

MICRONESIAN APPRAISAL ASSOCIATES, INC.

PROPERTY LOCATED AT:

Government Alley
Agana, Guam 96910

FOR:

Mr. Roy Duenas
N/A

AS OF:

January 31, 1994

BY:

Norma U. Mesa

MICRONESIAN APPRAISAL ASSOCIATES, INC.
Real Estate Appraisals and Consultation

February 11, 1994

Mr. Roy Duenas

Dear Mr. Duenas,

I have completed an appraisal of the real estate legally described as:

**Government Alley
Municipality of Agana**

The subject alleyway consists of a total area of 38 square meters a located in Agana. Please be assured that a personal inspection and analysis was made of the subject site and that due consideration was given to all factors influencing value. In this regard, the accompanying report was prepared for the purpose of estimating the market value of an unencumbered fee simple interest in the property and contains data and analysis supporting my value conclusion.

On the basis of my investigation, and in accordance to the highest and best use conclusion, it is my considered and professional opinion that the market value of the subject alley, as of January 31, 1994 was:

\$15,200.00

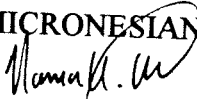
FIFTEEN THOUSAND TWO HUNDRED DOLLARS

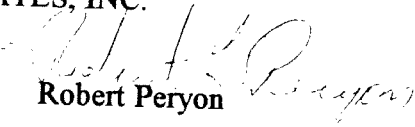
A reasonable *exposure time* and *marketing time*¹ for the subject properties is expected to be 6 to 9 months. This opinion of value is subject to the assumptions and limiting conditions as stated within this report. Your attention is also directed to the Appraiser's Certifications at the end of the report.

If you have any questions on the data or conclusions, please contact me.

Respectfully submitted,

MICRONESIAN APPRAISAL ASSOCIATES, INC.


Norma U. Mesa
Staff Appraiser


Robert Peryon
Guam Licensed Appraiser, LA#94-001
Expiration 1/18/96

94-0022

¹Uniform Standards of Professional Appraisal Practice, Statement on Appraisal Standards No. 6, Subject: Reasonable Exposure Time in Market Value Estimates, and Statement on Appraisal Standards No. 7, Subject: Reasonable Marketing Time in Market Value Estimates.

SUBJECT PHOTOGRAPH ADDENDUM

Borrower/Client Mr. Roy Duenas

Address Government Alley

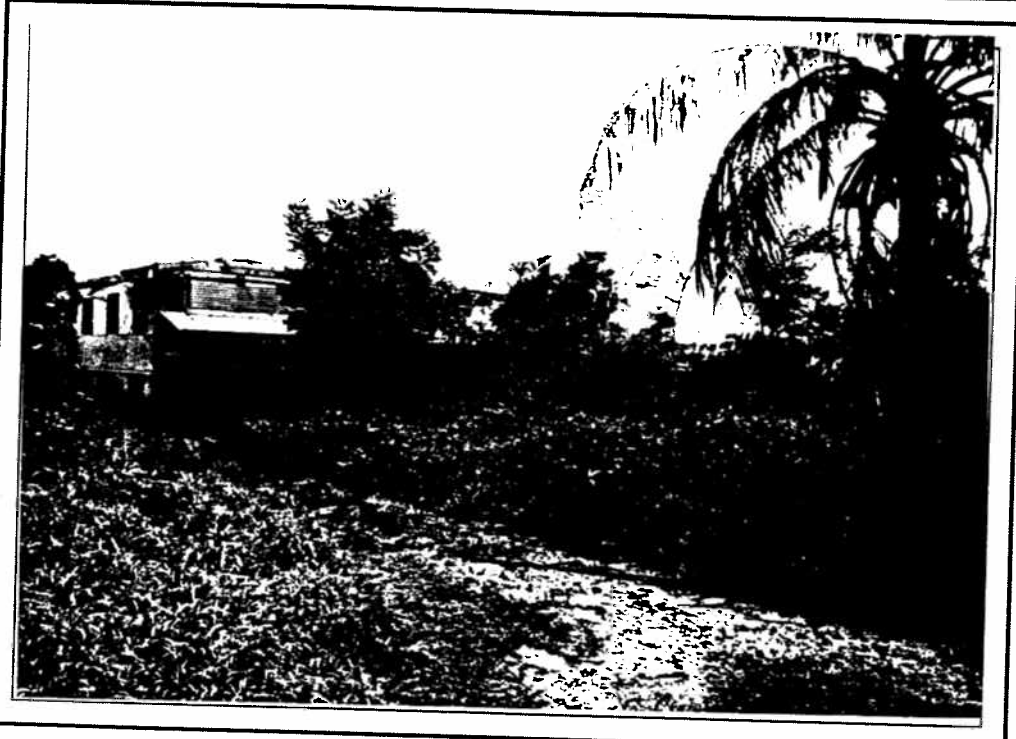
City Agana

County N/A

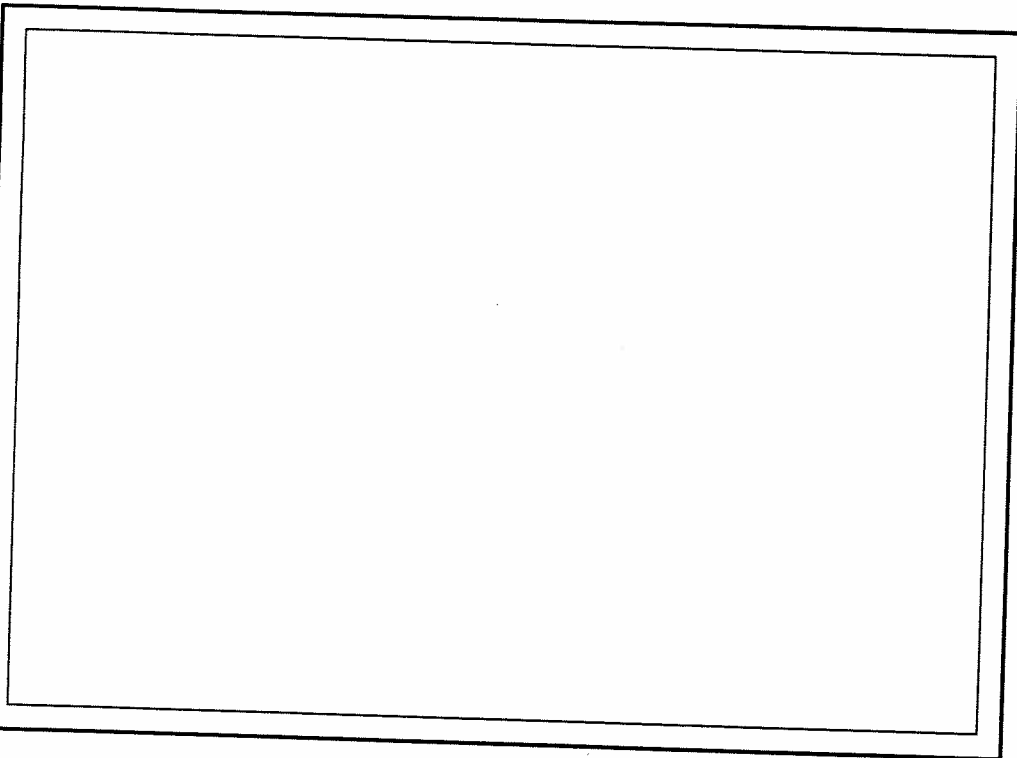
State Guam

Zip Code 96910

Lender/Client Mr. Roy Duenas



**FRONT OF
SUBJECT PROPERTY**



**REAR OF
SUBJECT PROPERTY**



STREET SCENE

MICRONESIAN APPRAISAL ASSOCIATES, INC AND APPRAISAL REPORT

94-0022

Borrower Mr. Roy Duenas Census N/A Map Reference _____
 Property Address Government Alley
 City Agana County N/A State Guam Zip Code 96910
 Legal Description Government Alley, Municipality of Agana
 Sale \$ N/A Date of Sale N/A Loan Term N/A yrs. Property Rights Appraised Fee Leasehold De Minimus PUD
 Actual Real Estate Taxes \$ _____ (yr) Loan Charges to be paid by Seller \$ _____ Other sales concessions _____
 Lender/Client Mr. Roy Duenas Address N/A _____
 Occupant N/A Appraiser Norma U. Mesa Instructions to Appraiser Fair Market Value

Location	<input checked="" type="checkbox"/> Urban	<input type="checkbox"/> Suburban	<input type="checkbox"/> Rural	Employment Stability Convenience to Employment Convenience to Shopping Convenience to Schools Adequacy of Public Transportation Recreational Facilities Adequacy of Utilities Property Compatibility Protection From Detrimental Cond. Police and Fire Protection General Appearance of Properties Appeal to Market
Built Up	<input checked="" type="checkbox"/> Over 75%	<input type="checkbox"/> 25% to 75%	<input type="checkbox"/> Under 25%	
Grwth Rt. <input checked="" type="checkbox"/> Fully Dev.	<input type="checkbox"/> Rapid	<input type="checkbox"/> Steady	<input type="checkbox"/> Slow	
Property Values	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining	
Demand/Supply	<input type="checkbox"/> Shortage	<input checked="" type="checkbox"/> In Balance	<input type="checkbox"/> Over Supply	
Marketing Time	<input type="checkbox"/> Under 3 Mos.	<input type="checkbox"/> 4-6 Mos.	<input checked="" type="checkbox"/> Over 6 Mos.	
Present Land Use <u>10</u> % 1 Family <u>5</u> % 2-4 Family <u>5</u> % Apts. <u>0</u> % Condo <u>75</u> % Commercial				
Change in Prnt. Land Use <input checked="" type="checkbox"/> Not Likely <input type="checkbox"/> Likely (*) <input type="checkbox"/> Taking Place (*)				
Predominant Occupancy <input checked="" type="checkbox"/> Owner <input type="checkbox"/> Tenant _____ % Vacant				
Single Family Price Range \$ _____ to \$ _____ Predominant Value \$ _____				
Single Family Age _____ yrs to _____ yrs Predominant Age _____ yrs.				

Comments including those factors, favorable or unfavorable, affecting marketability (e.g. pub. parks, schools, etc.) The subject site is conveniently located in central Agana and is surrounded by amenities such as shopping centers, business and recreational facilities and it is 5 minutes from Tamuning.

Dimensions _____ = 409.03 Sq. Ft. or Acres Corner Lot
 Zoning Classification C-Commercial Present Improvements do do not conform to zoning regulations
 High. & best use Present use Other (Specify) _____
 Public Other (describe) _____
 Elec. Overhead
 Gas Bottled
 Water PUAG
 S. Sew _____
 Underground Elec. & Tel. _____
 OFF SITE IMPROVEMENTS
 Street Access Public Private
 Surface Paved asphalt
 Maintenance Public Private
 Storm Sewer Curb/Gutter
 Sidewalk Street Lights
 Topo 3 ft below street grade
 Size Substandard
 Shape Long rectangular
 View None
 Drainage Adequate

Comments (favorable or unfav. including any apparent adverse easements, encroach. or other adverse conditions): The subject does lie within a flood hazard area. It is zoned A3 which is confirmed by Fema Flood Map #660001-0042B dated 11/15/85.

The undersigned has recited three recent sales of properties most similar and proximate to subject and has considered these in the market analysis. The description includes a dollar adjustment, reflecting market reaction to those items of significant variation between the subject and comparable properties. If a significant item in the comparable property is superior to, or more favorable than, the subject property, a minus (-) adjustment is made thus reducing the indicated value of subject; if a significant item in the comparable is inferior to, or less favorable than, the subject property, a plus (+) adjustment is made thus increasing the indicated value of the subject.

ITEM	SUBJECT PROPERTY	COMPARABLE NO. 1	COMPARABLE NO. 2	COMPARABLE NO. 3
Address	<u>Government Alley Agana Guam</u>	<u>Lot 1477-1 Agana</u>	<u>Lot 1478 Mun. of Agana</u>	<u>Lot 1496-2 Mun. of Agana</u>
Prox. to Subject		<u>Adjacent lot</u>	<u>One lot south</u>	<u>Adjacent lot</u>
Sales Price	\$ <u>N/A</u>	\$ <u>76,400</u>	\$ <u>150,000</u>	\$ <u>67,000</u>
Unit Price/	<u>.00</u>	<u>400</u>	<u>461.54</u>	<u>401.20</u>
Data Source	<u>Inspection</u>	<u>Owner</u>	<u>Owner</u>	<u>Owner</u>
Date of Sale and Time Adjustment	DESCRIPTION: <u>N/A</u>	DESCRIPTION: <u>01/29/93</u> + (-) \$ Adjustment	DESCRIPTION: <u>04/13/93</u> + (-) \$ Adjustment	DESCRIPTION: <u>06/17/93</u> + (-) \$ Adjustment
Location	<u>Average</u>	<u>Equal</u>	<u>Equal</u>	<u>Equal</u>
Site/View	<u>409.03/None</u>	<u>Equal</u>	<u>Equal</u>	<u>Equal</u>
Size	<u>38 SM</u>	<u>191 SM</u>	<u>325 SM</u>	<u>167 SM</u>
Utilities	<u>All Avail</u>	<u>Equal</u>	<u>Equal</u>	<u>Equal</u>
Access	<u>Paved Ally</u>	<u>Equal</u>	<u>Equal</u>	<u>Equal</u>
Topo	<u>Flat</u>	<u>Flat</u>	<u>Flat</u>	<u>Flat</u>
Sales or Financing Concessions	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Net Adj. (Total)		<input checked="" type="checkbox"/> Plus <input type="checkbox"/> Minus: \$	<input checked="" type="checkbox"/> Plus <input type="checkbox"/> Minus: \$	<input checked="" type="checkbox"/> Plus <input type="checkbox"/> Minus: \$
Indicated Value of Subject	<u>G%0.00</u> <u>N%0.00</u>	<u>\$ 400</u>	<u>\$ 461.54</u>	<u>\$ 401.20</u>

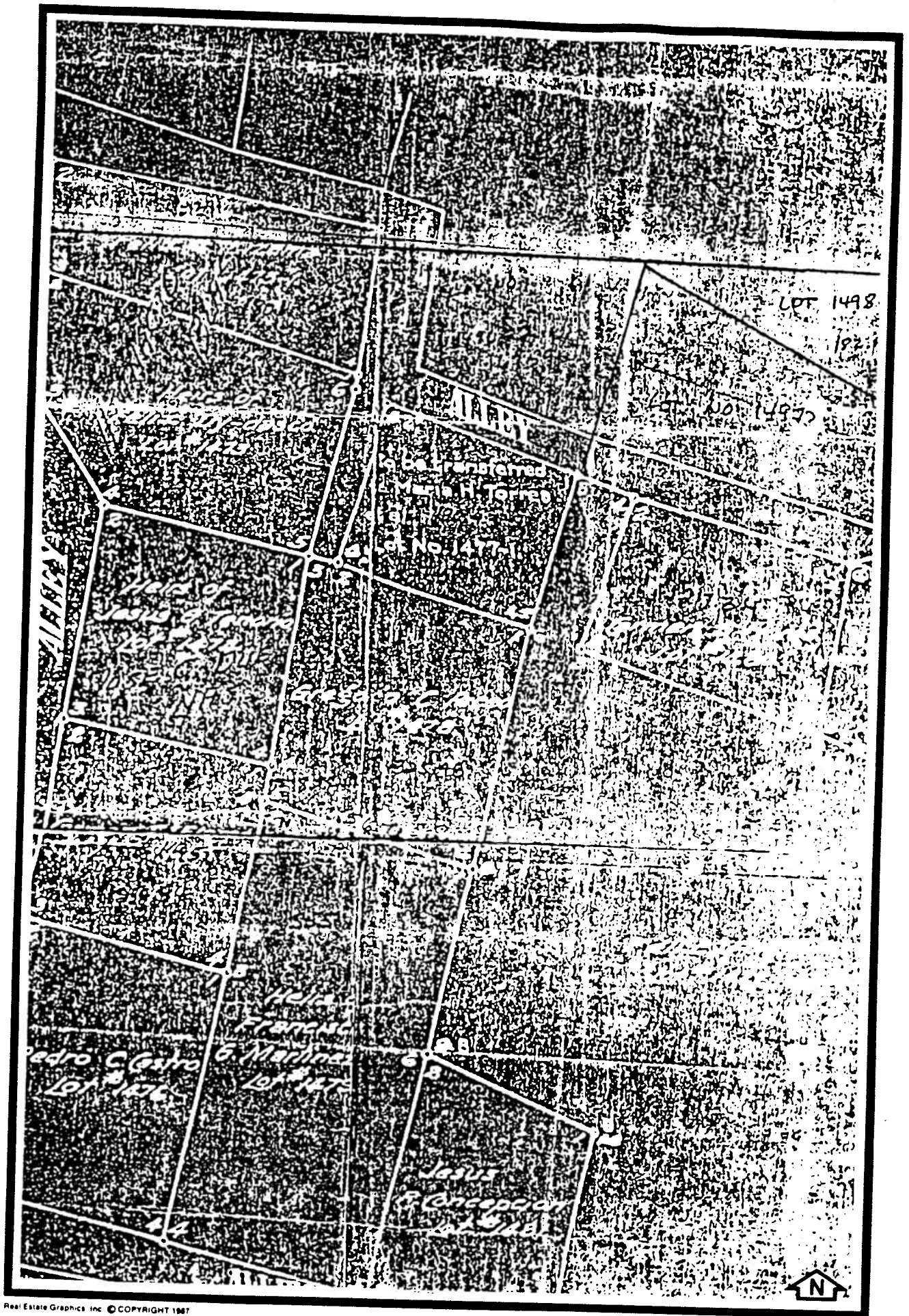
Comments on Market Data: See attached addendum.

Comments and Conditions of Appraisal: See Assumptions and Limiting Conditions contained in attached addendum.

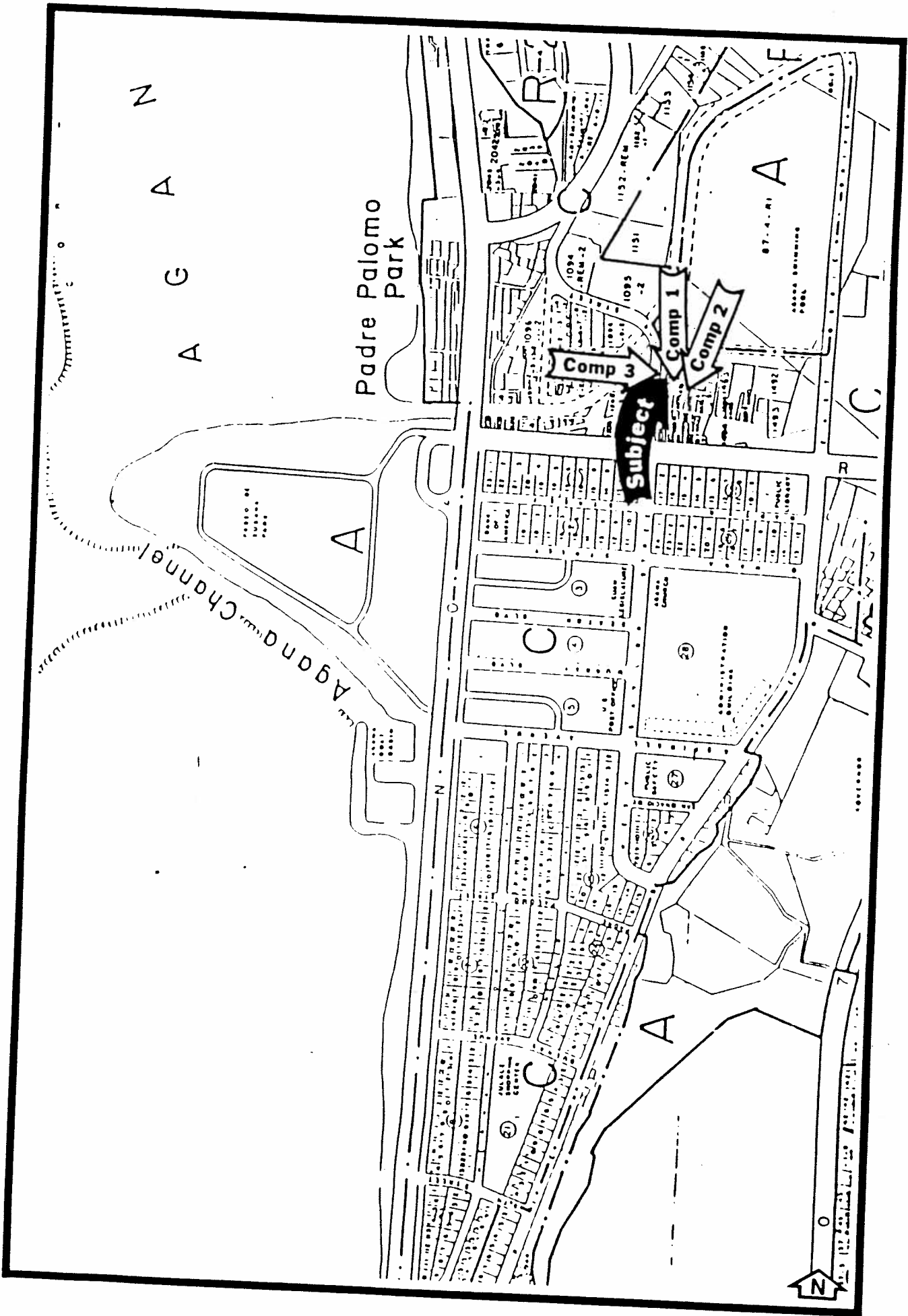
Final Reconciliation: Sales Comparison Approach indicate a range of values from \$400 to \$461 with a mean of \$401. We used the mean of \$401 to estimate final value, this applied to site area of 38 sm equals \$15,238 or rounded say: \$15,200.00
 I ESTIMATE THE MARKET VALUE, AS DEFINED, OF SUBJECT PROPERTY AS OF January 31 19 94 to be \$ 15,200.00

Appraiser(s) Norma U. Mesa Review Appraiser (If applicable) Robert L. Peryon
 Did Did Not Physically Inspect Property

Site Plan



Location Map



COMPARABLE SALES PHOTO ADDENDUM

Borrower/Client Mr. Roy Duenas				
Address Government Alley				
City Agana	County N/A	State Guam	Zip Code 96910	
Lender/Client Mr. Roy Duenas				



COMPARABLE SALE #1

Lot 1477-1
Agana

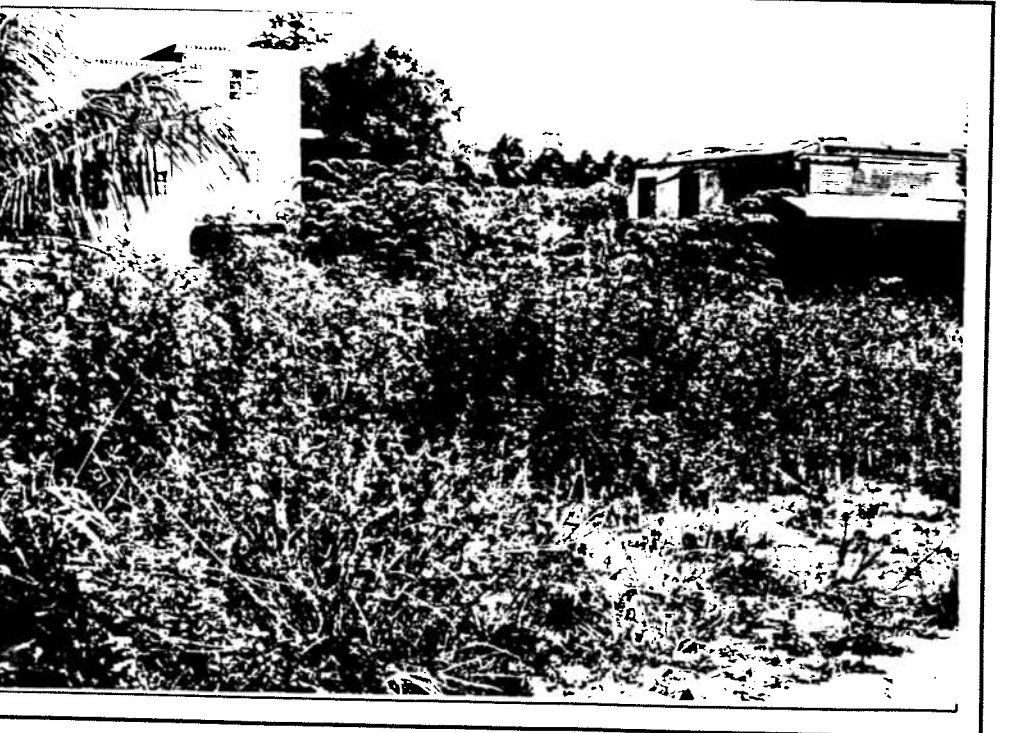
Sale Date: 01/29/93
Sale Price: \$76,400



COMPARABLE SALE #2

Lot 1478
Mun. of Agana

Sale Date: 04/13/93
Sale Price: \$150,000



COMPARABLE SALE #3

Lot 1496-2
Mun. of Agana

Sale Date: 06/17/93
Sale Price: \$67,000

COMMENTS AND RECONCILIATION ANALYSIS

Compliance With Uniform Standards of Professional Appraisal Practice (USPAP)

This appraisal complies with the USPAP requirements as adopted by the Federal Deposit Insurance Corporation (FDIC).

Scope of the Appraisal

The scope of the appraisal refers to the extent of the process of collecting, confirming, and reporting data. The standards clearly impose a responsibility on the appraisers to determine the extent of the work and the report required in relation to the significance of the appraisal problem. A clear and accurate description of the scope of the appraisal is desirable to protect other parties whose reliance on the appraisal may be affected.

General data include information on the social, economic governmental, and environmental forces that affect property value. The appraisers have accumulated general data from a wide variety of sources, including Pacific Area regional information sources; U. S. Federal Governmental sources; Government of Guam sources; national, regional, and local real estate organizations; and trade associations. The appraiser's educational background and experience is utilized extensively in the collection and evaluation of general data.

Specific data include details about the property being appraised, comparable sales, rental properties, and relevant local market characteristics. In appraisals these data are used to determine highest and best use and to make the specific comparisons and analyses required to estimate market value. The appraisers concentrated on specific data related essentially to the subject's immediate neighborhood and the adjacent peripheral neighborhoods. This data is most relevant to the subject and comparables. Guam is a small enough community that almost every real estate transaction has some affect on the island as a whole. However, the appraisers primary focus was on the subject's immediate neighborhood.

The appraiser confirmed the validity of all data used. Any information which could not be verified by a creditable source was not used. The sources of confirmation included public records; interviews with the parties of transactions or offerings and their agents, such as Realtors, bankers, developers, consultants, and others; and other appraisers and professionals. The appraisers made assumptions only as disclosed in the attached Assumptions and Limiting Conditions, or as specifically noted in the body of the report.

The data is organized and reported factually and completely in the attached report. No important facts have been withheld. The quality of the report is certified in the attached Letter of Transmittal.

Neighborhood Data

The village of Agana is located in the central part of the island of Guam, along the western coast. The village is bounded by the Philippine Sea to the north, the hills leading to Agana Heights to the south, and the residential neighborhoods of Mongmong-Toto-Maite to the southeast.

Agana is the capital city of the Territory of Guam, and is the seat of government and financial activities. Government buildings includes the Courthouse and Legislature Building. Most large banks serving Guam have their headquarters in Agana. Four of the largest commercial office buildings are located in Agana (Pacific Daily News Building, Bank of Guam Building, Pedro's Plaza and GCIC Building). Other large centers include mixed retail/office (Julale Center) and (Agana Shopping Center). Many smaller strip-type commercial offices house government and private offices.

Three major highways intersect within Agana: Route 1, 4, and 8. Route 1 (Marine Drive) is the major north-south thoroughfare on the island, and leads from the southern villages north through Agana towards Tamuning and eventually to the northernmost village of Yigo. Route 4 leads from Route 1 southwest through the residential villages of Ordot and Chalan Pago, and then south along the eastern shore of the island. Route 4 also connects with Route 10 in Chalan Pago, which leads north to Mangilao and its schools (University of Guam, Guam Community College). Route 8 leads from Route 1 east towards the residential village of Barrigada.

History of the Subject

The subject site is an existing pre-war government alley. Through a legislative action Mr. Roy Duenas, the owner of the surrounding parcels has received approval for the relocation of this alley (consisting of a total area of 120 sm) and the purchase of the remaining portion (approximately 38 sm) which separates two of his lots. By doing so, he can maximize the utility of the parcels (presently substandard in size) through assemblage² and consolidating them into one large parcel that is more developable.

Inspection of the Subject Property

The subject alley is located on the southern side of East Saylor Street a 40' public access which connects with two major thoroughfares, Route 4 from the west; and Route 8 from the northeastern end. This pre-war alley provides public access for the properties in this neighborhood. The subject alley is located between two lots with a total area of about 38 square meters. It is basically flat and is below street grade. There is water, power, telephone and sewer available within the vicinity of the alley.

The properties in this neighborhood are zoned C-Commercial. The subject neighborhood is located in the center of many commercial and retail facilities. The Bank of Guam is located across the street from the subject site, Ada's Professional and

²"The combining of two or more parcels, usually but not necessarily contiguous, into one ownership or use" American Institute of Real Estate Appraisers, The Dictionary of Real Estate Appraisal, Second Edition 1989.

Commercial Center and the Reflection Center is just northeast. Numerous other business facilities surround this neighborhood. The lot sizes of properties encompassing this alley are substandard in size and which precludes any type of development. However, since these lots are all contiguous to each other and title is held by one owner, assembling that portion of the alley not to be relocated with these parcels into one parcel would increase the utility of the properties, see highest and best use discussion.

The subject's legal metes and bound measurements were not available, however, we relied on the measurements provided through the proposed consolidation map prepared by R.T. Castro & Associates. We assume no responsibility for the accuracy of this measurement.

Comments regarding "Fair" or "Poor" Property Ratings

There were no conditions observed or revealed which would require classification as "Fair" or "Poor".

Observed Health/Safety Problems

The existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyls, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, or other environmental conditions, were not called to the attention of nor did the appraisers become aware of such during their inspection. The appraisers have no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraisers, however, are not qualified to test such substances, or conditions. If the presence of substances, such as asbestos, urea formaldehyde foam insulation, is suspected, we recommend that the client require inspection or investigation by specialists and/or government agencies.

Special Soil Conditions

A physical inspection of the site concluded that there were no apparent adverse conditions affecting the subject site. The site is not located within a slide and erosion area. The site does lie within a flood hazard zone, this is confirmed on Fema Flood Map 66000-00042B Zone A3. There are no known mineral deposits. The site is not recorded on the Historical Registry.

Highest and Best Use³

Definition:

The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value.

Highest and best use is shaped by competitive forces within the market

³ American Institute of Real Estate Appraisers, The Dictionary of Real Estate Appraisal, Second Edition 1989.

where the subject located. It is an economic study of market forces focused on the subject property.

The benefit that an amenity may contribute to the development of a community is not considered in the appraiser's analysis of highest and best use.

Methodology:

Determination of highest and best use for a given property is a process of elimination of all possible uses by the application of certain tests to the subject site:

- 1) *As though vacant.* This analysis will result in a decision to either leave the property vacant or to develop it. If the decision is to develop the site, the appraiser suggests the ideal improvement for the site.
- 2) *As improved.* this analysis compares the existing improvement with the ideal improvements, resulting in a decision of what to do with the existing improvements, including leaving as is, repairing, remodeling, or demolishing.

Application:

This analysis is typically performed to land and improvements separately, as their highest and best use may be difficult. As the subject property is unimproved, the second test does not apply in this report. The analysis applies the four tests shown on the following page. The tests are applied in the order shown, and each succeeding test is applied only to those uses which pass all preceding tests.

HIGHEST AND BEST USE TESTS

1. *Physical possibility:* Which uses would be reasonably possible given the site's size, shape, topography, drainage, access, soil and infrastructure.
2. *Legal permissibility:* Which uses which are physically possible would also be legally permissible given: zoning restrictions, building codes, deed restriction, and other title encumbrances.
3. *Financial feasibility:* Which uses(s) meeting the first two tests also create positive income or positive value. This third test can involve a development approach, which tests the feasibility of a specific set of circumstances in the light of financial criteria derived from comparable properties.
4. *Maximally productive:* Of the possible uses which meet the first three tests, which use results in the highest net present land value.

Considered as Vacant

Physical Possible

The physical characteristics and size of the property precludes any type of development. However, potential usage of parcels of this size is in assemblage² with surrounding properties to maximize the utility of the parcel. All utilities are available to the site.

²"The combining of two or more parcels, usually but not necessarily contiguous, into one ownership or use" American Institute of Real Estate Appraisers, The Dictionary of Real Estate Appraisal, Second Edition 1989.

Legally Permissible: The lot is zoned "C" allowing for retail and commercial business operations, which in this case, are consistent with surrounding properties. However, the size of the parcel limits this development and joining the subject site with surrounding lots would increase the utility of the parcel.

Financially Feasible: This analysis answers the question of whether to build a site or leave it vacant. For the subject site, this is answered by the observed demand for commercial properties. Coupled by the fact that the intent of the owner of the surrounding parcels is to assemble the properties and consolidate it into one large parcel of greater utility that could be developed.

Maximally Productive: The size of the subject precludes its development in its present condition. The discussion above demonstrates that if assembled with surrounding property, the resulting parcel could be developed to commercial retail usage consistent with surrounding property usage.

We therefore conclude that assemblage with surrounding properties to result in a parcel of greater utility and is the highest and best use of the subject property. This conclusion applies to the highest and best use of the subject property.

SITE VALUATION⁴

Sales Comparison⁵ is the most common technique for valuing land and it is the most preferred method when comparable sales are available. With this method, sales of similar parcels of land are analyzed, compared, and adjusted to provide a value indication for the land being appraised. The comparison process is based on an analysis of the similarity or dissimilarity of the parcels.

The appraiser gathers data on actual sales and ground leases as well as listings, offers, and renewal options; identified the similarities and differences in the data; ranks the data according to their relevance; adjusted the sales prices of the comparables to account for the dissimilar characteristics of the land being appraised; and forms a conclusion as to the most reasonable and probable market value of the subject land.

The elements of comparison include property rights, legal encumbrances, financing terms, conditions of sale (motivation), market conditions (sale date), location, physical characteristics, available utilities, zoning, and highest and best use. The most variable elements of comparison are the site's physical characteristics, which include its size and shape, frontage, topography, location, and view. The units of comparison applied may be

⁴ The first four paragraphs of this section are quoted from The American Institute of Real Estate Appraisers, The Appraisal of Real Estate, Ninth Edition, Chicago, Illinois, 1987, pp. 301-302.

⁵ One of the three generally accepted methods for valuing real estate: Cost Approach, Income Approach and Sales Comparison Approach. The Cost Approach utilizes the Sales Comparison Approach for valuing the land component of the overall project. The Income Approach can convert ground rent estimates (based on comparable transactions) into value via market-extracted capitalization rates (derived from comparable sales analyzed via the Sales Comparison Approach).

acres, square feet, front feet, lots or any other unit used in the market.

After comparable data are collected and categorized, and the comparable properties are examined and described, sales data can be assembled in an organized, logical manner. Sales are commonly arranged on a market data grid, such as the Site Valuation Chart on the following pages. Adjustments for dissimilarities between the subject property and the comparable properties are made to the sales prices of the comparables.

Following is an explanation of the major categories of comparison.

Property Rights Conveyed

The particular rights or interests being valued on a site must be defined. This is especially important in appraisals that involve a partial interest in a property, limited rights such as surface or mineral rights, a fee simple estate subject to a long-term lease, or a leasehold interest. Other encumbrances such as easements, mortgages, or special occupancy and use requirements, should also be identified if the comparable sales property rights differ from the subject.

Financing/Conditions of Sale

Adjustments for conditions of sale reflect the motivations of the buyer and seller. The conditions under which a parcel of land may be sold could differ from property to property. Adjustments must be applied on a property that was sold under a-typical financing conditions.

Market Conditions (Time of Sale)

The time of sale is the date that the comparable parcel was originally purchased. In order for the sale property to be deemed comparable to the subject, it must be adjusted for inflation and deflation that has occurred from the date of sale to the present.

Location

The analysis of a site's location focuses on the time-distance relationships between the site and common origins or destinations. It also is concerned with the location of the parcel in relation to heavily traversed thoroughfares and/or intersections.

Size

The size of the comparables are adjusted for superiority or inferiority to the subject. Generally, it is perceived that smaller parcels are worth more per square meter than larger parcels. However, the appraisers have observed in transactions involving parcels of less than one acre, that larger lots sell for a higher per square meter price than smaller lots. We believe that this higher price is due to the additional space and utility that accompanies the larger area for this development.

Shape

The shape of a property defines what improvements may be constructed on a parcel of land. A rectangular or square property is ideal for most commercial construction. A triangular or wedged property may inhibit construction of specific improvements. A percentage adjustment is usually applied to the comparables for their superiority or inferiority to the subject.

Topography

Adjustments for a parcel's topography are based on the land's contour, grades, natural drainage, soil conditions, view, and general usefulness. On the island of Guam, the topography ranges from gently sloping to an extremely steep cliff. This may drastically hamper the construction of an improvement as well as drainage, view, and soil conditions.

Access

Access involves the manner by which vehicular traffic and utility easements enter onto the property. Some examples are curbcuts, medians, turn lanes, traffic signal turn arrows, shipping docks, airport runways and docks, water, and gas line taps.

Zoning

Guam's zoning law provides for eight zones ranging from zone "A" - Rural, the lowest, to zone "H" - Hotel, the highest. Each zone has permitted uses, conditional uses, limitations, and restrictions. Parcels within a higher zone are usually considered superior to those parcels in lower zones that are subject to more stringent regulation.

appraiser has made no survey of the property. No liability will be assumed for soil conditions, bearing capacity of the subsoil or for engineering matters related to proposed or existing structures.

It is assumed that there is full compliance with all applicable federal and territorial environmental regulations and laws unless noncompliance is stated, defined, and considered in this appraisal report.

When the study contains a valuation relating to an estate in land that is less than the whole fee simple estate, the value reported for such estate relates to a fractional interest only in the real estate involved, and the value of this fractional interest plus the value of all other fractional interests may or may not equal the value of the entire fee simple estate which is considered the whole.

When the appraisal report contains an allocation of the total valuation between land and building improvements, such allocation applies only under the existing program of utilization. The separate valuations for land and building cannot be used in conjunction with any other appraisal and will be invalid if so used.

It is assumed that all applicable zoning and use regulations have been complied with, unless a nonconformity is stated, defined and considered in the study. It is also assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from the territorial or federal government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this study is based.

No information was furnished to the appraiser regarding the presence of Radon seepage in the subject site or that it has ever been used as, or part of, a sanitary landfill or toxic waste dump.

Unless otherwise stated in this report, the existence of hazardous materials, and gases and other noxious emissions which may or may not be present on the property, were not observed by the appraiser. The appraiser has no knowledge of the existence of such materials or gases affecting the property. The appraiser, however, is not qualified to detect such substances. The presence of asbestos building materials, urea-formaldehyde foam insulation, poly-chlorinated biphenyl filled transformers, aluminum based electrical wiring, or other elements of potentially hazardous materials not currently recommended by the Uniform Building Codes may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them.

Information provided by informed local sources, such as government agencies, financial institutions, Realtors, buyers, seller and others, was weighed in the light in which it was supplied and checked by secondary means; however, no responsibility is assumed for possible misinformation.

Possession of this report, or a copy thereof, does not carry with it the right of publication. This report may not be used by anyone except the client, and then only with proper qualification.

The appraiser is not required to give testimony or attendance in court by reason of this appraisal, with reference to the property in question, unless arrangements have been previously made.

This report shall not be conveyed in whole or in part to the public through advertising, public relations, news, sales, or other media without the written consent and approval of the author. This applies particularly to written conclusions, the identity of the appraiser or firm with which he or she is connected, and any reference to the Appraisal Institute.

The delivery and acceptance of this report completes this assignment.

APPRAISER'S CERTIFICATION

I certify that, to the best of my knowledge and belief:

The statements of fact contained in this report are true and correct and no important facts have been withheld or overlooked.

The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions, and conclusions.

I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.

My compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.

My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP). The Departure Provision of the USPAP was not utilized in the preparation of this report.

I certify that, to the best of my knowledge and belief, the reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.

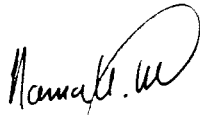
This report is subject to review by duly appointed members and/or committees of (a) the Appraisal Institute and (b) any state and/or territorial licensing/certification bodies in the exercise of their respective appraiser review functions.

In accordance with the Competency Provision of the Uniform Standards of Professional Appraisal Practice, I certify that my knowledge and experience are sufficient to allow me to competently complete this appraisal.

I have made a personal inspection of the property that is the subject of this report.

No significant professional assistance was provided by anyone other than the undersigned in the preparation of this report.

That, as of the date of the appraisal, the fair market value of the subject property amounts to that specified in the letter of transmittal.



Norma U. Mesa
Staff Appraiser

Robert Peryon
Guam Licensed Appraiser, LA#94-001
Expiration: 1/18/96

DEFINITION OF MARKET VALUE: The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what he considers his own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions* granted by anyone associated with the sale.

*Adjustments to the comparables must be made for special or creative financing of sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgement.

CERTIFICATION AND STATEMENT OF LIMITING CONDITIONS

CERTIFICATION: The Appraiser certifies and agrees that:

1. The Appraiser has no present or contemplated future interest in the property appraised; and neither the employment to make the appraisal, nor the compensation for it, is contingent upon the appraised value of the property.
2. The Appraiser has no personal interest in or bias with respect to the subject matter of the appraisal report or the participants to the sale. The "Estimate of Market Value" in the appraisal report is not based in whole or in part upon the race, color, or national origin of the prospective owners or occupants of the property appraised, or upon the race, color or national origin of the present owners or occupants of the properties in the vicinity of the property appraised.
3. The Appraiser has personally inspected the property, both inside and out, and has made an exterior inspection of all comparable sales listed in the report. To the best of the Appraiser's knowledge and belief, all statements and information in this report are true and correct, and the Appraiser has not knowingly withheld any significant information.
4. All contingent and limiting conditions are contained herein (imposed by the terms of the assignment or by the undersigned affecting the analyses, opinions, and conclusions contained in the report).
5. This appraisal report has been made in conformity with and is subject to the requirements of the Code of Professional Ethics and Standards of Professional Conduct of the appraisal organizations with which the Appraiser is affiliated.
6. All conclusions and opinions concerning the real estate that are set forth in the appraisal report were prepared by the Appraiser whose signature appears on the appraisal report, unless indicated as Review Appraiser. No change of any item in the appraisal report shall be made by anyone other than the Appraiser, and the Appraiser shall have no responsibility for any such unauthorized change.

CONTINGENT AND LIMITING CONDITIONS: The certification of the Appraiser appearing in the appraisal report is subject to the following conditions and to such other specific and limiting conditions as are set forth by the Appraiser in the report.

1. The Appraiser assumes no responsibility for matters of a legal nature affecting the property appraised or the title thereto, nor does the Appraiser render any opinion as to the title, which is assumed to be good and marketable. The property is appraised as though under responsible ownership.
2. Any sketch in the report may show approximate dimensions and is included to assist the reader in visualizing the property. The Appraiser has made no survey of the property.
3. The Appraiser is not required to give testimony or appear in court because of having made the appraisal with reference to the property in question, unless arrangements have been made previously made therefor.
4. Any distribution of the valuation in the report between land and improvements applies only under the existing program of utilization. The separate valuations for land and building must not be used in conjunction with any other appraisal and are invalid if so used.
5. The Appraiser assumes that there are no hidden or unapparent conditions of the property, subsoil, or structures, which would render it more valuable or less valuable. The Appraiser assumes no responsibility for such conditions, or for engineering which might be required to discover such factors.
6. Information, estimates, and opinions furnished to the Appraiser, and contained in the report, were obtained from sources considered reliable and believed to be true and correct. However, no responsibility for accuracy of such items furnished the Appraiser can be assumed by the Appraiser.
7. Disclosure of the contents of the appraisal report is governed by the Bylaws and Regulations of the professional appraisal organizations with which the Appraiser is affiliated.
8. Neither all, nor any part of the content of the report, or copy thereof (including conclusions as to the property value, the identity of the Appraiser, professional designations, reference to any professional appraisal organizations, or the firm with which the Appraiser is connected), shall be used for any purposes by anyone but the client specified in the report, the borrower if appraisal fee paid by same, approved financial institution, any department, agency, or instrumentality of the United States any state or the District of Columbia, without the previous written consent of the Appraiser; nor shall it be conveyed by anyone to the public through advertising, public relations, news, sales, or other media, without the written consent and approval of the Appraiser.
9. On all appraisals, subject to satisfactory completion, repairs, or alterations, the appraisal report and value conclusion are contingent upon completion of the improvements in a workmanlike manner.

ENVIRONMENTAL DISCLAIMER: The value estimated is based on the assumption that the property is not negatively affected by the existence of hazardous substances or detrimental environmental conditions unless otherwise stated in this report. The appraiser is not an expert in the identification of hazardous substances or detrimental environmental conditions. The appraiser's routine inspection of and inquiries about the subject property did not develop any information that indicated any apparent significant hazardous substances or detrimental environmental conditions which would affect the property negatively unless otherwise stated in this report. It is possible that tests and inspections made by a qualified hazardous substance and environmental expert would reveal the existence of hazardous substances or detrimental environmental conditions on or around the property that would negatively affect its value.

ADDITIONAL CERTIFICATION: The appraiser further certifies and agrees that:

1. This appraisal conforms to the Uniform Standards of Professional Appraisal Practice ("USPAP") adopted by the Appraisal Standards Board of the Appraisal Foundation, except that the Departure Provision of the USPAP does not apply.
 2. Their compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
 3. This appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.
- Note: The environmental disclaimer or the additional certification are not approved or disapproved by Freddie Mac or Fannie Mae.

Date January 31, 1994

Appraiser

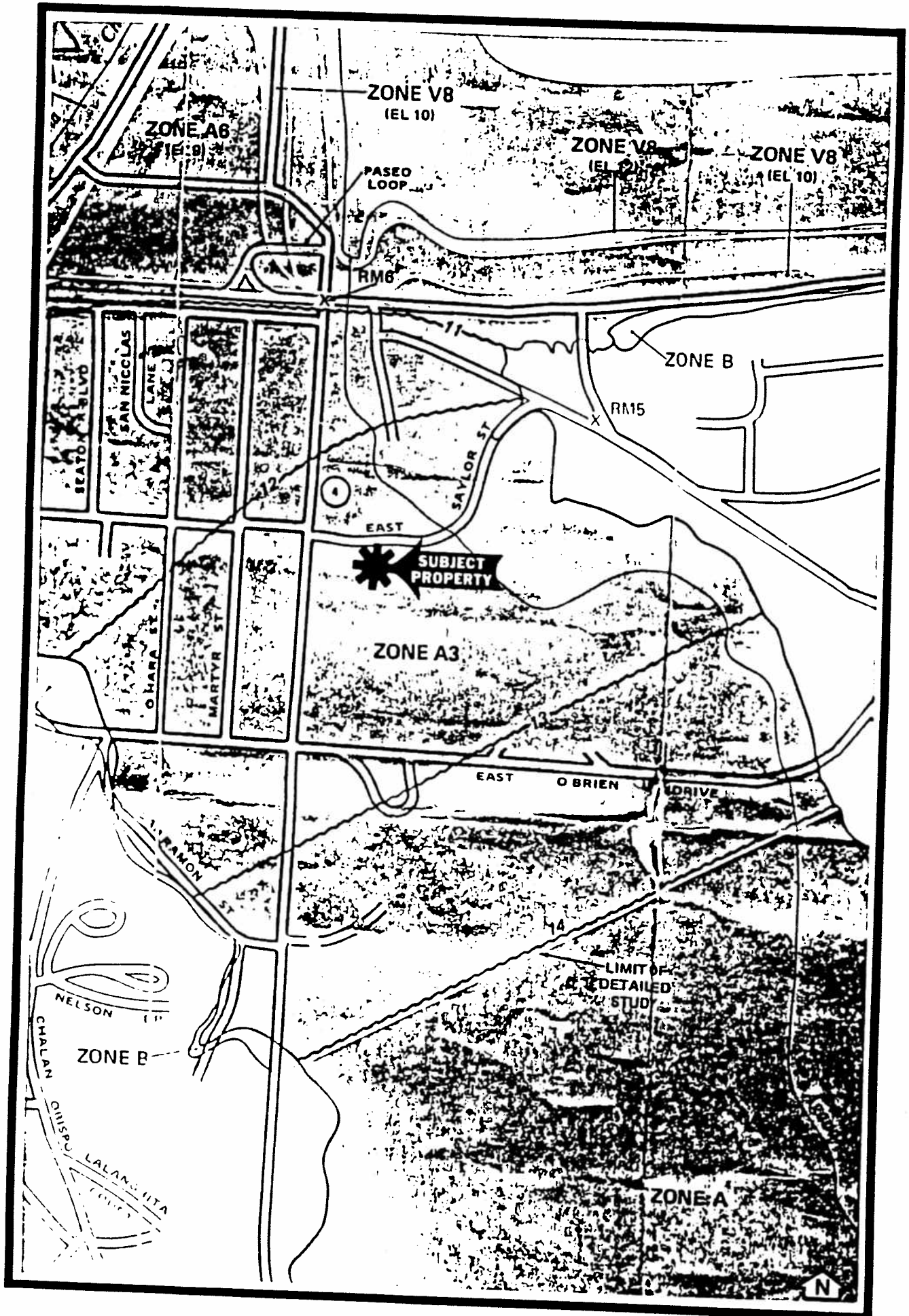

Norma U. Mesa

Date January 31, 1994

Review Appraiser

R.Peryon LA#94001Ex1/18/96

Flood Plain Map



Flood Key

NOTES TO USER

Certain areas not in the special flood hazard areas (zones A and V) may be protected by flood control structures.

This map is for flood insurance purposes only; it does not necessarily show all areas subject to flooding in the community or all planimetric features outside special flood hazard areas.

For adjoining map panels, see separately printed Index to Map Panels.

Coastal base flood elevations apply only landward of the shoreline shown on this map.

INITIAL IDENTIFICATION:
AUGUST 8, 1978


FLOOD HAZARD BOUNDARY MAP REVISIONS

FLOOD INSURANCE RATE MAP EFFECTIVE
NOVEMBER 15, 1985

EXPLANATION OF ZONE DESIGNATIONS

ZONE	EXPLANATION
A	Areas of 100 year flood; base flood elevations and flood hazard factors not determined.
A0	Areas of 100 year shallow flooding where depths are between one (1) and three (3) feet; average depths of inundation are shown, but no flood hazard factors are determined.
AH	Areas of 100 year shallow flooding where depths are between one (1) and three (3) feet; base flood elevations are shown, but no flood hazard factors are determined.
A1 A30	Areas of 100 year flood; base flood elevations and flood hazard factors determined.
A99	Areas of 100 year flood to be protected by flood protection system under construction; base flood elevations and flood hazard factors not determined.
B	Areas between limits of the 100 year flood and 500-year flood; or certain areas subject to 100 year flooding with average depths less than one (1) foot or where the contributing drainage area is less than one square mile; or areas protected by levees from the base flood. (Medium shading)
C	Areas of minimal flooding. (No shading)
D	Areas of undetermined, but possible, flood hazards.
V	Areas of 100 year coastal flood with velocity (wave action); base flood elevations and flood hazard factors not determined.
VI-V30	Areas of 100 year coastal flood with velocity (wave action); base flood elevations and flood hazard factors determined.

KEY TO MAP

500-Year Flood Boundary	-----	ZONE B
100-Year Flood Boundary	-----	
Zone Designations		ZONE B
100-Year Flood Boundary	-----	
500-Year Flood Boundary	-----	
Base Flood Elevation Line With Elevation in Feet**	----- 513 -----	
Base Flood Elevation in Feet Where Indicated Within Zone**	(EL 987)	
Elevation Reference Mark	RM7x	
Zone D Boundary	-----	
River Mile	•M15	

** Referenced to the National Geodetic Vertical Datum of 1929