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October 22, 2013

Puerto Rico Sales Tax Financing Corporation  
San Juan, Puerto Rico

Ladies and Gentlemen:

Attached is a copy of the opinion we delivered as Underwriters' Counsel to the Puerto Rico Sales Tax Financing Corporation ("COFINA") and the Underwriter Representatives on December 13, 2011 (the "Opinion") relating to the treatment of the Pledged Sales Tax (as such term is defined in the Opinion) under the Constitution of the Commonwealth of Puerto Rico. We hereby consent to the Opinion being made available on the website of Government Development Bank for Puerto Rico and to the filing of this Opinion on the EMMA system. **This Opinion is being made available for informational purposes only. No purchaser or holder of COFINA securities is entitled to rely on the Opinion and no advice under such Opinion is rendered to any such purchaser or holder of COFINA securities.**

We note that the Opinion is subject to all of the qualifications and assumptions set forth therein and that, in the absence of Puerto Rico precedents which are controlling or directly on point, the Opinion relies entirely on precedents from other jurisdictions.

Purchasers or holders of COFINA securities should consult their own legal advisors as to (a) such legal advisor's own analysis and conclusions of the treatment of the Pledged Sales Tax, (b) any current laws and court decisions which could adversely affect the conclusions of the Opinion and (c) any changes or amendments, since the date of the Opinion, to (i) COFINA's authorizing act or (ii) the collection, treatment, suspension, limitation or exemption of the Commonwealth's sales and use tax.

An opinion of counsel is not a prediction of what a particular court (including any appellate court) that reached the issue on the merits would hold, but, instead, is the opinion of such counsel as to the proper result to be reached by a court applying existing legal rules to the facts as properly found after appropriate briefing and argument. In addition, it is not a guarantee, warranty or representation, but rather reflects the informed professional judgment of such counsel as to specific questions of law. Opinions of counsel are not binding on any court or party to a court proceeding. A court's decision regarding the matters upon which a lawyer is opining would be based on such court's own analysis and interpretation of the factual evidence before it and of applicable legal principles.

Respectfully submitted,

*Pietrantonio Mendez & Alvarez LLC*

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December 13, 2011

To: Each of the Addressees Named on Exhibit A hereto

This opinion is being provided in connection with the issuance by Puerto Rico Sales Tax Financing Corporation (the "Corporation") on the date hereof of \$1,006,474,702 aggregate initial principal amount of its Sales Tax Revenue Bonds, Senior Series 2011C (the "Series 2011C Bonds") and \$91,155,000 initial aggregate principal amount of Sales Tax Revenue Bonds, Senior Series 2011D (the "Series 2011D and, together with the Series 2011C Bonds, the "Offered Bonds").

This opinion is rendered in connection with the issuance of the Offered Bonds only and may not be relied upon in connection with any other series of Bonds or notes under the Resolution referred to below. Reliance on this opinion by persons and entities other than the addressees identified in Exhibit A is restricted as set forth in the last paragraph of this letter.

**The Corporation.** The Corporation is a public corporation and instrumentality of the Commonwealth of Puerto Rico (the "Commonwealth"), constituting a corporate and political entity independent and separate from the Commonwealth, created pursuant to Act No. 91 of May 13, 2006, as amended ("Act 91").

**The Offered Bonds and the Resolution.** The Offered Bonds are being issued pursuant to the provisions of resolutions adopted by the Corporation (collectively, as amended and supplemented to the date hereof, the "Resolution").

Pursuant to the provisions of Act 91 and the Resolution, the Offered Bonds are primarily secured by a security interest granted by the Corporation in receipts of a portion (and the right to receive the same) of the sales and use tax imposed by the Commonwealth. Such portion of the sales and use tax and the right to receive the same (referred to herein collectively as the "Pledged Sales Tax"), are by the terms of Act 91 made the property of the Corporation.

Under the terms of the Resolution, the lien on the Pledged Sales Tax granted to the holders of the Offered Bonds will be on a parity with the lien on the Pledged Sales Tax granted to the holders of the Sales Tax Revenue Bonds and senior to the lien on Pledged Sales Tax granted to the holders of the Sales Tax Revenue Bonds issued by the Corporation as First Subordinate Bonds.

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**Constitutional Provisions.** Section 8 of Article VI of the Constitution of Puerto Rico (the “Constitution”) provides that “In case the available revenues including surplus for any fiscal year are insufficient to meet the appropriations made for that year, interest on the public debt and amortization thereof shall first be paid, and other disbursements shall thereafter be made in accordance with the order of priorities established by law.” Section 2 of Article VI of the Constitution provides in its last paragraph that “The Secretary of the Treasury may be required to apply the available revenues including surplus to the payment of interest on the public debt and the amortization thereof in any case provided for by Section 8 of this Article VI at the suit of any holder of bonds or notes issued in evidence thereof.” These provisions of the Constitution are sometimes referred to herein as the “Constitutional Debt Priority Provisions.” The official English version of the Constitutional Debt Priority Provisions uses the term “available *revenues* including surplus,” but this opinion will refer to “available *resources* including surplus” as the translation of the term “recursos” used in the official Spanish version of the Constitution.

**Opinion Requested.** You have asked for our opinion as to whether (1) Act 91 validly transfers the Pledged Sales Tax, including the Commonwealth’s right to receive the Pledged Sales Tax, to the Corporation, (2) the Pledged Sales Tax does not constitute “available resources including surplus” for purposes of the Constitutional Debt Priority Provisions and, therefore, are not subject to a first claim by the owners of public debt of the Commonwealth (sometimes referred to as the “clawback”) in the event available resources including surplus for a particular fiscal year, are not sufficient for the purposes of meeting appropriations in that fiscal year, and (3) Act 91 validly provides that the Pledged Sales Tax is not available for use by the Secretary of the Treasury of the Commonwealth.

**Act 91.** Act 91 created a special fund known as the Dedicated Sales Tax Fund, to be administered by GDB, and transferred the Dedicated Sales Tax Fund, all funds deposited therein on the effective date of Act 91, and any future funds required by Act 91 to be deposited therein, to the Corporation as property of the Corporation. This transfer was made in consideration for the Corporation’s commitment to make funds available to the Commonwealth to pay, or establish mechanisms to pay, all of part of the Commonwealth’s debt and other obligations specified in Article 2(b) of Act 91 (the “Commonwealth Obligations”), with the net proceeds of bonds issued by the Corporation and with other funds and resources available to the Corporation.<sup>1</sup>

The Dedicated Sales Tax Fund is required by the terms of Act 91 to be funded in each fiscal year of the Commonwealth with the first collections of the Pledged Sales Tax. The

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<sup>1</sup> We have assumed for purposes of this opinion that the Corporation will not pay any of the Commonwealth Obligations (other than Commonwealth Obligations consisting of indebtedness of the Commonwealth being refunded) directly, but will instead transfer the proceeds of its bonds and notes to the Commonwealth in order to allow the Commonwealth to pay the Commonwealth Obligations. We have assumed that the Corporation will use the funds assigned to it solely to pay its bonds and notes, related financing expenses and its operating expenses.

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Pledged Sales Tax consists of the greater of (i) a fixed base amount specified in Act 91 for each fiscal year (the "Fixed Base Amount"); and (ii) the product of the amount of the sales and use tax collected during such fiscal year multiplied by a fraction, the numerator of which is two point seventy-five percent (2.75%),<sup>2</sup> and the denominator of which is the aggregate sales and use tax rate of five point fifty percent (5.50%).

Act 91 limits the amount of bonds that may be issued by the Corporation to those that can be serviced with the Fixed Base Amount. The Fixed Base Amount, which was initially set at \$185 million, increases annually until it reaches a maximum of \$1.85 billion.

Act 91 requires that the Pledged Sales Tax "be directly deposited in the [Dedicated Sales Tax] Fund at the moment of receipt and shall not be deposited in the Treasury of Puerto Rico." Moreover, Act 91 states that the Pledged Sales Tax shall not "constitute resources available to the Commonwealth of Puerto Rico, nor shall it be available for use by the Secretary [of the Treasury]." In addition, Act 91 provides that "The bonds and other obligations of [the Corporation] shall not constitute a debt or obligation of the Commonwealth of Puerto Rico nor its other public instrumentalities. Neither the Commonwealth of Puerto Rico nor its other public instrumentalities shall be responsible for the payment of such bonds or other obligations, for which the full faith, credit and taxing power of the Commonwealth of Puerto Rico shall not be pledged."

On the date hereof, the Secretary of Justice of Puerto Rico issued an opinion (the "2011 Opinion") in which he concluded that the Pledged Sales Tax does not constitute "available resources" for purposes of the Constitutional Debt Priority Provisions. On each of November 23, 2011, June 23, 2011, February 9, 2010 and June 30, 2010, the Secretary of Justice of Puerto Rico issued an opinion reaching the same conclusion in connection with the issuance of the Corporation's Sales Tax Revenue Bonds, First Subordinate Series 2011A, Sales Tax Revenue Bonds, First Subordinate Series 2011B, Sales Tax Revenue Bonds, Junior Subordinate Series 2011A, Sales Tax Revenue Bonds, First Subordinate Series 2010A and Sales Tax Revenue Bonds, First Subordinate Series 2010C, respectively (the "Prior Opinions"). Moreover, his immediate predecessors reached the same conclusion in opinions dated July 31, 2007 (the "2007 Opinion") issued in connection with the issuance of the Series 2007A and Series 2007B Sales Tax Revenue Bonds of the Corporation and July 18, 2009 (the "2009 Opinion") issued in connection with the issuance of the Corporation's Sales Tax Revenues Bonds, First Subordinate Series 2009A and Series 2009B.

**General Legal Principles.** Under Article VI, Section 2 of the Constitution, the Legislature of Puerto Rico (the "Legislature") is vested with broad authority over the levying and application of taxes and, therefore, has the power to determine how such tax revenues are applied

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<sup>2</sup> Act 91 was amended by Act No. 1 of January 14, 2009 ("Act 1") and Act No. 7 of March 9, 2009 ("Act 7") to, among other things, increase the numerator of the fraction referred to in clause (i) from one percent (1%) to two point seventy-five percent (2.75%).

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and who receives them. The principal issue covered by this opinion is whether any designation or earmarking by the Legislature of Commonwealth resources for a particular purpose, while valid, is nevertheless subject to a clawback under the Constitutional Debt Priority Provisions. More specifically, whether notwithstanding the express provisions of Act 91, the Pledged Sales Tax constitutes “available resources” for purposes of the Constitutional Debt Priority Provisions and, thus, must be made available to pay principal and interest on general obligation bonds of the Commonwealth to the extent the Commonwealth does not otherwise have sufficient resources for such purpose.

This issue has never been addressed by the Supreme Court of Puerto Rico and there are no precedents in Puerto Rico cases controlling or directly on point with the issues addressed on this letter. There is also no discussion of the meaning of the term “available resources” in the records of the proceedings of the Puerto Rico Constitutional Convention. In the absence of direct judicial precedent on this issue or clear evidence of the intent of the framers of the Constitution, the issue addressed herein needs to be analyzed under general principles of constitutional and statutory interpretation applicable in Puerto Rico.

**Standard of Review.** At the outset, we believe it is important to discuss the standard of review that a Puerto Rico court would use to decide this issue. The Supreme Court of Puerto Rico has traditionally shown substantial deference to the Legislature’s judgment and has consistently ruled that there is a presumption of constitutionality that attaches to every statute adopted by the Legislature. See Rexach v. Ramírez Vélez, 162 D.P.R. 130, 148 (2004); Berberena v. Echegoyen, 128 D.P.R. 864 (1991); Nogueras v. Hernández Colón, 127 D.P.R. 405, 412 (1996). The Supreme Court of Puerto Rico has reiterated that when the constitutionality of a statute is questioned, the Court will first examine whether there is a reasonable interpretation of the statute that is compatible with the Constitution. The Supreme Court of Puerto Rico has stated that deference to the Legislature should be especially high in matters involving the use of public funds and the regulation of the economy.<sup>3</sup> In these types of cases, the constitutionality of a statute will be upheld unless there is no rational relationship between the legislation and a legitimate government interest. Berberena, supra at 882. Courts in the State of New York, in reviewing analogous issues, have also acknowledged that significant deference should be given to the state legislature in these matters. See Local Government Assistance Corporation v. Sales Tax Asset Receivable Corporation, 813 N.E. 2d 587 (New York Court of Appeals, 2004).

In reviewing statutory and constitutional questions, the Supreme Court of Puerto Rico has also stated that, while opinions of the Secretary of Justice are not binding on the courts, they are entitled to great persuasive weight, because the Secretary of Justice is the highest executive officer charged with the administration of justice. San Geronimo Caribe Project, Inc. v.

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<sup>3</sup> We note that the higher degree of scrutiny generally applicable to contract impairment cases involving obligations of the Commonwealth does not apply to the threshold issue of whether the statute being questioned in fact impairs existing contractual rights. See Bayrón Toro y Otros v. Rafael Serra, 119 D.P.R. 605,620 (1983).

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Administración de Reglamentos y Permisos, 2008 W.L. 3834098 (Puerto Rico, 2008), Maldonado v. Junta de Planificación, 2007 W.L. 1582244 (Puerto Rico, 2007). We believe that an opinion from the Secretary of Justice, such as the 2010 Opinion, would be granted even more persuasive weight by the Supreme Court of Puerto Rico, where, as occurs in this case, it reaffirms opinions issued by prior Secretaries of Justice.

**Judicial Precedents from Other Jurisdictions.** Since there is no controlling precedent in Puerto Rico, it is appropriate to examine precedents from other jurisdictions to which the Supreme Court of Puerto Rico might look for guidance. There exists a number of precedents from the State of New York, that while not involving identical statutory and constitutional provisions to Act 91 and the Constitutional Debt Priority Provisions, provide support for the proposition that the Legislature may designate a specific source of state revenues for a specific purpose, even though such designation has the effect of reducing the amount of revenues that would otherwise be “available” to pay principal and interest on the Commonwealth’s full faith and credit obligations. See Saratoga Harness Racing v. Agriculture, 238 N.E. 2d 730 (New York Court of Appeals, 1968), Quirk v. Municipal Assistance Corporation, 363 N.E. 2d 549 (New York Court of Appeals, 1977) and Anderson v. Regan, 425 N.E. 2d 792 (New York Court of Appeals, 1981).

The Saratoga case involved a challenge to the validity of a statute that assigned future state revenues for a specific purpose in the face of a provision of the New York State Constitution which prohibited the expenditure of state funds except pursuant to appropriation by the state legislature. The statute in question required that certain receipts due from state assessments imposed on racing associations be delivered to a special development fund which would in turn be authorized to use such funds for the specific purpose of fostering the continued growth and prosperity of the horse racing industry. The Court noted that, similar to the policy behind the Constitutional Debt Priority Provisions, the New York State constitutional provision under discussion had been motivated by a concern that the state not incur obligations in excess of its actual income and thus “leave burdens for the future, and severe taxation or repudiation, the meanest of all things.” Saratoga, supra at 124. The New York State Court of Appeals upheld the constitutionality of the statute and stated that “not every fund made of public moneys raised through taxation or otherwise” came within purview of the New York State constitutional provision in question. Saratoga, supra at 123. In reviewing its prior discussion in Saratoga, the New York State Court of Appeals in the Anderson case made clear that the operational structure of the statutory scheme in the Saratoga case was an important factor in upholding its constitutionality. The Court stated that its holding in Saratoga was clearly predicated upon the fact that the money at issue there, although raised through legislative assessment, never became the property of the State and was never placed within the State treasury, but rather was immediately deposited in a separate fund administered by a legislatively created public benefit corporation. Anderson, supra at 406. We do not believe that the fact that the Pledged Sales Tax is initially payable to the Secretary of the Treasury is a substantive distinction from the Saratoga case, since Act 91 explicitly provides that the Pledged Sales Tax is property of the Corporation,

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and the Pledged Sales Tax collection are deposited in accounts outside the control of the Secretary of the Treasury (see footnote 3).

In addition to the Saratoga case, there exist a number of cases upholding the constitutionality of statutes that contemplated the assignment by a state or municipality of its interest in certain future revenues to a public corporation to support the payment of bonds issued by such corporation. See Quirk, supra, Local Government Assistance Corp. v. Sales Tax Asset Receivable Corporation, 813 N.E. 2d 587 (New York Court of Appeals, 2004)) and Myers v. Alaska Housing Finance Corporation, 68 P.3d 386 (2003). The Myers case involved the assignment of periodic payments from the tobacco settlement litigation to the Alaska Housing Finance Corporation. We note that the Commonwealth has made a similar assignment of its tobacco settlement payments to the Children's Trust to support bonds issued by the Trust, the proceeds of which were to be used for specific purposes and are not entitled to the full faith and credit of the Commonwealth.

**Analysis of Act 91 Statutory Scheme under General Legal Principles and in Light of Precedents from Other Jurisdictions.** As recited in its Statement of Motives, Act 91 was originally enacted by the Legislature to deal with the high level of Commonwealth appropriation debt, which had adversely affected the credit of the Commonwealth and had created a fiscal crisis that forced a government shutdown. In 2009, Act 91 was further amended by Act 1 and Act 7 to increase the amount of the Pledged Sales Tax in an effort to address the unprecedented magnitude of the fiscal crisis currently facing the Commonwealth. The fiscal difficulties that Act 91 seeks to address represent a legitimate government interest. Thus, under these circumstances, we believe that the Supreme Court of Puerto Rico would give great deference to the judgment of the Legislature on how best to exercise its taxing power to address this fiscal crisis, and would find that there is a rational relationship between Act 91 and this legitimate government interest.

There is nothing in the text of the Puerto Rico Constitution or in the records of the Puerto Rico Constitutional Convention that provides that specified resources be available to pay general obligation bonds, nor that holders of general obligations bonds shall have a lien on all future revenues of the Commonwealth, nor otherwise restrict the authority of the Commonwealth to sell or transfer assets. As stated by the Court in Flushing National Bank v. Municipal Assistance Corporation, 358 N.E. 2d 848 (New York State Court of Appeals, 1976), the issuance of full faith and credit bonds does not create a general or special lien or charge upon unspecified revenues, moneys or income of the obligor not therein specifically obligated to the payment of such bonds. Flushing, supra at 736. We note that had the framers of the Puerto Rico Constitution desired to limit the ability of the Legislature to assign future tax revenues they could have done so by including in the Puerto Rico Constitution an explicit anti-dedication clause such as those contained in the Alaska and Georgia constitutions, which in turn are based on a similar provision included in the Model State Constitution prepared by The Committee on State Government of the National Municipal League. We note that the Georgia Constitution and the

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Model State Constitution were in existence at the time of adoption of the Puerto Rico Constitution and that the Alaska Constitution was adopted soon thereafter in 1955.<sup>4</sup>

The fact that certain prior financing structures of other Commonwealth instrumentalities have provided that the revenues pledged under those structures constitute “available resources” for purposes of the Constitutional Debt Priority Provisions does not alter our conclusion. For example, in Act No. 74 approved June 23, 1965, as amended (“Act 74”), creating Puerto Rico Highways and Transportation Authority (the “Highways Authority”), the Legislature provided a mechanism for the Highways Authority to issue bonds to finance needed highway and other transportation projects and to secure said bonds by a pledge of “the proceeds of any tax or other funds which may be made available to the Authority by the Commonwealth” (Section 4(1) of said Act 74). This pledge, however, is expressly made “subject to the provisions of Section 8 of Article VI of the Constitution of the Commonwealth.” Similarly, in Act No. 44 approved June 21, 1988, as amended (“Act 44”), creating Puerto Rico Infrastructure Financing Authority (“AFI”), the power of AFI to pledge its revenues to secure its bonds is expressly made “subject to the provisions of Section 8 of Article VI of the Constitution of the Commonwealth.” In that case, the pledge involved “all or any portion of the federal excise taxes [remitted to the Department of the Treasury of the Commonwealth under applicable provisions of the United States Internal Revenue Code] or other funds which [are] transferred by the Commonwealth to the Authority” (Section 7(m) of said Act 44).

We believe that there is a clear distinction between the statutory schemes of Act 74 and Act 44 on the one hand, and Act 91 on the other. Under both Act 74 and Act 44, the Legislature expressly provided that the revenues to be pledged were part of the general resources of the Commonwealth and thus, authorized the pledge of such revenues subject to the provisions of the Constitutional Debt Priority Provisions. In both cases, the revenues in question were made available to the Highways Authority and AFI from revenues on deposit in the Commonwealth General Fund. In the case of Act 91, the Legislature expressly provided that the Pledged Sales Tax is not to be deposited in the General Fund and shall not constitute resources available to the Commonwealth of Puerto Rico. The fact that in Act 74 and Act 44 the Legislature chose to designate the pledged revenues in question as “available resources” does not imply that the Legislature cannot exercise its constitutional taxing authority to explicitly provide that the Commonwealth shall not have ownership and control over a portion of the Commonwealth imposed sales and use tax, as provided in Act 91.

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<sup>4</sup> We also note that Jaime Benítez, the Chancellor of the University of Puerto Rico at that time, wrote a foreword to the Fifth Edition of the Model State Constitution published in 1948 in which he thanked the National Municipal League for granting their permission to make reprints of the Model State Constitution for circulation to the delegation of the Puerto Rico Constitutional Convention and acknowledged that the Model would be suggestive for the delegation.

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In rendering our opinion, we believe that the Supreme Court of Puerto Rico will give substantial persuasive weight to the opinions of Secretaries of Justice as expressed in the 2007 Opinion, the 2009 Opinion, the Prior Opinions, and the 2011 Opinion. We understand that this persuasive weight will be bolstered by the fact that two Secretaries of Justice from different administrations have reached the same conclusion.

We have also considered specific elements of Act 91 that we understand help support its validity if ever faced with a legal challenge. First, following the example of the statutory scheme in Saratoga, the Legislature has clearly stated its intention that the Pledged Sales Tax is not to be considered general funds of the Commonwealth and is not available for use by the Commonwealth, and has mandated that from the moment of collection, the Pledged Sales Tax is to be segregated from the general fund of the Commonwealth.

Second, as stated previously, Act 91 incorporates safeguards to limit the amount of bonds that may be issued by the Corporation backed by the Pledged Sales Tax.<sup>5</sup> This provision reflects the Legislature's attempt to resolve the current fiscal crisis while addressing the concerns expressed by the Court in Quirk that an otherwise constitutionally permissible assignment of revenues might be held to violate constitutional provisions protecting general obligation bondholders if, realistically, it stripped the government of all or a substantial source of its revenues and, therefore, adversely affected the ability of the Commonwealth to service its general obligation debt. See Quirk, supra at 648.

**Opinion.** It is our opinion, based on our examination of the law and other matters which we consider pertinent, and after applying general legal principles to the facts summarized herein, that, if the appropriate issues are properly presented for judicial decision, a court would hold that (1) Act 91, as amended by Act 1 and Act 7, validly transfers the Pledged Sales Tax, including the Commonwealth's right to receive the Pledged Sales Tax, to the Corporation, (2) the Pledged Sales Tax does not constitute "available resources including surplus" of the Commonwealth for purposes of the last paragraph of Section 2 of Article VI of the Constitution of Puerto Rico, or for purposes of Section 8 of Article VI of the Constitution of Puerto Rico, and (3) Act 91 validly provides that the Pledged Sales Tax is not available for use by the Secretary of the Treasury of the Commonwealth.

We note, however, that in view of the lack of direct judicial precedent in Puerto Rico there can be no certainty as to the outcome of any litigation with respect to the applicability of the "clawback" to the Pledged Sales Tax. We note further that because there is no controlling

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<sup>5</sup> Under Act 91, the amount of bonds that may be issued by the Corporation is limited to those that may be repaid from the Fixed Base Amount, which is capped at \$1.85 billion (which is reached in 2041). We note that the Fixed Base Amount for fiscal year 2010-2011 (\$572 million) represented six point five percent (6.5%) of the preliminary General Fund total revenues for that fiscal year (\$8,726,000,000) (for purposes of this computation, we have included the Pledged Sales Tax for that fiscal year (\$572 million) as part of General Fund total revenues).

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Puerto Rico precedent on the matters upon which we are opining herein, a court's decisions on such matters would be based on the court's own analysis and interpretation of the factual evidence before it and of applicable legal principles. As a result, a court faced with these issues could reach a contrary result which would not necessarily constitute reversible error. Accordingly, the opinion contained in this letter is not a prediction of what a particular court (including any appellate court) of the Commonwealth that reviewed the issue on the merits would hold, but, instead, is our opinion as to the proper result to be reached by such court applying existing legal rules and principles to the facts as properly found after appropriate briefing and argument. This opinion is not a guaranty, warranty or representation of a particular result, but is merely this law firm's informed judgment as to a specific question of law.

The opinion expressed herein is based on an analysis of existing laws and court decisions. It also assumes strict compliance with the provisions of Act 91 and the Resolution, including those provisions requiring segregation of the Pledged Sales Tax from the general funds of the Commonwealth. Such opinion may be adversely affected by actions taken or events occurring, including a change in law (or in the application or official interpretation of any law) or in the manner of segregating the Pledged Sales Tax from the general revenues of the Commonwealth, after the date hereof. We have not undertaken to determine, or to inform any person about, whether such actions are taken or such events occur, and we have no obligation to update this opinion in light of such actions or events.

We are admitted to practice in the Commonwealth, and express no opinion whatsoever with respect to any laws other than the laws of the Commonwealth.

This opinion letter is rendered for the sole and exclusive benefit of the addressee hereof, and no other person or entity is entitled to rely hereon and no advice hereunder is rendered to any such other person or entity. A copy of this letter may with our consent be provided, for informational purposes only, to potential investors in the Offered Bonds upon their request, but no attorney-client relationship exists between any such investor and Pietrantonio Mendez & Alvarez LLC and none of such investors are included as addressees of this letter or may otherwise have any right to rely on the legal advice contained in this letter. In no event, without our written consent, may copies of this opinion letter be furnished to any person or entity, nor may any portion of this opinion letter be quoted, summarized, circulated, or referred to in any document.

Very truly yours,

*Pietrantonio Mendez Alvarez LLP*

PIETRANTONI MENDEZ & ALVAREZ LLC

**EXHIBIT A**

**ADDRESSEES**

**Puerto Rico Sales Tax Financing Corporation**

**Underwriter Representatives**