal outstanding upon this Note shall bear interest at a variable rate based upon and, except as hereafter provided, equal to the Bank of Guam Reference Rate (the Index) plus a margin of one percentage point per annum. The Bank of Guam Reference Rate is a base rate that Bank of Guam from time to time establishes and which serves as the basis upon which effective rates of interest per annum are calculated for those loans making reference thereto. In the event the Bank of Guam Reference Rate becomes unavailable as an index, then the Bank of Guam shall select in good faith a new index based upon comparable information, and the new index shall be utilized to determine effective rates of interest hereunder.

The initial rate of interest upon this Note shall be equal to the index value effective on the date of this Note, plus a margin of one percentage point per annum. The rate of interest upon this Note shall be changed monthly, if necessary, as of the first day of each calendar month to reflect the index value last effective in the immediately preceding calendar month plus a margin of one percentage point per annum such that net or aggregate changes to the index in any calendar month shall result in change to the effective rate of interest hereunder as of the first day of the following month.

Notwithstanding the foregoing for any period of time in which the rate of interest hereunder would if computed as aforesaid exceed 9.5% per annum, this Note shall bear interest at the rate of 9.5% per annum, and for any period of time in which the rate of interest hereunder

would if computed as aforesaid be less than 6.5% per annum, this Note shall bear interest at the rate of 6.5% per annum.

All interest hereunder shall be computed based upon a year of 365 or 366 days as the case may be and based upon a monthly average of principal disbursed and outstanding upon this Note.

2. **Payment**. This Note shall be paid as follows:

(a) The full principal and accrued interest hereunder then outstanding shall be paid on JANUARY 31, 2018.

(b) Until the payment specified in the preceding subparagraph this Note shall be payable monthly in installments each in the amount of $ 104,633.57. The amount of such installments shall be fixed notwithstanding adjustments to the applicable rate of interest on this Note, except that in the event such amount is as of the date any installment is due less than the amount of interest accrued and unpaid to such date since the date the preceding installment was due, then the amount of such accrued interest shall be paid as the amount of such installment.

(c) Such installments shall be due on the first day of each calendar month.

(d) This Note may be paid at any time without penalty.

The principal and accrued interest outstanding under this Note shall, at the option of the Lender, become immediately due and payable should the Authority default in the due and punctual payment of principal or of interest or both on this Note.

The principal and accrued interest hereunder may, under certain additional circumstances set forth in the Pledge and Assignment or in the Loan Agreement (which provisions are by reference incorporated herein), be declared immediately due and payable.

If any payment hereunder shall become due and payable on a Saturday, Sunday or public holiday, then the payment date thereof shall be extended to the next succeeding business day and interest shall be payable at the above rate per annum during such extension.

The Authority hereby waives presentment, demand for payment, protest and notice of dishonor and all other notices in connection with the delivery, acceptance, performance, default or enforcement of this Note, and authorizes the Lender without notice or further consent to grant extensions of time in the payment of all monies payable under this Note, to waive compliance with any of the provisions of this Note, and to release all or any part of money or other property

held by the Bank of Guam and for which a lien for the repayment of this indebtedness exists; and also agrees in the event of any default to pay all costs of collection including reasonable attorneys' fees which may be incurred by the Lender in collecting any sums due hereunder, whether or not suit is brought.

This Note is given as a general and not as a special obligation of the Authority. It is secured by the Pledge but is not limited as to repayment or recourse to pledged revenues or property.

This Note shall be governed by and construed in accordance with the laws of Guam.

Dated: JAN 31 2011.

GUAM MEMORIAL HOSPITAL AUTHORITY

By: _____

APPROVED:

By: _____

Edward J. B. Calvo
Governor of Guam

Exhibit B
to Loan Agreement

PLEDGE AND ASSIGNMENT

This Pledge and Assignment is made and entered into as of JAN 31 2011, between the **GUAM MEMORIAL HOSPITAL AUTHORITY,** a public corporation and autonomous instrumentality of the Government of Guam ("the Authority") and the **BANK OF GUAM,** a Guam banking corporation organized under the laws of Guam ("Secured Party").

WITNESSETH:

WHEREAS, the Secured Party has agreed to extend a loan ("the Loan") to the Authority upon the terms and conditions set forth in a Loan Agreement ("the Loan Agreement") dated the date hereof,

AND WHEREAS, it is a condition to the grant of the Loan by Secured Party, among other things, that the Authority make this Pledge,

AND WHEREAS, all acts, conditions and things required by law to have happened and to have been performed precedent to and in connection with the making of the Loan, and the making of this Pledge have happened and have been duly performed in regular and due time, form and manner as required by law and the Authority is now authorized and empowered pursuant to each and every requirement of law to issue this Pledge for the purpose and the manner and upon the terms herein provided.

NOW, THEREFORE, FOR AND IN CONSIDERATION of the premises and of the mutual covenants herein contained and contained in the Loan Agreement, and for other good and valuable consideration receipt whereof is hereby acknowledged the Authority does hereby covenant and agree with the Secured Party as follows:

I. Definitions. For the purposes of this Pledge the following definitions shall apply:

A. "Loan Agreement" means the credit agreement given and made between the Secured Party and the Authority with respect to the Loan, and which together with any other documents or instruments made in connection therewith, document the terms, covenants and conditions of the Loan.

B. The "Loan" means the Loan made by the Secured Party to the Authority under the Loan Agreement.

C. "Note" means the Note given for repayment of the Loan as provided by the Loan Agreement.

D. "Pledge" means this Pledge and Assignment.

E. "Healthy Futures Fund" (or "HFF") means that fund now established by and existing under 11 G.C.A. § 26603, together with the interest of the Authority in all monies allocated and appropriated for deposit to such fund and all accounts in which such fund or monies allocated or appropriated thereto are held and maintained.

F. "Guam Memorial Hospital Authority Pharmaceuticals Fund" (or "GMHAPF") shall mean that fund now established by and existing under 11 GCA §§ 26208 and 26208.1, together with the interest of the Authority in all funds of the Government of Guam allocated and appropriated for deposit to such fund and all accounts in which such fund or monies allocated or appropriated thereto are held and maintained on behalf of the Authority.

G. "Medical Services Revenues" means amounts now or hereafter owed to the Authority by any health insurance company, health maintenance organization or healthcare provider (each a "Payor" and collectively "Payors") whether or not specifically named herein, but including without limitation the following: NetCare, Calvo's SelectCare, TakeCare, StayWell, including for, but not limited to, medical or pharmaceutical services, supplies and facilities previously or hereafter furnished by the Authority to the Payors or to insureds, members or subscribers of the Payors.

H. "Required Reserve Amount" means the amount specified in Article III(c) hereof.

I. "Revenues" means the GMHAPF, the HFF and the Medical Services Revenues.

II. Pledge. There are hereby pledged and assigned by the Authority to the Secured Party, as security for the Loan all of the Revenues, regardless by whom held, existing as of the date of this Pledge, and all Revenues subject to this Pledge acquired by the Authority on or after the date hereof, regardless by whom held.

The Authority shall deposit all of the Revenues upon the receipt thereof in a special fund designated as the Revenue Fund which the Secured Party hereunder shall establish, maintain and hold in trust, and the Secured Party shall be entitled to and shall collect and receive all of the Revenues pledged hereunder collected or received by the Authority and any such Revenues collected or received by the Authority shall be deemed to be held and to have been collected or received by the Authority as the agent of the Secured Party and shall forthwith be paid by the Authority to the Secured Party.

III. Note Reserve Fund and Required Reserve Amount.

(a) The Secured Party shall establish, maintain and hold in trust subject to this Pledge the Note Reserve Fund.

(b) There shall be paid and transferred by the Secured Party from the Revenue Fund on a daily basis, to the Note Reserve Fund such amount, if any, as is necessary to maintain the Required Reserve Amount in such fund.

(c) The Required Reserve Amount to be maintained in the Note Reserve Fund shall be the amount that is as of any date the sum of (1) the amount, if any, of principal and interest due upon originally scheduled maturity, and without regard to any acceleration of maturity of payment, but unpaid upon the Loan; and (2) the aggregate amount of payments to become due upon the Loan from the Authority in the 60-days next following such date.

(d) There may be disbursed from time to time by the Secured Party from the Note Reserve Fund the amount of any payments described in paragraph (c)(1) above.

(e) All Revenues in excess of the amounts necessary to pay the Note, and fund the Note Reserve Fund shall be transferred to the Authority free and clear of the lien of this Pledge and Assignment.

IV. Payment of Principal and Interest. There shall be punctually paid by the Authority, from revenues pledged hereunder or other available assets of the Authority, the principal and interest to become due under the Loan in strict conformity with the terms of the Loan and this Pledge.

V. Against Encumbrances. The Authority shall not create or permit the creation of any pledge, lien, charge or other encumbrance upon the Revenues, or other assets pledged or assigned under this Pledge while the Loan remains outstanding except any encumbrance subordinate to this Pledge.

VI. Further Assurances. Whenever and so often as requested so to do by the Secured Party, the Authority will promptly execute and deliver or cause to be executed and delivered all such other and further instruments, documents or assurances, and promptly do or cause to be done all such other and further things, as may be necessary or reasonably required in order to further and more fully vest in the Secured Party all rights, interest, powers, benefits, privileges and advantages conferred or intended to be conferred upon it by this Pledge.

VII. Certain Warranties. The Authority represents and warrants that the Authority is duly authorized pursuant to law to issue the Note, and that the Authority is duly authorized pursuant to law to enter into this Pledge, and to pledge the Revenues purported to be pledged hereunder in the manner and to the extent provided hereunder. The Loan will be the valid, binding and enforceable obligation of the Authority in accordance with its terms, and this Pledge, the legal, valid and binding obligation of the Authority in accordance with its terms.

VIII. Certain Covenants.

(a) The Authority covenants and agrees that it shall do all things necessary to cause the Revenues to be paid to the Secured Party as and to the extent provided herein, including but not limited to maintaining in effect appropriate instructions to the Director of Administration of the Government of Guam and to the Payors.

(b) Without limitation of the foregoing, the Authority concurrently with the execution of this Pledge, and prior to disbursement of any funds secured hereby shall give notice in the form attached hereto as **Exhibit A**, to the Director of Administration of the Government of Guam and/or any other official of the Government of Guam that may have custody or jurisdiction of monies subject to the Pledge, of the existence of this Pledge, and of the rights of the Secured Party hereunder, and direction to pay Revenues held by such official or the Government of Guam as and when the same become payable to the Authority, to the Secured Party, and shall furnish to Secured Party prior to disbursement of any loan funds secured by this Pledge acknowledgment of receipt of such notice by the Department of Administration.

(c) Without limitation of the foregoing, the Authority concurrently with the execution of this Pledge, and prior to disbursement of any funds secured hereby shall give notice in the form attached hereto as **Exhibit B**, to each Payor of Medical Services Revenues of the existence of this Pledge and Assignment, and of the rights of the Secured Party hereunder, and direction to pay Revenues held by such Payor as and when the same become payable to the

Authority, to the Secured Party, and shall furnish to Secured Party prior to disbursement of any loan funds secured by this Pledge acknowledgment of receipt of such notice by each Payor.

IX. Waivers. The Authority shall not at any time insist upon or plead in any manner whatsoever, or claim or take the benefit or advantage of, any stay or extension law now or at any time hereafter in force that may affect the covenants and agreements contained in this Pledge, and all benefit or advantage of any such law or laws is hereby expressly waived by the Authority to the extent permitted by law. The Authority is not entitled to claim sovereign immunity from any suit or other action that may be brought under this Pledge.

X. Expenses. In the event of default under this Pledge or under the Loan Agreement, the Authority shall pay to the Secured Party all out-of-pocket fees, costs and expenses including those of attorneys reasonably incurred in the enforcement of this Pledge and the Loan Agreement, and recovery of amounts secured by this Pledge. Revenues pledged hereunder may be applied to payment of and shall secure all the foregoing amounts.

XI. Events of Defaults and Remedies of Secured Party. Any of the following shall constitute an event of default hereunder:

(a) Default in the due and punctual payment of principal or interest when due and payable under the Loan.

(b) Application or use of Revenues in a manner not consistent with the rights of the Secured Party under this Pledge, and

(c) Any breach of any other obligation on the part of the Authority under this Pledge, if such breach is not cured within 30 days after notice of breach and opportunity to cure is given to the Authority.

Upon the occurrence of an event of default, the Secured Party (i) may elect to accelerate all sums outstanding upon the Loan, and to demand the immediate payment of the full principal and interest thereof, and other amounts due and outstanding, and cease further disbursement of any undisbursed funds hereunder; (ii) Secured Party may with or without acceleration apply to payments of amounts due and secured hereby any funds pledged hereunder, and held by it hereunder, to amounts due under the Loan and secured hereby, including amounts due by acceleration; (iii) and may further exercise any remedies at law or in equity, including the initiation of proceedings in mandamus or for specific performance to compel the performance of this Agreement, including without limitation of the foregoing any of the following remedies:

(a) by mandamus or other suit, action or proceeding at law or in equity, to enforce all rights of the Secured Party;

(b) by bringing suit upon the Note and Loan;

(c) by action or suit in equity, to require the Authority to account for Revenues as if it were the trustee of an expressed trust of such Revenues for the Secured Party;

(d) by realizing or causing to be realized through sale or otherwise upon the moneys, securities and other assets pledged hereunder;

(e) by action or suit in equity, to enjoin any acts or things which may be unlawful or in violation of the rights of the Secured Party;

(f) by commencing proceedings for the appointment of a receiver or receivers of the Revenues, with such powers as the court making such appointment confers; and

(g) by initiating action against Payors or any Payor to recover amounts due from such Payor subject to this Pledge and Assignment.

XII. Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Secured Party is intended to be exclusive of any other remedy or remedies, and each and every such remedy, to the extent permitted by law, shall be cumulative and in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or otherwise.

XIII. No Waiver of Default. No delay or omission of the Secured Party to exercise any right or power arising upon the occurrence of any event of default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this Pledge to the Secured Party may be exercised from time to time and as often as may be deemed expedient.

XIV. Saturdays, Sundays and Legal Holidays. If any party hereto is required to perform, pursuant to a provision of this Pledge, any act on a date which falls on a Saturday, Sunday or legal holiday, the party required to perform such act shall be deemed to have performed it in a timely manner, and in conformance with such provision, if it shall perform such act on the next succeeding business day.

XV. Captions and Section Headings. The captions and section headings herein are for reference and convenience only, and shall not enter into the interpretation hereof. In the event of any conflict between any caption and the written text, the terms of the written text shall control.

XVI. Notices. Any notice or demand upon the Authority, or the Secured Party shall be deemed to have been sufficiently given or served for all purposes by being deposited, postage prepaid, in a post office letter box, addressed to the applicable address set forth below, or at such other address as may have been filed in writing by such party with each other party or by delivery to such place as may be designated herein. At the date of execution of this Pledge, the address of the Authority and the principal office of the Lender are as follows:

Authority: Guam Memorial Hospital Authority
850 GOV. CARLOS G CAMACHO RD.
OKA, TAMUNING, GUAM 96913

Lender: Bank of Guam
Route 4 and Chalan Santo Papa
P.O. Box BW
Hagåtña, Guam 96932

Executed this 31st day of January, 2011.

GUAM MEMORIAL HOSPITAL AUTHORITY

By: _____

APPROVED:

By: _____
Edward J. B. Calvo
Governor of Guam

Exhibit C
to Loan Agreement

NOTICE OF PLEDGE AND ASSIGNMENT

To: Director of Administration of the Government of Guam

1. Concurrently herewith or prior to the execution of this Notice, the Guam Memorial Hospital Authority (hereinafter "the Authority") has made and entered into a Pledge and Assignment ("the Pledge and Assignment") of Revenues as defined in the Pledge and Assignment, including but not limited to the Guam Memorial Hospital Authority Pharmaceuticals Fund ("GMHAPF") and the Healthy Futures Fund ("HFF"), as each is defined in the Pledge and Assignment, to and for the benefit of the Bank of Guam as Secured Party, as security for repayment of a loan in the amount of $12,000,000.00 ("Loan"), made by the Bank of Guam to the Authority. The Loan is repayable in accordance with the provisions of a Note ("the Note"), a copy of which is attached hereto as **Exhibit A**. Attached hereto as **Exhibit B** is a copy of the Pledge and Assignment.

2. Notice is hereby given to you of the rights of Bank of Guam as Lender under the Pledge and Assignment.

3. You are directed and instructed to transfer amounts now or hereafter allocated or appropriated to the Guam Memorial Hospital Authority Pharmaceuticals Fund and the Healthy Futures Fund, or now or hereafter allocated or appropriated or payable to the Authority in respect of such funds, to the Bank of Guam in its capacity as Lender under the Loan.

4. These instructions shall be binding and irrevocable, until a certificate of release and discharge of the Pledge has been executed by the Bank of Guam in its capacity as Lender under the Loan.

Executed: FEB 01 2011.

GUAM MEMORIAL HOSPITAL AUTHORITY

By: _____

The undersigned acknowledge receipt of this Notice and a copy of the Pledge and Assignment.

By: _____
Director of Administration
Government of Guam

Exhibit D
to Loan Agreement

NOTICE OF PLEDGE AND ASSIGNMENT

To: TakeCare

1. Concurrently herewith or prior to the execution of this Notice, the Guam Memorial Hospital Authority (hereinafter "the Authority") has made and entered into a Pledge and Assignment ("the Pledge and Assignment") of, among other things, Medical Services Revenues as defined in the Pledge and Assignment, to and for the benefit of the Bank of Guam as Secured Party, as security for repayment of a loan in the amount of $12,000,000.00 ("Loan"), made by the Bank of Guam to the Authority. The Loan is repayable in accordance with the provisions of a Note ("the Note"), a copy of which is attached hereto as **Exhibit A**. Attached hereto as **Exhibit B** is a copy of the Pledge and Assignment.

2. Notice is hereby given to you of the rights of Bank of Guam as Lender under the Pledge and Assignment.

3. You are directed and instructed to transfer amounts now or hereafter payable by you and subject to the Pledge to the Bank of Guam in its capacity as Lender under the Loan.

4. These instructions shall be binding and irrevocable, until a certificate of release and discharge of the Pledge has been executed by the Bank of Guam in its capacity as Lender under the Loan.

Executed: 2/1/2011.

GUAM MEMORIAL HOSPITAL AUTHORITY

By: _____
PeterJohn D. Camacho, MPH
Hospital Administrator/CEO

Date: 02/01/11

The undersigned acknowledge receipt of this Notice and a copy of the Pledge and Assignment.

By: _____
Jeffrey Larsen, Health Plan Administrator
Takecare Insurance Co, Inc.

Date: 1/31/11

NOTICE OF PLEDGE AND ASSIGNMENT

To: Tokyo Marine Pacific Insurance dba Calvo's Selectcare

1. Concurrently herewith or prior to the execution of this Notice, the Guam Memorial Hospital Authority (hereinafter "the Authority") has made and entered into a Pledge and Assignment ("the Pledge and Assignment") of, among other things, Medical Services Revenues as defined in the Pledge and Assignment, to and for the benefit of the Bank of Guam as Secured Party, as security for repayment of a loan in the amount of $12,000,000.00 ("Loan"), made by the Bank of Guam to the Authority. The Loan is repayable in accordance with the provisions of a Note ("the Note"), a copy of which is attached hereto as **Exhibit A**. Attached hereto as **Exhibit B** is a copy of the Pledge and Assignment.

2. Notice is hereby given to you of the rights of Bank of Guam as Lender under the Pledge and Assignment.

3. You are directed and instructed to transfer amounts now or hereafter payable by you and subject to the Pledge to the Bank of Guam in its capacity as Lender under the Loan.

4. These instructions shall be binding and irrevocable, until a certificate of release and discharge of the Pledge has been executed by the Bank of Guam in its capacity as Lender under the Loan.

Executed: 02/11/2011.

GUAM MEMORIAL HOSPITAL AUTHORITY

By: PeterJohn D. Camacho, MPH
PeterJohn D. Camacho, MPH
Hospital Administrator/CEO

The undersigned acknowledge receipt of this
Notice and a copy of the Pledge and Assignment.

By: F. Campillo
Frank Campillo, Health Plan Administrator
Tokyo Marine Pacific Insurance
dba Calvo's Selectcare

NOTICE OF PLEDGE AND ASSIGNMENT

To: Netcare Life & Health Insurance Company

1. Concurrently herewith or prior to the execution of this Notice, the Guam Memorial Hospital Authority (hereinafter "the Authority") has made and entered into a Pledge and Assignment ("the Pledge and Assignment") of, among other things, Medical Services Revenues as defined in the Pledge and Assignment, to and for the benefit of the Bank of Guam as Secured Party, as security for repayment of a loan in the amount of $12,000,000.00 ("Loan"), made by the Bank of Guam to the Authority. The Loan is repayable in accordance with the provisions of a Note ("the Note"), a copy of which is attached hereto as **Exhibit A**. Attached hereto as **Exhibit B** is a copy of the Pledge and Assignment.

2. Notice is hereby given to you of the rights of Bank of Guam as Lender under the Pledge and Assignment.

3. You are directed and instructed to transfer amounts now or hereafter payable by you and subject to the Pledge to the Bank of Guam in its capacity as Lender under the Loan.

4. These instructions shall be binding and irrevocable, until a certificate of release and discharge of the Pledge has been executed by the Bank of Guam in its capacity as Lender under the Loan.

Executed: 2/11/2011.

GUAM MEMORIAL HOSPITAL AUTHORITY

By: PeterJohn D. Camacho, MPH
PeterJohn D. Camacho, MPH
Hospital Administrator/CEO
Date: 02/11/2011

The undersigned acknowledge receipt of this Notice and a copy of the Pledge and Assignment.

By K Moy
Mr. Kurt S. Moylan, President
NetCare Life & Health Insurance Company
Date: 2/4/11

Exhibit E
to Loan Agreement

GUARANTY

The Government of Guam guarantees all payments of principal and interest of the Guam Memorial Hospital Authority ("GMHA"), a public corporation, and autonomous instrumentality within the Government of Guam, under a loan in the amount of Twelve Million Dollars ($12,000,000.00) ("the Loan"), made by the Bank of Guam ("Holder" or "Lender") to GMHA pursuant to the terms of a Loan Agreement ("the Loan Agreement") given with respect to the Loan and under a certain Note ("the Note") given or to be given in the amount of $12,000,000.00, which Note shall evidence the obligation of GMHA for repayment of the Loan.

The obligation under Guaranty is a general obligation of the Government of Guam and is secured by the full faith and credit of the Government of Guam, and the General Fund of the Government of Guam is hereby pledged as security for repayment of the Note and the Loan, all as authorized by 10 GCA § 80109(s), as amended by P.L. 30-200 and P.L. 30-235.

This Guaranty is an obligation separate and independent from the Note given for the Loan and may be enforced against the Guarantor without, and independent of, any action or proceeding against GMHA or upon any security for the Loan.

Guarantor consents to any and all extensions of time and waivers or modifications of obligations guaranteed hereunder that may be granted to the Borrower by the Holder of the Note. The Guarantor acknowledges that the Lender has taken and has been given security for payment and performance of the obligations guaranteed hereby. Guarantor specifically waives any right to require Lender to proceed first against GMHA before proceeding against Guarantor, or to proceed first against any property of GMHA (whether or not securing the Loan) before proceeding against Guarantor.

Guarantor agrees to pay reasonable attorney's fees and costs and expenses incurred in the event of any action or proceeding being initiated, or of counsel being retained, to enforce the provisions of this Guaranty or to recover payment under this Guaranty or the indebtedness and obligations guaranteed.

Dated this 31st day of January, 2011.

EDWARD J. B. CALVO
GOVERNOR OF GUAM

APPROVED AS TO FORM AND LEGALITY:
OFFICE OF THE ATTORNEY GENERAL

By: Phillip J. Tydingco
Attorney General of Guam
Chief Deputy

Exhibit F
to Loan Agreement

Guam Memorial Hospital Authority
Aturidåt Espetåt Mimuriåt Guåhan

850 GOV. CARLOS CAMACHO ROAD
OKA, TAMUNING, GUAM 96913
TEL: (671) 647-2444 or 647-2330
FAX: (671) 649-0145

February 8, 2011

LEGAL OPINION OF COUNSEL TO THE GUAM MEMORIAL HOSPITAL AUTHORITY

BANK OF GUAM
P.O. Box BW
Hagatna, Guam 96932

Arriola, Cowan & Arriola
259 Martyr Street, Suite 201
Calvo Arriola Building
Hagatna, Guam 96910

Re: $12 MILLION LOAN TO THE GUAM MEMORIAL HOSPITAL AUTHORITY

Dear Sirs:

I have acted as counsel on behalf of GUAM MEMORIAL HOSPITAL AUTHORITY ("GMHA") in connection with a loan in the amount of $12,000,000.00 by the Bank of Guam, as Lender, to GMHA, as Borrower, and a Note in the amount of $12,000,000.00 made by GMHA to the Bank of Guam, for repayment of a Loan and a Pledge and Assignment of the GMHA to secure the Loan. I am of the opinion that:

1. GMHA is a Public Corporation and autonomous instrumentality of the Government of Guam validly existing under the laws of Guam. GMHA has the statutory authority to make the Loan Agreement, the Pledge and the Note, and to borrow in accordance with the Loan Agreement, and to perform its obligations under the Loan Agreement, the Pledge and the Note.

2. The Board of Directors of GMHA has, by proper board resolution on February 7, 2011, duly and validly authorized the Loan, the Loan Agreement, the Pledge and the Note.

3. To the best of my knowledge, neither the making of the Loan Agreement, the Pledge nor the Note constitutes a violation of any provision of law or regulation, nor, to the knowledge of the undersigned, after reasonable investigation, would, constitute or

give ground to declare a breach or default of any covenant or agreement with respect to indebtedness of GMHA.

4. All necessary approvals and actions have been obtained from GMHA, the Governor of Guam and regulatory entities, which constitute a prerequisite to the making and performance of the Loan Agreement, the Pledge and the Note by the Borrower.

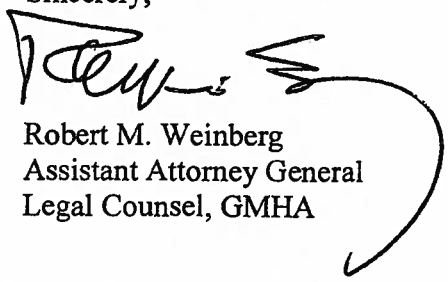
5. The obligations expressed in the Loan Agreement, the Pledge and the Note are legal and valid obligations binding and enforceable on GMHA in accordance with the terms thereof. The terms of the Loan Agreement, the Pledge and the Note are consistent with applicable law authorizing the borrowing.

6. GMHA is not immune from suit in any action to recover upon or enforce the Note and Loan Agreement, or the Pledge, and the Bank of Guam is not limited by any defense of immunity by GMHA in the amount that may be recovered in any such action to enforce the obligations of the Borrower under the Note and the Loan Agreement.

This opinion is confined to matters of the laws of Guam, and no opinion is expressed as to the laws of any other jurisdiction. This opinion is addressed to Bank of Guam, and is solely for its benefit; it is not to be used, circulated, or otherwise referred to or relied upon for any other purpose or relied upon by any other person or party.

Please do not hesitate to email me at robert.weinberg@gmha.org, or to call me at 647-2206, if I can be of any further assistance.

Sincerely,



Robert M. Weinberg
Assistant Attorney General
Legal Counsel, GMHA

Exhibit G
to Loan Agreement

Leonardo M. Rapadas
Attorney General

Phillip J. Tydingco
Chief Deputy Attorney General

OFFICE OF THE ATTORNEY GENERAL

February 8, 2011

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

Arriola, Cowan & Arriola
259 Martyr Street, Suite 201
Calvo Arriola Building
Hagåtña, Guam 96910

Re: **$12 Million Loan to Guam Memorial Hospital Authority; Guaranteed by the Government of Guam.**

Dear Sirs:

This opinion is given in connection with a loan in the amount of Twelve Million Dollars ($12,000,000.00) made by the Bank of Guam to Guam Memorial Hospital Authority ("GMHA"), guaranteed as to payment by the Government of Guam ("the Government"). In connection with this opinion we have examined copies of:

1. a Loan Agreement under which the loan was made;
2. Promissory Note in the amount of $12,000,000.00 given by GMHA for repayment of the Loan;
3. a Pledge and Assignment made by GMHA to the Bank of Guam;
4. a Guaranty of the Loan by the Government of Guam.
5. Notice of the Pledge and Assignment directed to the Director of Administration of the Government of Guam and duly acknowledged by the Director of Administration.

I have additionally examined the laws of Guam.

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

1. GMHA is a Public Corporation and autonomous instrumentality within the Government of Guam validly existing under the laws of Guam. GMHA has the statutory authority to make the Loan Agreement, the Pledge and the Note, and to borrow in accordance with the Loan Agreement, and to perform its obligations under the Loan Agreement, the Pledge and the Note.

287 West O'Brien Drive • Hagåtña, Guam 96910 • USA
(671) 475-3324 • (671) 472-2493(Fax)

2. The Guaranty of the Loan by the Government has been duly authorized by law, and the Guaranty is the binding and enforceable obligation of the Government.

3. Neither GMHA nor the Government is immune from suit in any action to recover upon or enforce the Note, Loan Agreement and the Pledge as to GMHA or the Guaranty as to the Government, 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 Note, Loan Agreement and Pledge, or of the Guarantor under the Guaranty.

4. Notice of the Pledge and Assignment as to the Guam Memorial Hospital Authority Pharmaceuticals Fund and Healthy Futures Fund, as such terms are defined in the Pledge has been duly given to the Government through the Director of Administration who is the official of the Government having custody and jurisdiction of the Guam Memorial Hospital Authority Pharmaceuticals Fund and Healthy Futures Fund.

Very Truly Yours,

LEONARDO M. RAPADAS
Attorney General of Guam