

IDENTIFICATION
 Borrower: Elaine Eclavea Census N/A Map Reference N/A
 Property Address: Lot 421P, Municipality of Agana
 City: Agana County _____ State: Guam Zip Code: 96910
 Legal Description: Lot 421P, 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: Elaine Eclavea Address _____
 Occupant: Vacant Appraiser: Norma U. Mesa Instructions to Appraiser _____

NEIGHBORHOOD

Location	<input checked="" type="checkbox"/> Urban	<input type="checkbox"/> Suburban	<input type="checkbox"/> Rural
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 checked="" type="checkbox"/> 4-6 Mos.	<input type="checkbox"/> Over 6 Mos.

Present Land Use: 10% 1 Family 5% 2-4 Family 5% Apts. 0% Condo 75% Commercial
 % Industrial 5% Vacant _____ %
 Change in Prnt. Land Use: Not Likely Likely (*) Taking Place (*)
 (*) From _____ To _____
 Predominant Occupancy: Owner Tenant _____ % Vacant
 Single Family Price Range \$ _____ to \$ _____ Predominant Value \$ _____
 Single Family Age _____ yrs to _____ yrs Predominant Age _____ yrs.

Employment Stability	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Convenience to Employment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Convenience to Shopping	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Convenience to Schools	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Adequacy of Public Transportation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Recreational Facilities	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Adequacy of Utilities	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Property Compatibility	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Protection From Detrimental Cond.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Police and Fire Protection	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
General Appearance of Properties	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Appeal to Market	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Comments including those factors, favorable or unfavorable, affecting marketability (e.g. pub. parks, schools, etc.) _____

SITE
 Dimensions: Irregular = 384 Square Meters 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 OFF SITE IMPROVEMENTS: Street Access Public Private
 Gas Bottled Surface: Asphalt/Paved Topo: Slopes steeply above street
 Water PUAG Maintenance: Public Private Size: Substandard
 S. Sew. _____ Storm Sewer Curb/Gutter Shape: Nearly rectangular
 Underground Elec. & Tel. Sidewalk Street Lights View: Surrounding Area
 Drainage: Good Is the property located in a HUD Ident. Special Flood Hazard Area? No Yes
 Comments (favorable or unfav. including any apparent adverse easements, encroach. or other adverse conditions): See attached addendum.

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	Lot 421P, Municipality of Agana	Lot 239-8-1 Agana	Lot 1494, Lot 9 Blk 30, New Agana	Lot 1478 Agana
Prox. to Subject		1/4 mile west	1/4 mile northeast	1/2 mile northeast
Sales Price	\$ N/A	\$ 438,000	\$ 50,000	\$ 150,000
Unit Price/	\$	\$ 550.94	\$ 201.56	\$ 461.53
Data Source	Inspection	Refer to addendum	Refer to addendum	Refer to addendum
Date of Sale and Time Adjustment	DESCRIPTION: N/A	DESCRIPTION: _____ Adjustment: _____	DESCRIPTION: _____ Adjustment: _____	DESCRIPTION: _____ Adjustment: _____
Location	Average			
Site/View	384 Square			
See	addendum			
Sales or Financing Concessions				
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		\$ 438,000	\$ 50,000	\$ 150,000

RECONCILIATION
 Comments on Market Data: _____
 Comments and Conditions of Appraisal: See Assumptions and Limiting Conditions contained in attached addendum.
 Final Reconciliation: Sales Comparison Approach was used at arriving final value.
 I ESTIMATE THE MARKET VALUE, AS DEFINED, OF SUBJECT PROPERTY AS OF June 28 19 93 to be \$ 155,500
 Appraiser(s): Norma U. Mesa Review Appraiser (if applicable): _____
 Rev. 12/82 Did Did Not Physically Inspect Property
 M. Gruber CA92002Feb0794

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 appraiser's primary focus was on the subject's immediate neighborhood.

The appraisers 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 the 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 retail (Agana Shopping Center). Many smaller strip-type commercial offices house government and private offices.

Three major highways intersect within Agana: Routes 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.

Ownership History of the Subject

The subject property was acquired by the heirs of the Estate of Rita Mariano Bamba via Decree filed under Document Number 384288 on April 29, 1987. The names of the heirs are: *Jesus M. & Jose G.M. Bamba; Francis M. Bamba; Jose C. Castro; Rosalia C. Santos; Edwina C. San Nicolas; Rosemary B. Ryman; Florence B. Finney; Betty C. Rios; Cecile B. Terlaje; Gin M. & Joseph George Bamba; Paul Eugene & Michael D. Bamba; John R. & Patrick R Bamba; Fredrick J. M. & Joseph D. Bamba; Rita B. Camacho; Franklin P.M. Bamba; Elaine B. Eclavea; Jerome J. Bamba.*

Legal Description:

The legal description is as follows:

Lot Number 421-Part, Agana, Guam Guaranteed Claim Number 229,
Estate Number 5110, containing an area of 584 square meters.

Inspection of the Subject Property

The subject lot is located off of West O' Brien Drive along the cliffline side. The property is bounded by a narrow strip of vacant government land from the north; The Latte Stone Park to the east; Commercial buildings to the west; vacant government land

to the south.

The topography is severely steep, a almost perpendicular cliffline. It appears that future development of the site will require substantial grading and shaving to maximize the utility of the parcel. All major utilities are available to the site.

At inspection, the appraisers noted that there are no apparent easements for access in active use to the site. However, an old pre-war bullcart trail that leads from the Latte Stone Park runs through the middle of property. No records of this trail as legal access to the site is documented and it is not currently in use.

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 the following observations; the site does not lie within a flood hazard zone (FIRM Ref. Map #660001 0042B/Zone C). There are no known mineral deposits. The site is not recorded on the Historical Registry.

The subject site is located in a designated slide and erosion zone. However, surrounding properties with similar cliffline physical characteristics have been developed with no occurrence of any adverse conditions.

Listings Applied to the Subject

Listings represent the current market expectations of sellers of properties similar to the subject. Generally, listings indicate a level above actual transaction prices and provide an indication of the highest value possible for the subject. Limited market data proved insufficient in quantifying a comparable listing price for the subject.

HIGHEST AND BEST USE²

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 where the subject is 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

²American Institute of Real Estate Appraisers, The Dictionary of Real Estate Appraisal, Second Edition, 1989.

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. **Maximum productivity:** Of the possible uses which meet the first three tests, which use results in the highest net present land value.

The Subject Property Considered as Vacant

Physical Possible

The physical characteristics and size of the property would limit the development to commercial use. The potential usage for parcels of this size is in *assemblage*³ with surrounding properties to form parcels of greater utility.

Legally Permissible:

The lot is zoned Commercial 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. The fact that most properties in the neighborhood are being developed confirms our conclusion that the site should be assembled with surrounding properties to result in a parcel of greater utility that could be developed.

Maximally Productive:

The size of the subject property 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 property to result in a parcel of greater utility is the highest and best use of the subject property. This conclusion applies to the highest and best use of the subject property.

³"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.

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 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.

⁴The 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.

⁵One 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).

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.

Utilities

This addresses the availability of basic utilities, such as, water, power, gas, sewer, and storm drains at or near the sites analyzed. These necessities cannot be deferred when the site is developed and any differences between the comparables and the subject represent an expense which will materially affect the investment value of the property.

The closed sales which have been selected are the most comparable sales for the consideration of this appraisal. Two of the sales are older transactions, occurring in 1990. Sale Three is a recent sale which closed within the past month. Two are zoned Commercial and the other is zoned R-2 Multi-family Residential. They are within close proximity of the subject property. Taken into consideration are topography, location, proximity, access, utilities, and condition of the comparable properties relative to the subject.

The following section is a narrative of the descriptions of the sales, each comparable was given equal weight and no adjustments were made due to its comparability to the subject.

Comparable No. 1 occurred in February 1990 with a purchase price of \$438,000 or \$550.94. This site has a total area of 795 square meters. Although, superior in size, this sale has similar topography in relation to our subject, which is level 40 to 50 deep with a steep rise vertically 100ft up the cliffline.

Comparable No. 2 occurred in August 1990 with a purchase price of \$50,000 or \$201.56 per square meters. This site has a total area of 248.06 square meters.

Comparable No. 3 occurred in June 1993 with a purchase price of \$150,000 or \$461.54 per square meter. This site has a total area of 325 square meters.

The Adjusted Price Range for the comparables is from \$201.56 and \$550.94. The

mean is \$405.00. The value between the comparable sales and the subject using the Sales Comparison approach is:

INDICATED VALUE OF THE SUBJECT: \$ 155,520

Say: \$ 155,500

Final Reconciliation

The Listing analysis represents the highest expectations of current sellers. Limited market data proved insufficient in quantifying a comparable listing price for the subject.

The Income Approach represents the value of the unit based on its potential cash flow and reversion. Currently, the subject property has no improvements of which to mention, and there are not enough data representative of rental prices of vacant land to quantify a rental price for comparable properties to the subject, therefore the Income Approach is not utilized in the valuation of the subject property.

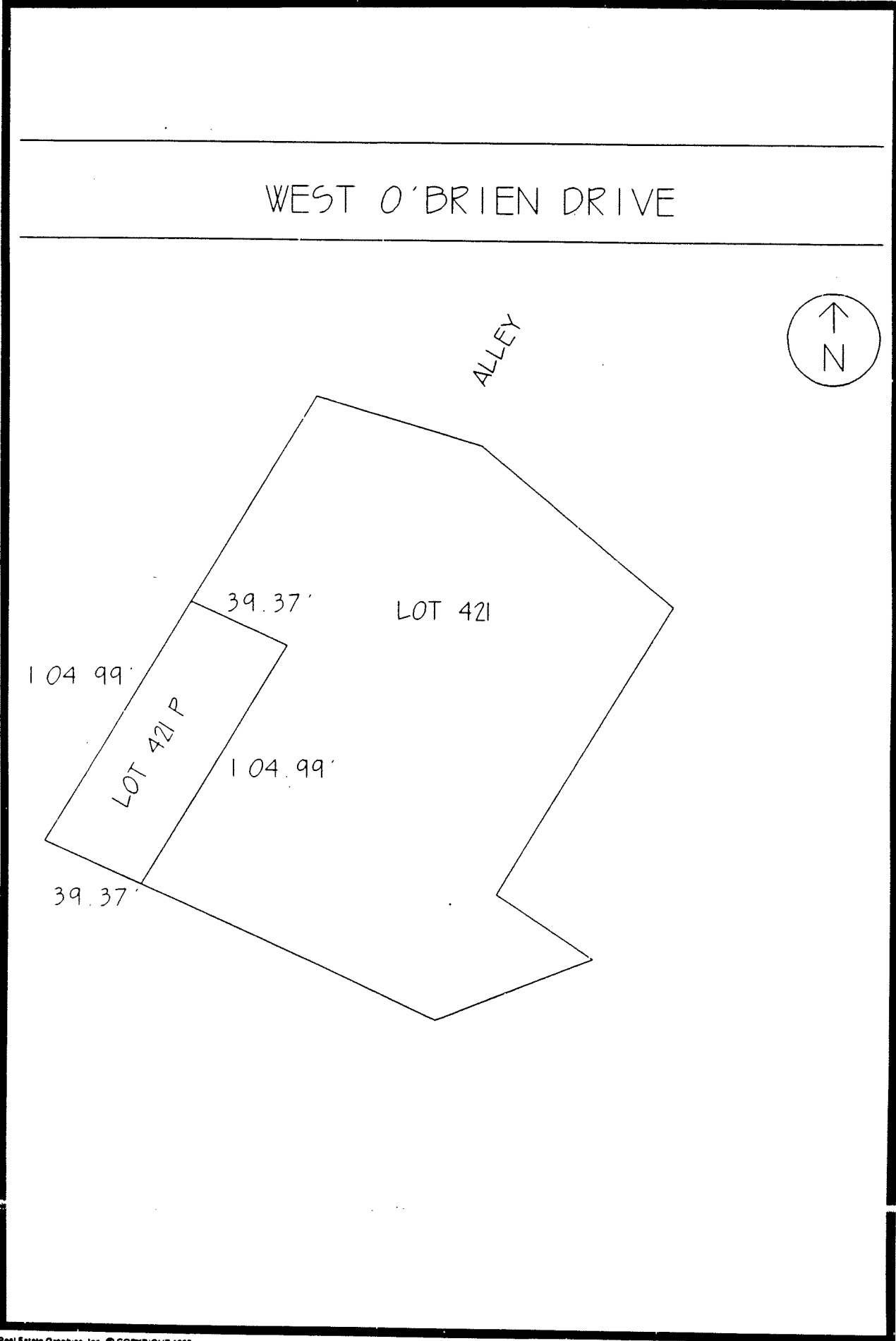
The Sales Comparison Approach represents buyer's and seller's actions in the market. Sufficient market data for comparables allowed for representative sampling and weighted averaging to arrive at a value applied to the subject. The Sales Comparison Approach indicates a value of \$155,500.

The appraisers believe the Sales Comparison Approach provides the most accurate indication of value for the subject property. The approach is directly reflective of market activity. The Sales Comparison Approach is used to estimate value for this appraisal.

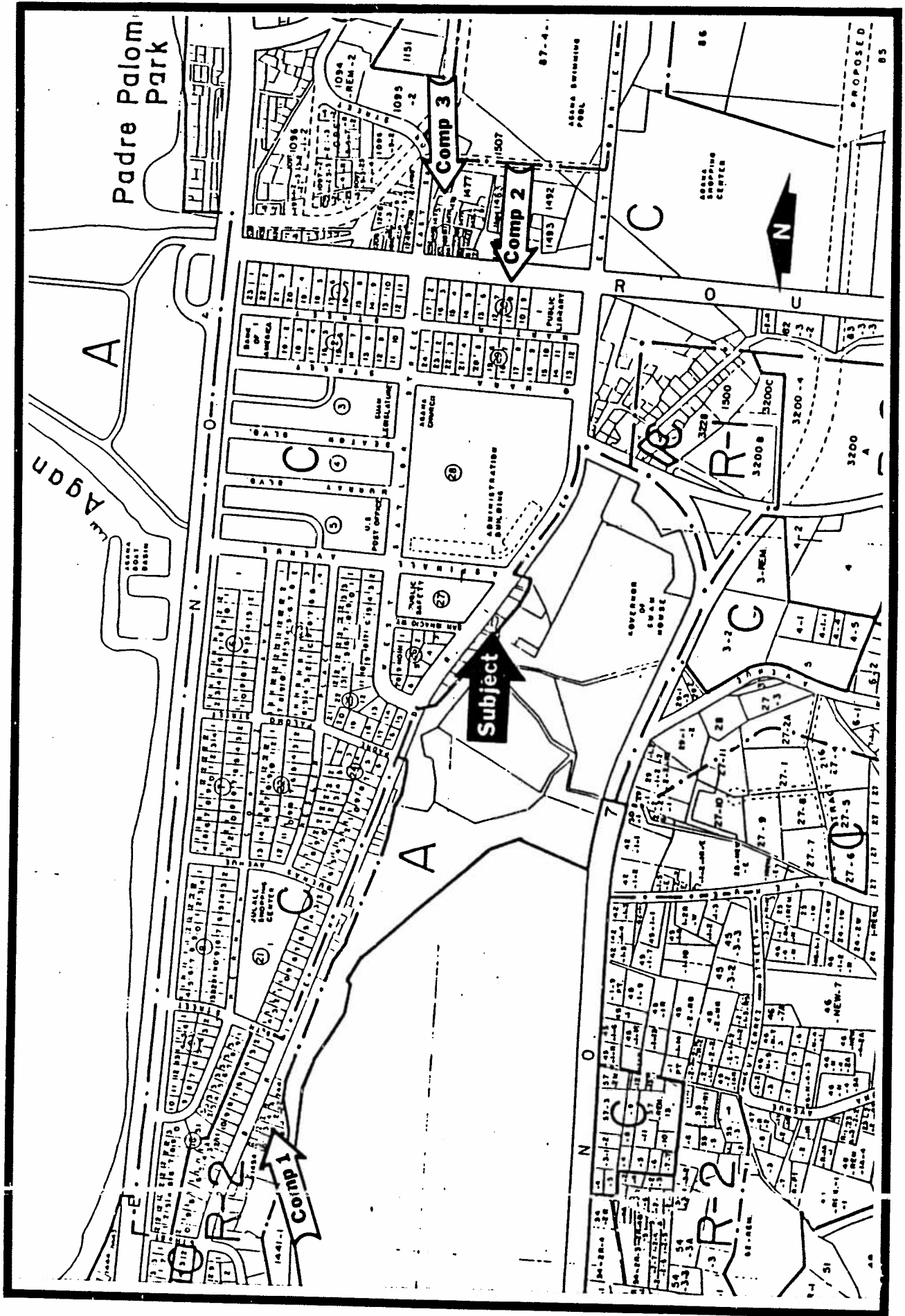
It is the appraiser's opinion that the estimated market value of the subject on the date of inspection, June 28, 1993, was:

**ONE HUNDRED FIFTY FIVE THOUSAND AND FIVE HUNDRED DOLLARS
\$155,500**

Site Plan



Comparable Sales



Comments:

COMPARABLE SALES PHOTO ADDENDUM

Borrower/Client Elaine Eclavea

Address Lot 421P, Municipality of Agana

City Agana

County

State Guam

Zip Code 96910

Lender/Client Elaine Eclavea

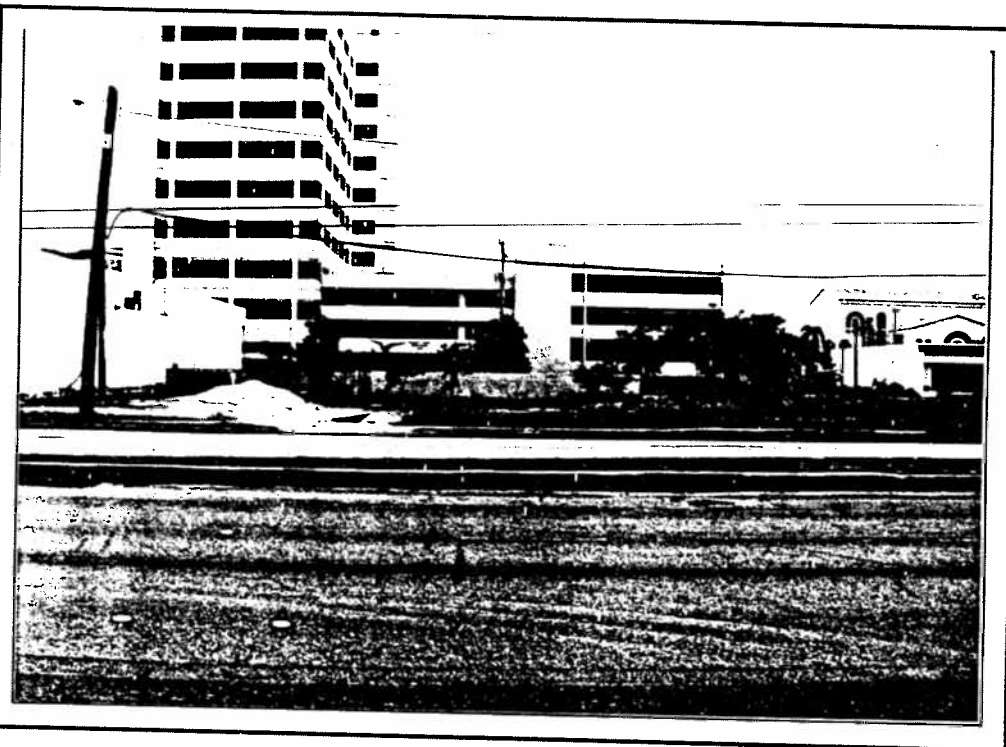


COMPARABLE SALE #1

Lot 239-8-1
Agana

Sale Date:

Sale Price: \$438,000



COMPARABLE SALE #2

Lot 1494, Lot 9
Blk 30, New Agana

Sale Date:

Sale Price: \$50,000



COMPARABLE SALE #3

Lot 1478
Agana

Sale Date:

Sale Price: \$150,000

ASSUMPTIONS AND LIMITING CONDITIONS

The appraisal is based upon the present condition of the economy and the present purchasing power of the dollar.

Legal descriptions, including leases, information, maps, signed or unsigned surveys, estimates and opinions furnished or made available to the appraiser and contained in this study were obtained from sources considered reliable and believed to be true and correct. However, no responsibility for accuracy and legality of such items furnished can be assumed by the appraiser for possible misinformation.

We assume no responsibility for matters legal in character nor do we offer any opinion on the title rendered herewith. We assume good title, responsible ownership and competent management. Any liens or encumbrances which may now exist have been disregarded.

We assume that the fee simple interest in the property is marketable.

Any maps or plot plans reproduced and included in the report are intended only for the purpose of showing spatial relationship. They are not necessarily measured surveys or measured maps, and we will not be responsible for topographic or surveying errors. We have 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 assumed that the design and construction of this building is consistent with the approved Uniform Building Code (UBC) for Guam.** It is also assumed that all required licenses, certificates of occupancy, consents, or other

legislative or administrative authority from the territorial or national 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 us 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, nor may it be used for any purpose by any but the applicant and in any event only with proper qualification.

We are 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.

That neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales, or other media without the written consent and approval of the author, particularly as to written conclusions, the identity of the appraiser or firm with which he or she is connected, or any reference to the Appraisal Institute.

The delivery and acceptance of this report completed this assignment.

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; and (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 or 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 financing 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 effecting 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 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 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, the mortgagee or its successors and assigns, mortgage insurers, consultants, professional appraisal organizations, any state or federally approved financial institution, any department, agency, or instrumentality of the United States or 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.

Date June 28, 1993

Appraiser *Norma U. Mesa*
Norma U. Mesa

Date June 28, 1993

Review Appraiser *M. Gruber*
M. Gruber CA92002Feb0794