

Leonardo M. Rapadas
Attorney General



Phillip J. Tydingco
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OFFICE OF THE ATTORNEY GENERAL

September 21, 2011

United States Department of the Treasury
ATTN: State Small Business Credit Initiative
Main Treasury Building
Room 1310
1500 Pennsylvania Avenue, N.W.
Washington, DC 20220

Re: State Small Business Credit Initiative Allocation Agreement;
Reference No. GEDA 11-0601

Ladies and Gentlemen:

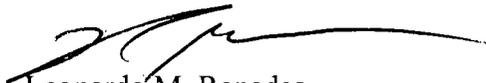
We have acted as counsel for the Government of Guam (the "Participating State") in connection with the transactions contemplated by the ~~State Small Business Credit Initiative Allocation Agreement~~ for Participating States dated as of September 30, 2011, by and between the United States Department of the Treasury and the Participating State (the "Agreement"). This opinion is furnished to you pursuant to Section 3.2 of the Agreement.

We have examined the Agreement and considered such questions of law as we have deemed appropriate. Based on the foregoing, it is our opinion that:

1. The Participating State has designated the Office of the Governor of Guam, through the Guam Economic Development Authority (GEDA) to implement the Participating State's Approved State Program (as defined in Section 1.1 of the Agreement). The Office of the Governor of Guam is a department or agency of the Participating State.
2. The Participating State has all requisite power and authority under the Organic Act of Guam and the laws of Guam to execute and deliver this Agreement, to consummate the transactions contemplated by the Agreement, and to perform its obligations under the Agreement.

3. The execution and delivery by the Participating State of the Agreement, the consummation by the Participating State of the transactions contemplated under the Agreement, and the performance by the Participating State of its obligations under the Agreement have been duly authorized by all necessary action on the part of the Participating State.
4. The Agreement has been duly executed and delivered by the Participating State, and constitutes the legal, valid, and binding obligation of the Participating State enforceable in accordance with the terms of the Agreement.
5. The execution and delivery by the Participating State of the Agreement, the consummation by the Participating State of the transactions contemplated by the Agreement and the performance by the Participating State of its obligations under the Agreement do not and will not:
 - a. Conflict with or violate any existing law or administration regulation, or any existing administrative or judicial decree or order of the Participating State; and
 - b. To the best of our knowledge, conflict with, result in a breach of, or constitute a default under any existing agreement or other instrument to which the Participating State is subject or by which it is bound.
6. To the best of our knowledge, there is no lawsuit or judicial or administrative action, proceeding, or investigation pending or threatened against the Participating State which is likely to have a material adverse effect on the ability of the Participating State to perform its obligations under the Agreement.

Sincerely,


Leonardo M. Rapadas
Attorney General