The Honorable
EDDIE BAZA CALVO
Governor

The Honorable
RAY S. TENORIO
Lieutenant Governor

public works
DIPATTAMENTON CHE'CHO' PUPBLEKO
Glenn Leon Guerrero
Director
Andrew Leon Guerrero
Deputy Director

T18-0316

GL# 34-18-1575

Speaker Benjamin J.F. Cruz

FEB 27 2018

Time: 10:14 [✓] AM [ ] PM File No. 34-1582

Received By: Glenn

FEB 23 2018

Honorable Frank Blas Aguon Jr.
Committee on Transportation
I Mina'trentai Kuåttro Na Likeslaturan Guahan
155 Hesler Street
Hagatna, Guam 96910

Dear Senator Aguon:

Enclosed herewith, as required by 21 GCA §15105(b), is draft legislation for the condemnation of a small portion of Lot No. 10, 205± square meters, and condemnation for a Temporary Construction Easement ("TCE") of 777± square meter portion of Lot No. 10, both located in Inarajan, Guam.

The condemnation and TCE is required for the Route 4, Ajayan Bridge Replacement project (the "Project") located in Inarajan, Guam, which is an integral part of the Guam Transportation Improvement Plan. As recited in the draft legislation, the Department of Public Works ("DPW") has made an extensive and good faith effort to locate the seven (7) owners to date without success. Accordingly, the government needs to file a condemnation petition to condemn an area of 205± square meters designated as Lot No. 10, Estate No. 393, Suburban, Inarajan. DPW also needs to condemn a TCE of 777 ± square meters to access a power pole also located on the same lot.

Two (2) appraisals were obtained for both the area being condemned and the TCE. The appraisals establish the fair market value of the fee simple taking to be $2,000 (Two Thousand Dollars) and the fair market value of the TCE taking to be $885 (Eight Hundred Eight Five Dollars) per annum. Copies of the appraisals are also enclosed herein.

Finally, as the owners of the Lot No. 10, Inarajan, Guam, have yet to be located, the DPW anticipates that the condemnation funds will eventually be deposited with the Clerk of Courts, Superior Court of Guam.

In closing, your attention to the facilitation of these condemnation proceedings is greatly appreciated.

Sincerely,

Glenn Leon Guerrero
Director

Cc: Speaker Benjamin J.F. Cruz

Enclosures: Appraisal Reports (2)
Maps (2)

1575

2018 FEB 27 PM 1:01 CC

I MINA'TRENTAI KUÅTTRO NA LIHESLATURAN GUAHAN

2018 (_____) Regular Session

Bill No.

Introduced by: _____

AN ACT TO AUTHORIZE THE DEPARTMENT OF PUBLIC WORKS, GOVERNMENT OF GUAM, TO CONDEMN A SMALL PORTION OF LOT NO. 10, (205± SQUARE METERS), AND CONDEMNATION FOR A TEMPORARY CONSTRUCTION EASEMENT ("TCE") OF 777+ SQUARE METER PORTION OF LOT NO. 10, BOTH LOCATED IN INARAJAN, GUAM ESTATE No. 393, SUBURBAN, INARAJAN, GUAM, FOR THE ROUTE 4, AJAYAN BRIDGE REPLACEMENT PROJECT.

BE IT ENACTED BY THE PEOPLE OF GUAM:

Section 1. History. The Department of Public Works ("**DPW**"), Government of Guam, is preparing plans for the Route 4 Ajayan Bridge Replacement Project (the "Project"), which is an integral part of the islandwide road improvement plan that is being funded by Federal Highway Administration ("**FHWA**"). The Project plans provide for installation of a driveway on Lot No. 10, Estate No. 393, Suburban, Inarajan. There is also a need for a temporary construction easement to access a power pole located on said parcel. Title to Lot No. 10, Municipality of Inarajan, Territory of Guam, Estate Number 393, SUBURBAN, containing an area of 72,464± square meters, as described in that Cadastral Map, dated October 12m 1953, filed at the Survey Divisions, Department of Land Management, Government of Guam, under Sepia No. I-28 (the "**Inarajan Parcel**") is in the name of Jesus Reyes Concepcion, Maria Concepcion Lujan, Jose Reyes Concepcion, Dolores

13. Concepcion Tedpahogo, Francisco Concepcion Cruz, Vicente Reyes Concepcion, Ramon
14. Reyes Concepcion ("**Concepcion Children**"), being the heirs or devisees of the Estate of
15. Vicente U. Concepcion, deceased. See last Guaranteed Claim No. 3794. In researching title
16. for the Inarajan Parcel and Project, DPW obtained a Title Guaranty of Guam,
17. Inc.'s Preliminary Title Report ("**PTR**"), dated September 23, 2016, that listed six (6) of the
18. Concepcion Children as holding a 1/7th undivided interest in the Inarajan Lot. The
19. remaining one seventh (1/7th) interest was transferred Probate by the Estate of Jesus Reyes
20. Concepcion to his son, Vincent U. Concepcion. See, document recorded with the Department
21. of Land Management ("**DLM**") in 1971 under Instrument No. 102163. DPW worked
22. extensively in trying to contact and identify owners and potential heirs of the Concepcion
23. Children. These efforts included, but were not limited to:

- Ramon A. Cruz – Land Surveyor from the Southern area of the island.
- Department of Motor Vehicle/ Guam Police Department Records.
- Department of Revenue and Taxation Records – property tax assessments were deactivated in 2014 after nonpayment since 2006.
- Ancenstry.com – free version.
- Mark Paulino – Farmer near the subject parcel.
- Extensive Google and Facebook Searches – no information coming up for the listed names.
- Monica Concepcion – Grand Daughter of "Vicente Reyes Concepcion" – no contact.
- DPW met with Inarajan Mayor, Doris F. Lujan (12.29.16) – Mayor Lujan said she is not familiar with the family and recommended that DPW contact relative Vicente Concepcion, whom DPW was told works at Coast 360.
- Linda Ibanez, DPW, contacted Vicente Concepcion of Coast 360. Mr. Concepcion informed her that he is a distant relative but that

he doesn't know the names of the grandchildren or great grandchildren of the listed owners.

- DPW asked Mr. Paulino, owner of Lot 11, again, and he said the same: all owners are deceased and he does not know the name(s) or whereabouts of grandchildren.

- Assistant Attorney General Thomas P. Keeler and his office had the Superior Court review its Probate Files to see if probates had been opened for any of Vicente U. Concepcion's other six (6) siblings. The court advised that no probate cases had been opened.

- Ann-Marie Balajadia, WSP USA, Inc., made extensive efforts to check with area residents of both Inarajan and Merizo with the intent to locate possible heirs. She located Maria Elena Concepcion Ramon, the granddaughter of Ramon Reyes Concepcion, and found out Kenneth I. Concepcion – her father – is still alive. An email was sent to Maria E. Concepcion Ramon to be forwarded to her father Kenneth I. Concepcion on July 24, 2017, requesting further contact information of relatives still alive. A deadline of August 7, 2017 was given; however, no response had been received at the time of this memorandum.

Section 2. Authorization of DPW to Condemn Lot No. 10, Inarajan, Guam.

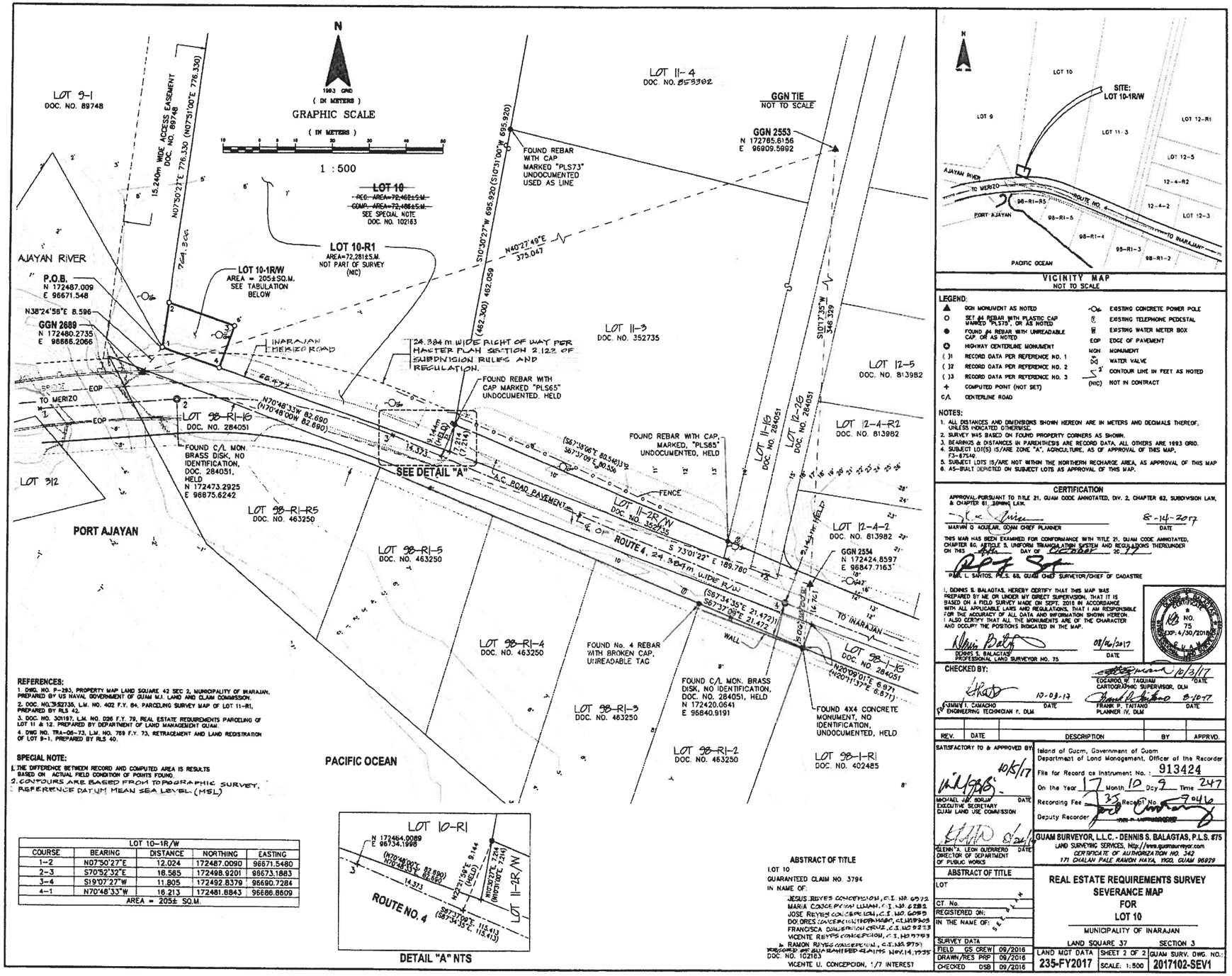
DPW is hereby authorized to condemn a 205 ± square meter portion of Lot No. 10, Inarajan. As a condition to this approval Lot No. 10, Inarajan,Guam, said parcel shall be used for the Project. The FHWA is solely responsible for providing 100% of the condemnation funds needed to fund the condemnation.

Section 3. Interest Condemned. The interest taken in Lot No. 10, Inarajan, Guam, is fee simple absolute.

Section 4. Fair Market Value. Upon information and belief, based on appraisals of the property, the sum of money estimated to be just compensation for the fee simple interest taken in Lot No., Inarajan, Guam, is Two Thousand Dollars & 00/100 ($2,000.00).

Section 5. Authorization of DPW to Condemn a portion of Lot No. 10, Inarajan, as a Guam Temporary Construction Easement.

44. DPW is also hereby authorized to condemn a 777 ± square meter portion of Lot No. 10,
45. Inarajan, Guam, as a temporary construction easement. As a condition to this approval Lot
46. No. 10, Inarajan,Guam, said parcel shall be used for the Project. The FHWA is solely
47. responsible for providing 100% of the condemnation funds needed to fund the
48. temporary construction easement.
49. **Section 3. Interest Condemned.** The interest taken in 777 ± square meters of Lot No.
50. 10, Inarajan, Guam, is as a temporary construction easement.
51. **Section 4. Fair Market Value.** Upon information and belief, based on appraisals of the
52. property, the sum of money estimated to be just compensation for the fee simple interest
53. taken in Lot No., Inarajan, Guam, is Eight Hundred and Eighty Five Dollars & 00/100
54. ($885.00) per annum. The project is projected to take one and a half years.



LOT 10-1R/W				
COURSE	BEARING	DISTANCE	NORTHING	EASTING
1-2	N07°50'27"E	12.024	172487.0090	96671.5480
2-3	S70°52'32"E	16.585	172498.9201	96673.1883
3-4	S19°07'27"W	11.805	172492.8379	96690.7284
4-1	N70°48'33"W	16.213	172481.8843	96686.8609
AREA = 205± SQ.M.				

REFERENCES:

1. DWG. NO. P-293, PROPERTY MAP LAND SQUARE 42 SEC 2, MUNICIPALITY OF INARAJAN, PREPARED BY US NAVAL GOVERNMENT OF GUAM M.I. LAND AND CLAIM COMMISSION.
2. DOC NO.352735, L.M. NO. 402 F.Y. 84, PARCELING SURVEY MAP OF LOT 11-R1, PREPARED BY RLS 42.
3. DOC NO. 301197, L.M. NO. 526 F.Y. 79, REAL ESTATE REQUIREMENTS PARCELING OF LOT 11 & 12. PREPARED BY DEPARTMENT OF LAND MANAGEMENT GUAM.
4. DWG NO. TRA-05-73, L.M. NO. 789 F.Y. 73, RETRACEMENT AND LAND REGISTRATION OF LOT 9-1, PREPARED BY RLS 40.

SPECIAL NOTE:

1. THE DIFFERENCE BETWEEN RECORD AND COMPUTED AREA IS RESULTS BASED ON ACTUAL FIELD CONDITION OF POINTS FOUND.
2. CONTOURS ARE BASED FROM TOPOGRAPHIC SURVEY. REFERENCE DATUM MEAN SEA LEVEL (MSL)

ABSTRACT OF TITLE

LOT 10
GUARANTEED CLAIM NO. 3794
IN NAME OF:
JESUS REYES CONCEPCION, C.I. NO. 6972
MARIA CONCEPCION LUJAN, C.I. NO. 6282
JOSE REYES CONCEPCION, C.I. NO. 6093
DOLORES CONCEPCION TORRES-MARY, C.I.M19305
FRANCISCA CONCEPCION CRUZ, C.I. NO 9253
VICENTE REYES CONCEPCION, C.I. NO 9763
& RAMON REYES CONCEPCION, C.I. NO. 9791
ACCORDING TO THE LAND PARTITIONED CLAIMS NOV. 14, 1935
DOC. NO. 102183
VICENTE U. CONCEPCION, 1/7 INTEREST

VICINITY MAP
NOT TO SCALE

LEGEND:

▲ GGN MONUMENT AS NOTED	⊸◎ EXISTING CONCRETE POWER POLE
○ SET #4 REBAR WITH PLASTIC CAP MARKED "PLS73", OR AS NOTED	☎ EXISTING TELEPHONE PEDESTAL
● FOUND #4 REBAR WITH UNREADABLE CAP OR AS NOTED	EXISTING WATER METER BOX
◎ HIGHWAY CENTERLINE MONUMENT	EOP EDGE OF PAVEMENT
( )1 RECORD DATA PER REFERENCE NO. 1	MON. MONUMENT
( )2 RECORD DATA PER REFERENCE NO. 2	WATER VALVE
( )3 RECORD DATA PER REFERENCE NO. 3	CONTOUR LINE IN FEET AS NOTED
+ COMPUTED POINT (NOT SET)	(NIC) NOT IN CONTRACT
C/L CENTERLINE ROAD	

NOTES:

1. ALL DISTANCES AND DIMENSIONS SHOWN HEREON ARE IN METERS AND DECIMALS THEREOF, UNLESS INDICATED OTHERWISE.
2. SURVEY WAS BASED ON FOUND PROPERTY CORNERS AS SHOWN.
3. BEARINGS & DISTANCES IN PARENTHESIS ARE RECORD DATA, ALL OTHERS ARE 1993 GRID.
4. SUBJECT LOT(S) IS/ARE ZONE "A", AGRICULTURE, AS OF APPROVAL OF THIS MAP, F3-67540
5. SUBJECT LOTS IS/ARE NOT WITHIN THE NORTHERN RECHARGE AREA, AS APPROVAL OF THIS MAP
6. AS-BUILT DEPICTED ON SUBJECT LOTS AS APPROVAL OF THIS MAP.

CERTIFICATION

APPROVAL PURSUANT TO TITLE 21, GUAM CODE ANNOTATED, DIV. 2, CHAPTER 62, SUBDIVISION LAW, & CHAPTER 61, ZONING LAW.

MARVIN Q AGUILAR, GUAM CHIEF PLANNER — 8-14-2017 DATE

THIS MAP HAS BEEN EXAMINED FOR CONFORMANCE WITH TITLE 21, GUAM CODE ANNOTATED, CHAPTER 60, ARTICLE 3, UNIFORM TRIANGULATION SYSTEM AND REGULATIONS THEREUNDER ON THIS 6th DAY OF October 20 17

RUBY L. SANTOS, P.L.S. 68, GUAM CHIEF SURVEYOR/CHIEF OF CADASTRE

I, DENNIS S. BALAGTAS, HEREBY CERTIFY THAT THIS MAP WAS PREPARED BY ME OR UNDER MY DIRECT SUPERVISION, THAT IT IS BASED ON A FIELD SURVEY MADE ON SEPT. 2016 IN ACCORDANCE WITH ALL APPLICABLE LAWS AND REGULATIONS, THAT I AM RESPONSIBLE FOR THE ACCURACY OF ALL DATA AND INFORMATION SHOWN HEREON. I ALSO CERTIFY THAT ALL THE MONUMENTS ARE OF THE CHARACTER AND OCCUPY THE POSITIONS INDICATED IN THE MAP.

DENNIS S. BALAGTAS, PROFESSIONAL LAND SURVEYOR NO. 75 — 08/24/2017 DATE

REGISTERED PROFESSIONAL LAND SURVEYOR NO. 75 EXP: 4/30/2018 GUAM U.S.A.

CHECKED BY:

JIMMY L. CAMACHO, ENGINEERING TECHNICIAN II, DLM — 10-03-17 DATE

EDGARDO B. TAGUIAM, CARTOGRAPHIC SUPERVISOR, DLM — 10/3/17 DATE

FRANK P. TAITANO, PLANNER IV, DLM — 8-10-17 DATE

REV.	DATE	DESCRIPTION	BY	APPRVD.

SATISFACTORY TO & APPROVED BY:

MICHAEL J.B. BORJA, EXECUTIVE SECRETARY, GUAM LAND USE COMMISSION — 10/5/17 DATE

GLENN A. LEON GUERRERO, DIRECTOR OF DEPARTMENT OF PUBLIC WORKS — 8/24/17 DATE

ABSTRACT OF TITLE

LOT	
CT No.	
REGISTERED ON:	
IN THE NAME OF:	
SURVEY DATA	
FIELD	GS CREW 09/2016
DRAWN/RES	PRP 09/2016
CHECKED	DSB 09/2016

Island of Guam, Government of Guam
Department of Land Management, Officer of the Recorder
File for Record as Instrument No. : 913424
On the Year 17 Month 10 Dcy 9 Time 247
Recording Fee 35 Receipt No. 90410
Deputy Recorder

GUAM SURVEYOR, L.L.C. - DENNIS S. BALAGTAS, P.L.S. 875
LAND SURVEYING SERVICES, http://www.guamsurveyor.com
CERTIFICATE OF AUTHORIZATION NO. 342
171 CHALAN PALE RAMON HAYA, YIGO, GUAM 96929

REAL ESTATE REQUIREMENTS SURVEY
SEVERANCE MAP
FOR
LOT 10
MUNICIPALITY OF INARAJAN
LAND SQUARE 37 SECTION 3

LAND MGT DATA	SHEET 2 OF 2	GUAM SURV. DWG. NO.:
235-FY2017	SCALE: 1:500	2017102-SEV1



DRAWING REVISIONS			
REVISION	DATE	BY	DESCRIPTION
01	3/30/17		DRIVEWAY REALIGNMENT

NIEMENCIO C. MACARIO
CERTIFICATE NO. 607
EXP. 4/30/2018
GUAM
PROFESSIONAL ENGINEER
01/16/2018
I CERTIFY THAT THIS WORK WAS PREPARED BY ME OR UNDER MY DIRECT SUPERVISION

DESIGNER	NCM
DETAILER	MDC/RSS
CHECKER	AMD
DATE	JAN 16, 2018

N.C. MACARIO & ASSOCIATES, INC.
270 Guerrero Drive Aka Pick-A-Nail Road Tamuning Guam 96913
Tel. 646-0947/48 Fax: 646-0901
Email: ncma@guam.net

AJAYAN BRIDGE REPLACEMENT
MERIZO, GUAM

LOT 10 TCE

GUAM
DEPARTMENT OF PUBLIC WORKS

VILLAGE	TERRITORY	PROJECT	DRAWING	SHEET NO.	TOTAL NO.
MERIZO	GUAM	GU-NH-0004(118)	TCE-1	-	-

TR118-060

APPRAISAL REVIEW REPORT

Vacant Land
Lot 10, Route 4 (Ajayan Bridge)
Municipality of Inarajan, Island of Guam

For

Department of Public Works
Division of Highways Rights-Of-Way Section
Tamuning, Guam

public works

DPW Form 4 I-1

REVIEW APPRAISER'S STATEMENT

Territory of Guam Department of Public Works

PARCEL NO.	ITEM/SEGMENT	GU PROJECT NO.	PARCEL NUMBER	DATE
Lot No. 10	205 sq. m.	GU-AARS-(003)/GQ-ER-0004(114)	Lot No. 10-1R/W	December 19, 2017

Part A.

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

- The facts and data reported by the reviewer and used in the review process are true and correct.
- The analyses, opinions, and conclusions in this review report are limited only by the assumptions and limiting conditions stated in this review report, and are my personal, unbiased professional analyses, opinions, and conclusions. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- I have no present or prospective interest or bias in the property that is the subject of this report, and no personal interest or bias with respect to the parties involved.
- My compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in this review or from its use. My analyses, opinions, and conclusions were developed and this review report was prepared in conformity with the Uniform Standards of Professional Appraisal Practice
- I did personally inspect the subject property and appropriate comparable sales as used in the report under review. Field inspection of the subject property took place on May 10, 2017. Field inspection of the comparable transactions took place on August 25, 2017. I was accompanied during the inspections by the following named person(s) Mr. Vance L. Reklai, SRA.
- Value estimates of items compensable under Territory of Guam law have been clearly identified below, as appropriate.
- Each appraiser's value estimate and my recommended compensation are as stated.
- Unless stated, no one provided significant appraisal, appraisal review, or appraisal consulting assistance to the person signing this certification. {If other persons provided significant professional assistance, they must be identified in Part B (attached)}.

DESCRIPTION	1	2	3	4
PURPOSE*	DPW – Negotiations	[redacted]		
APPRAISER:	Vance L. Reklai, SRA			
DATE OF REPORT	December 13, 2017			
DATE OF VALUE	May 10, 2017			
AREA OF TAKE	205 sq. m.			
LAND	$2,000			
IMPROVEMENTS	$0			
DAMAGES	$0			
APPRAISAL TOTAL	$2,000			
LAND USE**	Residential/farming			
REVIEWER	Sang Woo Suk, MAI, MRICS			

*Purpose: Indicate whether DPW or Owner's report and which purpose: Negotiation, Declaration of Taking, Date of Deposit, Surplus (e.g. DPW Neg.)

**Land Use: Identify the highest and best use as vacant as reported by the appraiser.

Part A. (continued)
Review Appraiser's Statement
Parcel No.: Lot No. 10

RECOMMENDED COMPENSATION: $2,000
ALLOCATION: LAND: $2,000 IMPROVEMENTS: $0 DAMAGES: $0

Value of Acquisition Including Uneconomic Remainder			Reviewer Signature: Date: December 19, 2017
Land Area:	205 sq. m.	Partial/Whole (P/W): P	Reviewer Name: Sang Woo Suk, MAI, MRICS
Land:		$2,000	☐ Adm. Reviewer: N/A Date: N/A
Improvements:		$0	Comments: None
Damages and/or Cost to Cure:		$0	
Total:		$2,000	☐ DPWRS Concurrence:

Type of Appraisal*	Appraisal Report	Indicate the amount between this recommended compensation and the previous, if any: Divergence: N/A Brief reason for divergence: N/A
Size (SM) of Uneconomic Remnant(s), if any.	N/A	Relate to Real Estate Interests: Review Appraiser to check applicable statement(s): Appraised amounts include **all** interests (including the fee owner's, easement holders, and any tenant owned improvements for this parcel.) ☐ Appraised amounts **exclude certain tenant owned improvements** or other real estate interests for this parcel. Excluded interests are: ☐ This appraisal **is not** recommended for compensation. Leave appraisal review amounts blank in the RWMS system. Leave compensation determined date blank in RWMS system. ☐ This appraisal is approved **for payment only**.
Value of Uneconomic Remnant(s), if any.	N/A	
Complexity Scale (Optional)		

Note: Enter the size and value of the uneconomic remnant itself, if any. (This is not a summation of the acquisition and the remnant.) Just the remnant area and value should be shown in the RWMS data entry box. The sum of the acquisition and the remnant(s), if any should be shown on the previous page.

* Summary, Self-Contained, or Restricted Use

Part B. Reviewer's Statement of reasoning in conformance with current ROW Procedures:

Based on our review as detailed in the review report submitted on December 19, 2017, it is concluded that the subject appraisal report, as corrected, meets DPW appraisal requirements. The reported conclusion of $2,000 is within a reasonable range of market value. The market data and analyses completed are reasonably adequate and tend to support the appraisers' opinion of value. In conjunction with DPW requirements, we conclude that $2,000 reflects the amount of just compensation concluded for the proposed acquisition of the subject property. Additionally, the concluded market rent for the temporary construction easement was reasonable, credible and supported by market data. In conjunction with DPW requirements, we conclude that $885 per annum reflects the annual rental payment amount for the temporary construction easement.

MILO APPRAISAL GROUP

REAL ESTATE APPRAISAL AND CONSULTING

December 19, 2017

Mr. Glenn Leon Guerrero
DPW Director
Department of Public Works
Division of Highways Rights-Of-Way Section
542 North Marine Corps Drive
Upper Tumon, Guam 96913

RE: Appraisal Review Report
Lot 10, Route 4 (Ajayan Bridge)
Municipality of Inarajan, Guam 96917
File No. 17-3-RV
Project No. GU-AARS-(003)/GQ-ER-0004(114)

Dear Mr. Guerrero,

Per your request, we have performed a desk appraisal review of the above-referenced property. The following Appraisal Review complies with the Right of Way Manual (Section 4.1.2, 4.1.5, 4.1.6, 4.1.13, 4.1.15, 4.1.19.2, and 4.1.28) and Uniform Standards of Professional Appraisal Practice (USPAP) Standard 3 – Appraisal Review, Development and Reporting. This transmittal letter is part of the Appraisal Review Report and may only be used in conjunction with the entire report.

Appraisal Report Under Review:	
Subject Property:	Lot No. 10, Route 4 (Ajayan Bridge)
Property Description:	Vacant A, Agricultural Zoned Land
Effective Date of Value:	May 10, 2017
Ownership Interest Appraised:	Fee Simple Estate
Date of Appraisal Report:	December 18, 2017
Appraisal Firm:	Micronesian Appraisal Association, Inc.
Signing Appraiser(s):	Vance L. Reklai, SRA
Appraised Value Conclusions:	
Cost Approach	Not Utilized
Sales Comparison Approach	$2,000
Income Approach	Not Utilized
Market Value – Just Compensation	**$2,000**
Temporary Construction Easement Rent	**$885 per annum**

In conformance with the Scope of Work rule of USPAP, the sections below describe the Scope of Work for this assignment.

Client – The client for this assignment is the Department of Public Works, Division of Highways Rights-Of-Way Section, its affiliates and-or its successors.

Intended Users – The intended users of this report is the client stated above. There are no other authorized users.

Intended Use – The intended use of this appraisal is to determine if the appraisal report presents an accurate representation of market data, a reasonable analysis and appropriate conclusions.

Purpose of This Assignment – The purpose of this review is to provide an informed opinion of whether or not the conclusions in the Appraisal Report under review should be accepted by the client.

Effective Date of Value – The effective date of value for the market value (just compensation) analysis and the market rent analysis for the temporary construction easement was May 10, 2017.

Relevant Characteristics of the Subject Property – The subject property (Lot No. 10) is located on northerly side of Route 4, just east of the Ajayan Bridge, in the Municipality of Inarajan, Island of Guam.

The subject parent lot is located in the southern section of Guam and involves a nearly rectangular shaped parcel with a total gross land area of 72,486± sq. m. The area to be acquired involves a small road frontage portion on Route 4 with a land area of approximately 205± sq. m. The parent tract involves sloping topography with elevated views along the northerly section of the lot. Power poles and paved road access are situated on the southerly portion of the lot adjacent to Route 4. The land is currently being used for agricultural/farming purposes.

Reviewer's Conclusions:	
Does the appraisal report substantially conform to the Right of Way Manual, Uniform Standards of Professional Appraisal Practice (USPAP) and the Institution's requirements?	**Yes**
Subject to the reviewer's comments which follow, is the reported value conclusion reasonable and well supported?	**Yes**
Reviewer's Recommendation:	
Category I - Accept the Appraisal Report as written.	**X**
Category II - Accept the Appraisal Report subject to the minor changes requested. **No further review required unless value conclusion is adjusted.**	
Category III - Substantive changes are necessary prior to the report's acceptance. **Additional review is required.**	

Special Assumptions and Limiting Conditions of this Appraisal Review

Special Assumptions and Limiting Conditions

- This Appraisal Review is subject to each of the Assumptions and Limiting Conditions contained in the appraisal report under review, as well as any other specific items noted herein.

- Possession of this Appraisal Review Report, or a copy thereof, does not carry with it the right of publication.

- This Appraisal Review Report is intended exclusively for the internal use of the requesting institution. No third party use of this report is authorized.

- The review appraiser, by reason of this Appraisal Review Report, is not required to give further consultation or testimony, or to be in attendance in court with reference to the property that is the subject of this Appraisal Review Report, unless arrangements have been previously made.

- This Appraisal Review Report should not be construed as an appraisal of the subject property.

- The analyses, opinions, and conclusions in this Appraisal Review Report are based solely on the data, analyses, and conclusions contained in the Appraisal Report under review, unless otherwise stated. It is assumed that these data are true and correct, and representative of existing market conditions. No attempt has been made to independently verify or to inspect the comparable market data presented in the Appraisal Report under review, or to obtain additional market data, unless otherwise stated.

The following qualifying and limiting conditions were presented within the Appraisal Report. The Appraisal Report and Appraisal Review are subject to these assumptions as stated below.

Extraordinary Assumption(s)

1. The original survey Candastral Map of Parent Lot 10 (Sepia Number I-28) shows the property as having 72,462± sq. m. The recorded severance map (Drawing No. 2017102-SEV1) shows the property as having a computed area of 72,486± sq. m. The area referred as Lot 10-1R/W has an area of 205± square meters. The remainder, referred as Lot 10-R1 is calculated to be 72,281± square meters.

2. The Department of Land Management has the last registered owner of Lot 10 as being Jesus Reyes Concepcion, Maria Concepcion Lujan, Jose Reyes Concepcion, Dolores Concepcion Tedpahogo, Francisca Concepcion Cruz, Vicente

Reyes Concepcion and Ramon Reyes Concepcion (Certificate of Title No. 38726). The Department of Land Management shows the owner of record being "The heirs or devisees of the Estate of Vicente U. Concepcion (deceased), their interest being subject to the administration of the estate of the descendent, Maria Concepcion Lujan (married), Jose Reyes Concepcion (married), Dolores Concepcion Tedpahogo (married), Francisca Concepcion Cruz (married), Vicente Reyes Concepcion (married), Ramon Reyes Concepcion (single)", each having a one-seventh undivided interest and the Last Guaranteed Claim Number being 3794. The recorded survey map detailing the severance (as provided by the Department of Public Works) has the remainder Lot 10-R1 labeled as a "Public Access and Utilities Right of Way." We are assuming that the owner of the remainder Lot 10-R1 will still be the heirs or devisees of the Estate of Vicente U. Concepcion (deceased), their interest being subject to the administration of the estate of the descendent, Maria Concepcion Lujan (married), Jose Reyes Concepcion (married), Dolores Concepcion Tedpahogo (married), Francisca Concepcion Cruz (married), Vicente Reyes Concepcion (married), Ramon Reyes Concepcion (single), each having a one-seventh undivided interest and the Last Guaranteed Claim Number being 3794.

If any information is discovered that are contrary to these assumptions, it may significantly affect the assignment results.

Hypothetical Condition(s)

1. The analysis of the property after the taking assumes a hypothetical condition that the taking has occurred, when in fact it has not. This assumption is necessary for the purpose of the analysis herein. This hypothetical condition may affect the assignment result.

2. The valuation of the remainder parcel assumed that the proposed transportation improvements have been completed, when in fact it has not. This assumption is also necessary for the analysis herein. This hypothetical condition may affect the assignment result.

Following this transmittal letter are a series of detailed questions considered in our review of the subject appraisal report, as well as supplemental comments for those items which required elaboration.

Significant Issues Identified During the Review

Significant issues identified during the review are summarized below in the following categories:

A. Issues with Potential to Have a Significant Impact to Value

None noted.

B. Issues with Potential for Marginal Impact to Value

None noted.

C. Issues that Will Not Impact Value

None noted.

We note that the scope of this assignment did not include personal verification of market data. We note that the scope of this assignment included inspection of the subject property and the comparable transaction properties. Further, the scope of work for this assignment was (a) limited to review and consideration of only that data included in the Appraisal Report under review, and (b) includes reporting of our own opinion of value, if different than that in the Appraisal Report under review.

Thank you for the opportunity to have been of service to you. If you have any questions regarding this Appraisal Review, please give us a call.

Respectfully Submitted,
MILO APPRAISAL GROUP



Sang Woo Suk, MAI, MRICS
President & CEO
License No. CA-015-050
Certificate Expiration: 03/16/19

REGULATORY COMPLIANCE	Yes	No	N/A
1. Was the appraiser directly engaged by the bank or another acceptable financial services institution?			X
2. Is a copy of the engagement letter in the appraisal report?			X
3. Does the appraiser state that the report conforms to the Uniform Standards of Professional Appraisal Practice (USPAP)?	X		
4. Was the appraisal performed by an appraiser licensed or certified in the state in which the property was located?	X		
5. Was the report completed by an appraiser with the appropriate certification or license: • Licensed – Non-Complex Residential up to $250,000 • Certified Residential – Complex or Non-Complex Residential up to $1,000,000 • Certified General – All property types	X		
6. Does the report state that the appraiser is competent to perform the assignment, or does the Appraiser's Statement of Qualifications indicate competence?	X		
7. If the appraiser stated he was not competent, does the report disclose what the appraiser did to achieve competency?			X
8. Is the appraisal report type stated, i.e., Self-Contained, Summary or Restricted Use?			X
9. Is the report written, and does it contain sufficient analysis that allows the reviewer to understand the data, analysis and conclusions reached?	X		
10. Is the definition of Market Value based on the definition set forth in 12CFR 34.42(f)?			X
11. Does the appraiser analyze any current Agreement of Sale, option or listing of the property being appraised, including any impact on his value estimate (not just report the data)?			X
12. Does the appraiser analyze any Agreement of Sale, option or listing of the property being appraised during the last three years, including any impact on his value estimate (not just report the data)?			X
13. If the property is an income producing investment property, in whole or in part, does the appraiser analyze and report data on current lease revenues, vacancies, absorption, expenses and capitalization or discount rates?			X
14. Does the report analyze and report on current market conditions?	X		
15. Does the report analyze and report appropriate deductions and discounts for proposed construction or renovation, partially leased buildings, non-market lease terms, and tract developments with unsold units?			X
16. Does the report contain a certification in compliance with USPAP Standard 2 that includes a statement the assignment was not contingent on a specific value or loan approval?	X		
Comments: The appraisal report conforms to the Right of Way Procedure Manual dated November 19, 2010. The definition of market value is based on the Right of Way Procedure Manuel dated November 19, 2010, section 4.2.24 (B) (G) Reporting Requirement 100 and 150.			

GENERAL	Yes	No	N/A
1. Does the appraisal report state the identity of the client and any other intended users?	X		
2. Does the report include a statement of intended use of the appraisal?	X		
3. Does the report include a statement of property interest appraised?	X		
4. Does the report include a statement of type and definition of value and value source?	X		
5. Does the report include the date of the report and effective date of value(s) (e.g., prospective, current or retrospective)?	X		
6. Scope of work – Was the appropriate scope of work determined given the assignment?	X		
7. Scope of work - Is it adequately explained in the report?	X		
8. Are extraordinary assumptions and hypothetical conditions clearly and conspicuously stated?	X		
9. When extraordinary assumptions and hypothetical conditions were used, was it stated that their use might have affected the assignment results?	X		
10. Does the report include a signed certification?	X		
11. Does the certification meet USPAP Standards?	X		
12. Does the certification include name(s) of persons providing significant real property appraisal assistance?	X		
Comments: Complies with the Right of Way Procedure Manuel dated November 19, 2010, section 4.2.24 (B) (G) Reporting Requirement 115 to 180, 640, 680 and 805.			

NEIGHBORHOOD	Yes	No	N/A
1. Discuss factors that affect marketability	X		
2. Discuss neighborhood trends	X		
3. Neighborhood data and market analysis are integrated or neighborhood data/analysis leads into the market analysis.	X		
4. Facts and statistics are analyzed in relation to the subject property and/or assignment.	X		
Comments: Complies with the Right of Way Procedure Manuel dated November 19, 2010, section 4.2.24 (B) (G) Reporting Requirement 220 and 235.			

MARKET ANALYSIS	Yes	No	N/A
1. Discuss factors that affect marketability	X		
2. Discuss market area trends	X		
3. Facts and statistics are analyzed in relation to the subject property and/or assignment.	X		
Comments: Complies with the Right of Way Procedure Manuel dated November 19, 2010, section 4.2.24 (B) (G) Reporting Requirement 220 and 280.			

SITE	Yes	No	N/A
1. Site adequately identified/defined	X		
2. Excess land identified/described			X
Comments: Complies with the Right of Way Procedure Manuel dated November 19, 2010, section 4.2.24 (B) (G) Reporting Requirement 200, 230, 240, 250, 260, 270, 395, 400 to 450, and 730 to 775.			

DESCRIPTION OF IMPROVEMENTS	Yes	No	N/A
1. Improvements adequately described			X
2. Description of relevant condition, depreciation, and other pertinent issues.			X
3. Identification of personal property included in value			X
Comments: Complies with the Right of Way Procedure Manuel dated November 19, 2010, section 4.2.24 (B) (G) Reporting Requirement 200.			

HIGHEST AND BEST USE (when the value opinion to be developed is Market Value)	Yes	No	N/A
1. Considered legally permissible and physically possible uses.	X		
2. Considered financially feasible uses, and identified maximally productive use	X		
3. Highest and Best Use of land provided (if land is valued as vacant or as if vacant)	X		
4. Highest and Best Use of improved property provided (if improved property is valued.) Consider demolition, continuation of the existing use, modification of the existing use as possibilities.			X
5. Highest and Best Use of improved property as proposed provided (if improvements are proposed and valued as if proposed)			X
6. Provide a statement of the current use	X		
7. Appropriately address excess land			X
8. Appropriately address obsolescence			X
9. Appropriately address non-conforming or interim uses			X
10. Provide support and rationale for highest and best use opinion if purpose of assignment is market value	X		
Comments: Complies with the Right of Way Procedure Manuel dated November 19, 2010, section 4.2.24 (B) (G) Reporting Requirement 300 to 302 and 800 to 802.			

COST APPROACH	Yes	No	N/A
1. All steps in the approach are reasonable			X
2. Depreciation and cost estimates are obtained from market information			X
3. The calculations are correct			X
4. Depreciation items are consistent with descriptions			X
5. Depreciation is handled appropriately			X
6. Excess land handled appropriately			X
7. Value appropriately identified			X
8. Exclusion of cost approach supported	X		
Comments: The subject property involves vacant land; thus, the cost approach was not deemed applicable. Complies with the Right of Way Procedure Manuel dated November 19, 2010, section 4.2.24 (B) (G) Reporting Requirement 315 to 330, 815 to 830.			

SALES COMPARISON APPROACH	Yes	No	N/A
1. Comparable selection is reasonable	X		
2. Adjustments are consistent and reasonable	X		
3. Adequate reasoning is provided for adjustments, analysis, opinions, conclusions	X		
4. Excess land appropriately analyzed			X
5. Obsolescence appropriately analyzed			X
6. Non-conforming or interim uses appropriately analyzed			X
7. Sales adequately reconciled	X		
8. Value appropriately identified	X		
9. Exclusion of sales comparison approach supported			X
Comments: The property reflects vacant land and this approach was the only approach relied upon. Complies with the Right of Way Procedure Manuel dated November 19, 2010, section 4.2.24 (B) (G) Reporting Requirement 310, 335 to 355, 500, 810, 835 to 855.			

INCOME APPROACH	Yes	No	N/A
1. Data selection is reasonable			X
2. Reasonable market support for income, expenses, vacancy			X

INCOME APPROACH	Yes	No	N/A
3. Reasonable market support for capitalization rate			X
4. Excess land appropriately analyzed			X
5. Obsolescence appropriately analyzed			X
6. Non-conforming or interim uses appropriately analyzed			X
7. Appropriate choice of methodology for property type			X
8. Value appropriately identified			X
9. Exclusion of income approach supported.	X		
Comments: The subject property involves vacant land; thus, the income approach was not deemed applicable. Complies with the Right of Way Procedure Manuel dated November 19, 2010, section 4.2.24 (B) (G) Reporting Requirement 360 to 385, 860 to 885.			

PROPOSED CONSTRUCTION	Yes	No	N/A
1. Valuation is as of a prospective date and is based on an extraordinary assumption that construction is complete, or valuation is as of a current date is and is based on a hypothetical condition that the construction is complete			X
2. Prospective value reported appropriately			X
3. Market support is provided for time of completion, absorption, costs, income and expenses			X
4. Effective date of the appraisal and the date of the report are stated clearly			X
5. Appropriate hypothetical conditions and/or extraordinary assumptions and/or limiting conditions included			X
Comments:			

ADDITIONAL ANALYSIS	Yes	No	N/A
1. Support provided/addressed for damages/no damages to the remainder			X
2. Support provided/addressed for cost-to-cure damages			X
3. Support provided/addressed for benefits/special benefits/general benefits			X
4. Temporary construction easement market rental rate analysis appropriately supported based on market data and research	X		
Comments: Complies with the Right of Way Procedure Manuel dated November 19, 2010, section 4.2.24 (B) (G) Reporting Requirement 900 to 920.			

FINAL RECONCILIATION	Yes	No	N/A
1. Reconcile quality and quantity of data available and analyzed within the approaches used	X		
2. Reconcile the applicability or suitability of the approaches used to arrive at the value conclusions	X		
Comments: Complies with the Right of Way Procedure Manuel dated November 19, 2010, section 4.2.24 (B) (G) Reporting Requirement 390, 890 and 995.			

REVIEWER'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.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no (or the specified) present or prospective interest in the property that is the subject of the work under review and no (or the specified) personal interest with respect to the parties involved.
- I have performed no (or the specified) other services, as an appraiser or in any other capacity, regarding the property that is the subject of the work under review within the three-year period immediately preceding acceptance of this assignment.
- I have no bias with respect to the property that is the subject of the work under review or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in this review or from its use.
- My compensation for completing this assignment is not contingent upon the development or reporting of predetermined assignment results or assignment results that favors the cause of the client, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal review.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- I have made a personal inspection of the subject of the work under review.
- No one provided significant appraisal or appraisal review assistance to the person signing this certification.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, Sang Woo Suk, MAI, MRICS has completed the continuing education program for Designated Members of the Appraisal Institute.

Respectfully Submitted,

MILO APPRAISAL GROUP



Sang Woo Suk, MAI, MRICS
President & CEO

Market Value of Taking of Proposed Portion of Lot 10, Inarajan, Island of Guam

A Real Property Appraisal Report

For Department of Public Works
Division of Highways
542 North Marine Corps Drive
Tamuning, Guam 96913

December 2017

Micronesian Appraisal Associates, Inc.
1069 Army Drive, Suite 205
Barrigada, Guam 96913

7X118-0360

Introduction and Premises of the Appraisal

100 Certificate of Value

DPW Form 4.2-3

CERTIFICATE OF VALUE

Parcel No: Lot 10 Item/Segment: Proposed Lot 10-1R/W
Project: Ajayan Bridge Replacement GU No. GU-NH-AARS(003)/GQ-ER-0004(114)

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

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions and conclusions are my personal, unbiased, professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in the property or bias with respect to the property that is subject of this report, and I have no personal interest or bias with respect to the parties involved. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
4. My compensation is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
5. This is an appraisal communicated in a restricted use report format. This report is intended for use only by the Department of Public Works, the client. Use of this report cannot be relied upon without access to the additional information contained in the appraiser's work files.
6. I have made a personal inspection of the property on May 10, 2017 that is the subject of this report and I have afforded the property owner the opportunity to accompany me at the time of the inspection. I have also on August 25, 2017 made a personal field inspection of the comparable sales relied upon in making this appraisal.
7. The purpose of this appraisal is to estimate market value as of the effective date of the report. The definition of market value can be found in the Section 4.1, DPW Right of Way Manual. The intended use is in connection with the acquisition of right-of-way for a transportation facility to be constructed by the Government of Guam with the assistance of Federal-aid highway funds, or other Federal funds. This report is not intended for any other use.
8. This appraisal has been made in conformity with appropriate Territory of Guam laws, regulations, policies and procedures applicable to appraisal of right-of-way for highway purposes; and, to the best of my knowledge, no portion of the property value entered on this certificate consists of items which are non-compensable under the established law of the Territory of Guam.
9. I have not revealed the findings or results of this appraisal to anyone other than the proper officials of the Territory of Guam or officials of the Federal Highway Administration and I will not do so until authorized by Government of Guam officials or until I am required by due process of law, or until I am released from this obligation by having publicly testified as to such findings.
10. Regardless of any stated limiting condition or assumption, I acknowledge that this appraisal report and all maps, data, summaries, charts and other exhibits collected or prepared under this agreement shall become the property of the Government of Guam without restriction or limitation on their use. This file information is retained to support the conclusions, opinions, and analyses.
11. Statements supplemental to this certification required by membership or candidacy in a professional appraisal organization, are described on an addendum to this certificate and, by reference, are made a part hereof.

Based upon my independent appraisal and the exercise of my professional judgment, my opinion of the market value for the part taken, including damages, if any, of the property appraised as of the May 10, 2017 is $2,000. The valuation of the temporary construction easement is $885 per annum.

Market Value should be allocated as follows:

Valuation of Part Taken

Land:	$2,000	Land Area (Sq. Meters): 205 square meters in total.
Improvements:	$0	Land Use: Power poles on site
Severance Damages/ Cost to Cure:	$0	
Total:	$2,000	

Valuation of Temporary Construction Easement

Land Rent:	$885, per annum	Land Area (Sq. Meters): 777 square meters in total.
Improvements:	$0	Land Use: Power poles on site
Severance Damages/ Cost to Cure:	$0	
Total:	$885, per annum	

12/19/2017
Date

Vance L. Reklai, SRA
Appraiser

President and Chief Commercial Appraiser
License No. CA-16-031
Expiration February 10, 2018

CERTIFICATION ADDENDUM

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

1. I have not completed any services regarding the subject property within the three-year period immediately preceding acceptance of the assignment, as an appraiser or in any other capacity;
2. as of the date of this report, Vance L. Reklai, SRA has completed the requirements of the continuing education program of the Appraisal Institute;
3. my analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute and the Uniform Standards of Professional Appraisal Practice;
4. the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

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5. Qualifications of the Appraiser

115 Qualifying and Limiting Conditions

Extraordinary Assumptions
The following extraordinary assumptions apply to this assignment:

1. *The original survey Candastral Map of Parent Lot 10 (Sepia Number I-28) shows the property as having 72,462 sq m. The recorded severance map (Drawing No. 2017102-SEV1) shows the property as having a computed area of 72,486 sq m. The area referred as Lot 10-1R/W has an area of 205 square meters. The remainder, referred as Lot 10-R1 is calculated to be 72,281 square meters.*

2. *The Department of Land Management has the last registered owner of Lot 10 as being Jesus Reyes Concepcion, Maria Concepcion Lujan, Jose Reyes Concepcion, Dolores Concepcion Tedpahogo, Francisca Concepcion Cruz, Vicente Reyes Concepcion and Ramon Reyes Concepcion (Certificate of Title No. 38726). The Department of Land Management shows the owner of record being The heirs or devisees of the Estate of Vicente U. Concepcion (deceased), their interest being subject to the administration of the estate of the descendent, Maria Concepcion Lujan (married), Jose Reyes Concepcion (married), Dolores Concepcion Tedpahogo (married), Francisca Concepcion Cruz (married), Vicente Reyes Concepcion (married), Ramon Reyes Concepcion (single), each having a one-seventh undivided interest and the Last Guaranteed Claim Number being 3794. The recorded survey map detailing the severance (as provided by the Department of Public Works) has the remainder Lot 10-R1labeled as a "Public Access and Utilities Right of Way." We are assuming that the owner of the remainder Lot 10-R1 will still be the heirs or devisees of the Estate of Vicente U. Concepcion (deceased), their interest being subject to the administration of the estate of the descendent, Maria Concepcion Lujan (married), Jose Reyes Concepcion (married), Dolores Concepcion Tedpahogo (married), Francisca Concepcion Cruz (married), Vicente Reyes Concepcion (married), Ramon Reyes Concepcion (single), each having a one-seventh undivided interest and the Last Guaranteed Claim Number being 3794.*

If any information is discovered that are contrary to these assumptions, it may significantly affect the assignment results.

Hypothetical Conditions
1. The analysis of the property after the taking assumes a hypothetical condition that the taking has occurred, when in fact it has not. This assumption is necessary for the purpose of the analysis herein. This hypothetical condition may affect the assignment result.
2. The valuation of the remainder parcel assumed that the proposed transportation improvements has been completed, when in fact it has not. This assumption is also necessary for the analysis herein. This hypothetical condition may affect the assignment result.

General Assumptions and Limiting Conditions
The appraisal is based on 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.

This appraisal assumes no responsibility for the validity of legal matters affecting the property. The ownership history reported in this appraisal is based on the appraiser's research of public records, which are assumed to be accurate and complete. It is not the intent of the appraisal to offer a legal opinion of title. It is further assumed that the property has good title, responsible ownership and competent management. Any liens or encumbrances that may now exist have been disregarded. This appraisal assumes that the fee simple interest in the subject 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. The 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 that 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.

Supplemental Standards
This report is prepared in compliance with Section 4.2 of the Right of Way Manual (Effective Date: November 19, 2010).

The reported analyses, opinion, and conclusion were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice. This report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

120 Summary of Salient Facts and Conclusions

Owner/Address of Record:

Name	*The heirs or devisees of the Estate of Vicente U. Concepcion (deceased), their interest being subject to the administration of the estate of the descendent, Maria Concepcion Lujan (married), Jose Reyes Concepcion (married), Dolores Concepcion Tedpahogo (married), Francisca Concepcion Cruz (married), Vicente Reyes Concepcion (married), Ramon Reyes Concepcion (single), each having a one-seventh undivided interest.*
Mailing Address	N/A.
Street Address:	Fronting Route 4, North of Ajayan Bay
Legal Description:	Lot 10 Municipality of Inarajan
Property Rights Appraised:	Fee Simple
Property Inspection Date:	May 10, 2017
Effective Date of Value:	May 10, 2017

Names of Person(s) Who Accompanied The Appraiser On The Inspection:	Appraiser went on inspection with Mr. Sang Woo Suk, MAI, MRICS, of Milo Appraisal Group. The owners did not accompany the appraiser. DPW did not provide contact information for the property owners and instructed appraiser to coordinate inspection with the Inarajan Mayor's Office. The Inarajan Mayor's Office provided contact information for one of the property owners. The property owner was contacted via telephone and inspection was coordinated. The owners did not contact the appraiser prior to the inspection.
Extent of the Inspection:	The appraiser inspected the front portion property on foot from the ground. The remainder was inaccessible; no right of entry. The appraiser contacted one of the owners, but he chose not to be present during inspection; the remainder was inaccessible due to the property being gated and no property owners were present for the inspection.
Size:	
Parent Tract	Lot 10. Site Area: 72,486 square meters.
Area to be Acquired	Lot 10-1R/W: Site Area 205 square meters.
Remainder	Lot 10-R1: Site Area 72,281[1] square meters.
Improvements	
Parent Lot:	Fences
Area to be Acquired:	No improvements to be acquired.
Encroachment and Easements:	There are no known encroachment issues. Power polls are built on the property along Route 4.
Access:	Route 4 (Paved)
Utilities:	Water and electrical lines on site.
Topography:	The property slopes from the North down towards the South on the West boundary, and slopes down from East to West on the South boundary.
Zoning:	A-Agricultural.
Flood Zoning:	Zone X & VE, FEMA Map No. 6600010203 D
Amenities/Other:	Elevated view of the neighborhood and partial water.
Highest and Best Use	
As Vacant	Single family subdivision or farming.
As Improved	Not Applicable

130 Type of Report Format

This report is an Appraisal Report prepared in compliance with Standard Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice (2016-2017 Edition).

140 Purpose, Intended Use, Intended User of the Appraisal

As stated in the Right of Way Manual, "the purpose of the appraisal is to develop and report an opinion of market value. The intended use of an acquisition appraisal is for the Department's staff review appraiser to use as a basis for establishing Recommended Compensation, as applicable, of the whole property, the property to be acquired, the remainder property, the damages and special benefits, if any, for acquisition by the Department for use in connection with a transportation facility. The intended user of the appraisal is the Guam Department of Public Works Office of Right of Way."

[1] Square meter calculation is based on difference between Dept. of Public Work's Proposed Severance Map (*Drawing No. VPO-2009-120, PH1*) and land area as recorded in the department of land management.

150 Definition of Market Value

The following value definition applies to this assignment:

Market Value[2]
"Value' as used in eminent domain statute, ordinarily means amount which would be paid for property on assessing date to willing seller not compelled to sell, by willing purchaser, not compelled to purchase, taking into consideration all uses to which property is adapted and might reasonably be applied."

151 Definition of Other Terms

The following definitions for appraisal terminology apply to this assignment:

Before and After Rule[3]: In eminent domain valuation, a procedure in which just compensation is measured as the difference between the value of the entire property before the taking and the value of the remainder after the taking.

Benefits[4]: In eminent domain valuation, the advantageous factors that arise from a public improvement for which private property has been taken. The law in some jurisdictions makes a distinction between *general* benefits and *special* benefits because only special benefits are considered in determining the value of the remainder in a partial acquisition. The distinction between special benefits and general benefits is both a factual and a legal question, so appraisers
may need to consult legal counsel to resolve questions about the classification of benefits.

Client[5]: The Department of Public Works Right of Way Supervisor (DPWRS) and his/her designee.

Compensable Damages[6]: Damages for which a condemnor is legally required to compensate the owner or tenant of the property that is being wholly or partially condemned. In most jurisdictions, physical invasion of the property by a condemning authority or the taking of some property right must occur before damages are considered compensable.

Consequential Damages[7]: In condemnation, damages to a property resulting from governmental actions (such as a taking) or the actions of property owners (such as construction) on other lands. Consequential damages may be considered non-compensable in certain jurisdictions.

Damages[8]: In condemnation, the loss in value to the remainder in a partial taking of property. Generally, the difference between the value of the whole property before the taking and the value of the remainder after the taking is the measure of the value of the part taken and the damages to the remainder. Note that different regions of the country and different courts may use terms such as consequential damages and severance damages differently.

Eminent Domain[9]: The right of government to take private property for public use upon the payment of just compensation. The Fifth Amendment of the U.S. Constitution, also known as the *takings clause*, guarantees payment of just compensation upon appropriation of private property.

Exposure Time[10]: The estimated length of time that
the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. Comment: Exposure time is a retrospective opinion based on an analysis of past events assuming a competitive and open market.

Fee Simple Estate[11]: Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

Highest and Best Use[12]: The reasonably probable and legal use of vacant land or an improved property, that is physically possible, appropriately supported, financially, and that results in the highest value. The four criteria the highest and best use must

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[2]Department of Works Right of Way Manual
[3]Appraisal Institute, The Dictionary of Real Estate Appraisal, 6th ed. (Chicago: Appraisal Institute, 2015)
[4]Ibid
[5]Department of Works Right of Way Manual
[6]Appraisal Institute, The Dictionary of Real Estate Appraisal, 6th ed. (Chicago: Appraisal Institute, 2015)
[7]Ibid
[8]Ibid
[9]Ibid
[10]Ibid
[11]Ibid

meet are legal permissibility, physical possibility, financial feasibility, and maximum profitability. Alternatively, the probable use of land or improved property – specific with respect to the user and timing of the use – that is adequately supported and results in the highest present value.

Just Compensation[13]: In condemnation, the amount of loss for which a property owner is compensated when his or her property is taken, Just compensation should put the owner in as good a position as he or she would be if the property had not been taken.

Larger Parcel[14]: In government land acquisitions, the tract or tracts of land that are under the beneficial control of a single individual or entity and have the same, or an integrated, highest and best use. Elements for consideration by the appraiser in making a determination in this regard are contiguity, or proximity, as it bears on the highest and best use of the property, unity of ownership, and unity of highest and best use. In most states, unity of ownership, contiguity, and unity of use, the three conditions that establish the larger parcel for the consideration of severance damages in most states. In federal and some state cases, however, contiguity is sometimes subordinated to unitary use.

Partial Taking[15]: The taking of part of any real property interest for public use under the power of eminent domain; requires the payment of compensation.

Recommended Compensation[16]: The amount established by the Department's appraisal reviewer which typically represents full compensation, excluding business damages, moving costs, attorney fees, and landowner costs. Recommended compensation is almost always equal to the approved market value.

Remainder[17]: In condemnation, that portion
of a larger parcel remaining in the ownership of the property owner after a partial taking.

Severance Damages[18]: In condemnation, the loss in value to the remainder in a partial taking of property. Generally, the difference between the value of the whole property before the taking and the value of the remainder after the taking is the measure of the value of the part taken and the damages to the remainder.
Note that different regions of the country and different courts may use terms such as consequential damages and severance damages differently.

160 Property Right (Interest) Appraised

The property rights appraised in this report are the unencumbered fee simple. No other interests or rights in the parcels were considered.

175 Scope (Extent of Process of Collecting, Confirming and Reporting Data)

The scope of the analysis refers to the extent of the process of collecting, confirming, and reporting data. The Uniform Standards of Professional Appraisal Practice clearly impose a responsibility on the appraiser to determine the extent of the work and the report required in relation to the significance of the problem. A clear and accurate description of the scope of the consulting services is desirable to protect other parties whose reliance on the report 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, Government of Guam sources, Federal Government sources, and local real estate organizations, and trade associations. The appraiser's educational background and experience is utilized extensively in the collection and evaluation of data.

Specific data include details about the property being analyzed, comparable sales, and relevant local market characteristics. In real property appraisal these data are used to determine highest and best use and to make the specific comparisons and analyses required to estimate market value.

[12] Ibid
[13] Ibid
[14] Ibid
[15] Ibid
[16] Department of Works Right of Way Manual Section 4.1-1
[17] Appraisal Institute, The Dictionary of Real Estate Appraisal, 6th ed. (Chicago: Appraisal Institute, 2015)
[18] Ibid

Assignment Specific Scope of Work Summary
This appraisal was performed under the following scope of work; the appraiser: A) Inspected and cataloged the salient attributes of the subject property. Data on both subject properties were obtained from a variety of commercially available mapping sources; these maps are presented in this report.

B) Investigated appropriate market data for utilization in a direct sales comparison approach to value. The appraiser's investigations included research of Department of Land Management public records, the Guam Association of Realtor's Flex MLS database, and the appraiser's in-house office files and database.

Search parameters such as dates of sales, locations, sizes, and types of properties were customized based on the characteristics of each property being appraised and started with relatively narrow constraints and were expanded until appraiser had retrieved data sufficient to estimate market value.

Researched sale data were reviewed and, if found to be appropriate, efforts were made to verify the data with persons directly involved in the transactions such as buyer, sellers, brokers or agents. Data were gathered and presented for each comparable transaction in compliance with Sections 4.2.19 and 4.2.20 of the Right of Way Manual.

C) Investigated and analyzed all pertinent easements and restrictions on the fee simple ownership of the subject property. We relied upon the latest available professionally produced draft survey maps provided by DPW for this assignment; these maps are cited and presented in this report. It is noted that these maps have not been finalized and material changes in the maps may affect the appraiser's conclusions.

D) The appraiser did not ascertain the existence of toxic waste or other contamination present on or off the site. However, the appraiser has reported all indications of toxic waste or contaminants that may affect value if readily apparent during the appraiser's investigations. Appraiser cautions the user of the report that appraiser is not expert in such matters and that appraiser may overlook contamination that might be readily apparent to others.

180 Appraisal Problem

DPW requires and this report includes one appraisal, conforming to DPW Right of Way Manual, under one cover to provide expert opinions of Just Compensation for a partial taking of the subject lot.

Once the parent tract was appraised, the value of the part taken as part of the whole was calculated and stated. This calculation was based on the unit values set forth in the reconciliation of the parent tract or "whole" before the taking.

Site improvements includes public utility power pole that would need to be relocated. The southern access point would need realignment and the department would need to cure. Special benefits were not applicable. Therefore, no offsetting damages needed to be considered.

Presentation of Data

200 Identification of Property and Legal Description

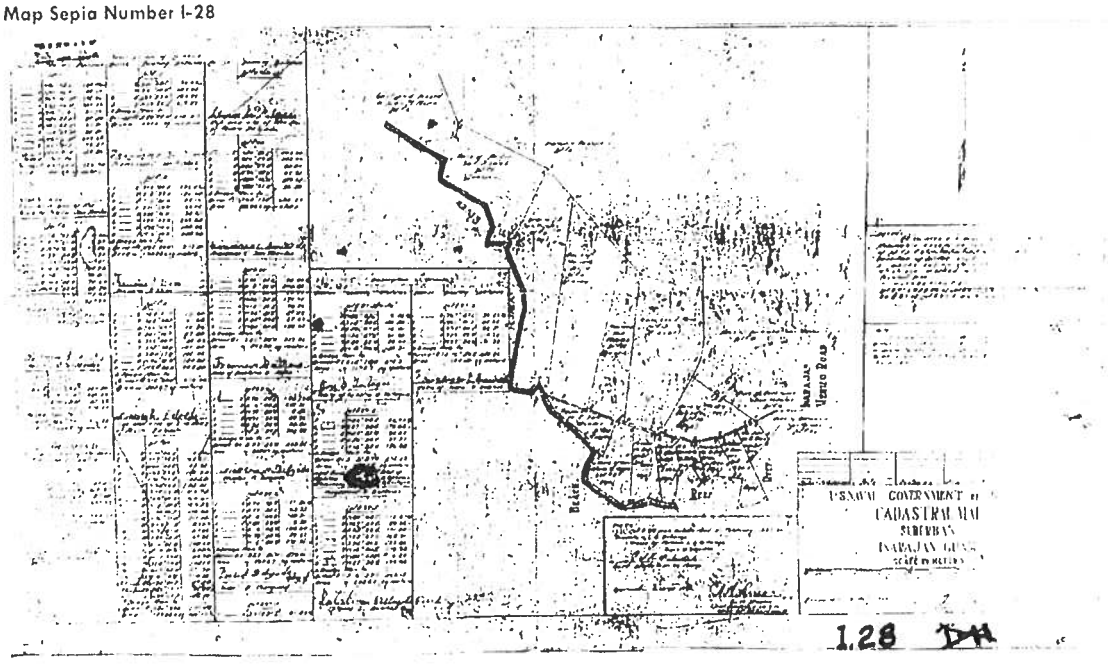
The subject property is located on the southernmost portion of the island. Maps indicating the precise location of the property are shown on the following pages.

The properties are legally described as follows:

Lot No. 10, Municipality of Inarajan, Estate No. 393, Suburban, containing an area of 779,974 square feet, as described in that Cadastral Map Lot 10 Municipality of Inarajan, under Sepia Number I-28, dated October 12, 1953 and filed at the Department of Land Management under Instrument No. 013382. The last registered owner being Jesus Reyes Concepcion, Maria Concepcion Lujan, Jose Reyes Concepcion, Dolores Concepcion Tedpahogo, Francisca Concepcion Cruz, Vicente Reyes Concepcion and Ramon Reyes Concepcion (Certificate of Title No. 38726). The Department of Land Management shows the owner of record being The heirs or devisees of the Estate of Vicente U. Concepcion (deceased), their interest being subject to the administration of the estate of the descendent, Maria Concepcion Lujan (married), Jose Reyes Concepcion (married), Dolores Concepcion Tedpahogo (married), Francisca Concepcion Cruz (married), Vicente Reyes Concepcion (married), Ramon Reyes Concepcion (single), each having a one-seventh undivided interest and the Last Guaranteed Claim Number being 3794. The subject includes the southern portion of the lot with an area of 205 square meters.

The appraisal in this report is of the above referenced property. The scope of work also refers to the proposed Severed Lot 10-1R/W, Temporary Construction Easement, and the proposed Remainder Lot 10-R1.

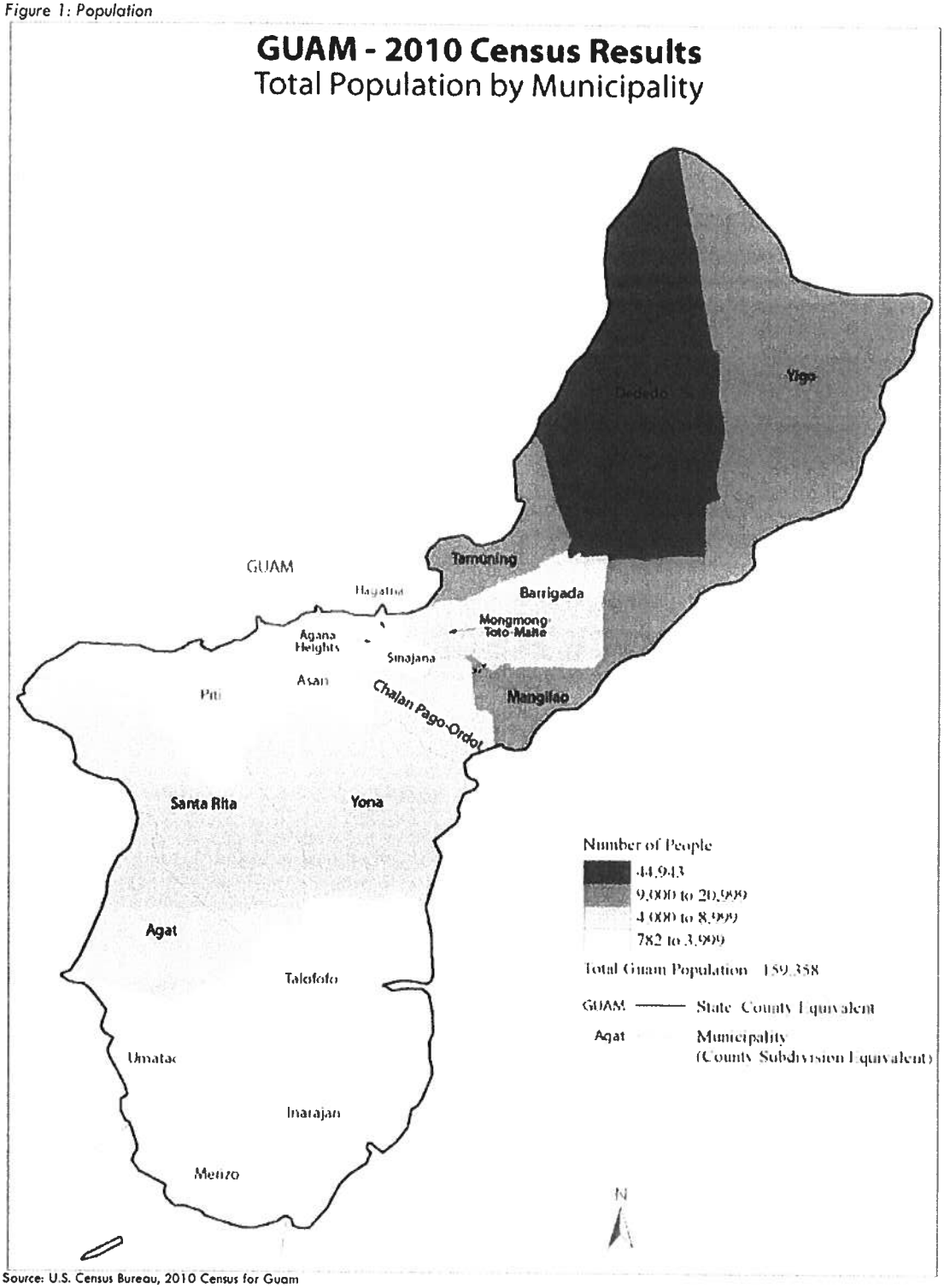
Map Sepia Number I-28



220 Description of Area and Neighborhood

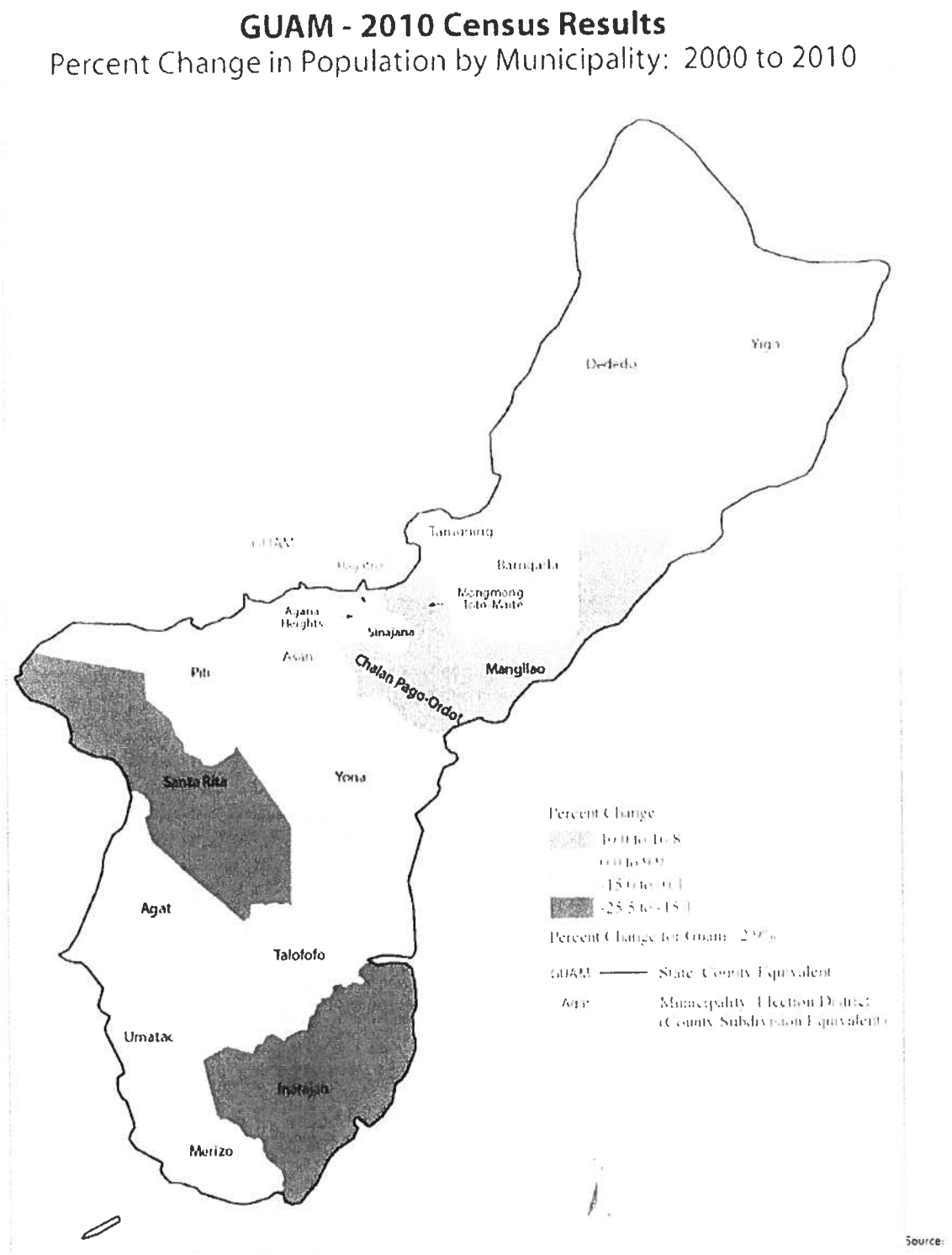
The subject site is located along the northern side of Route 4 in the Municipality of Inarajan, island of Guam. There is no numerical or street address assigned to the subject. The subject site is located in an area that is primarily agricultural and residential. Land use to the north, east and west consists of vacant land, agricultural/farming, and residential properties. To the south of the subject site, lies Ajayan Bay.

Figure 1: Population



Source: U.S. Census Bureau, 2010 Census for Guam

Figure 2: Population Trend

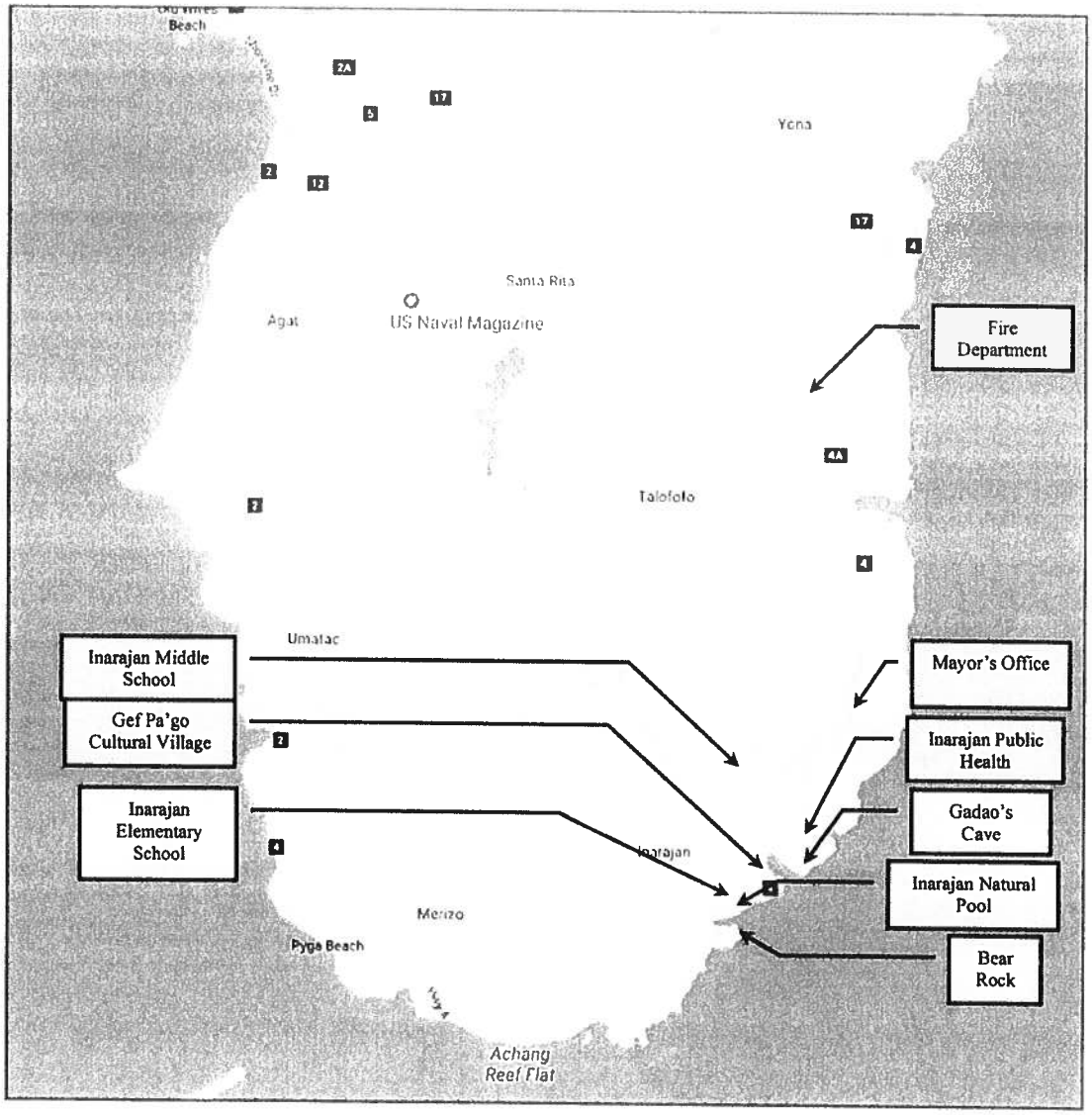


U.S. Census Bureau, Census 2000 for Guam and the 2010 Census for Guam.

The population ranges and trends for Inarajan and other municipalities in Guam are depicted in Figure 1 and 2. Figure 1 shows that the southernmost villages of Guam are within the lowest population range (782 to 3,999 persons). This is in contrast to the central and northern villages which all have much higher populations.

Nearby Community Services

Neighborhood schools and other government facilities are conveniently located more than a mile from the site. The area is mostly rural area with large tracts of land either vacant or used for farming. Most residential development is north of the in the village of Inarajan.

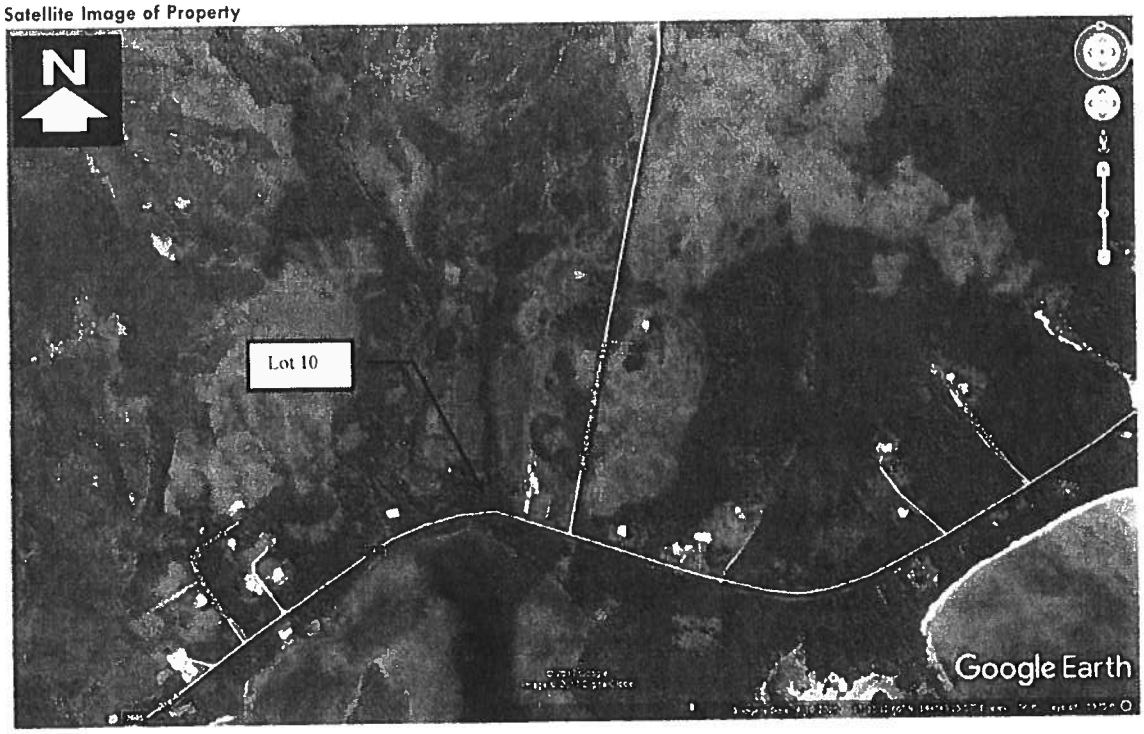


Topographic Map

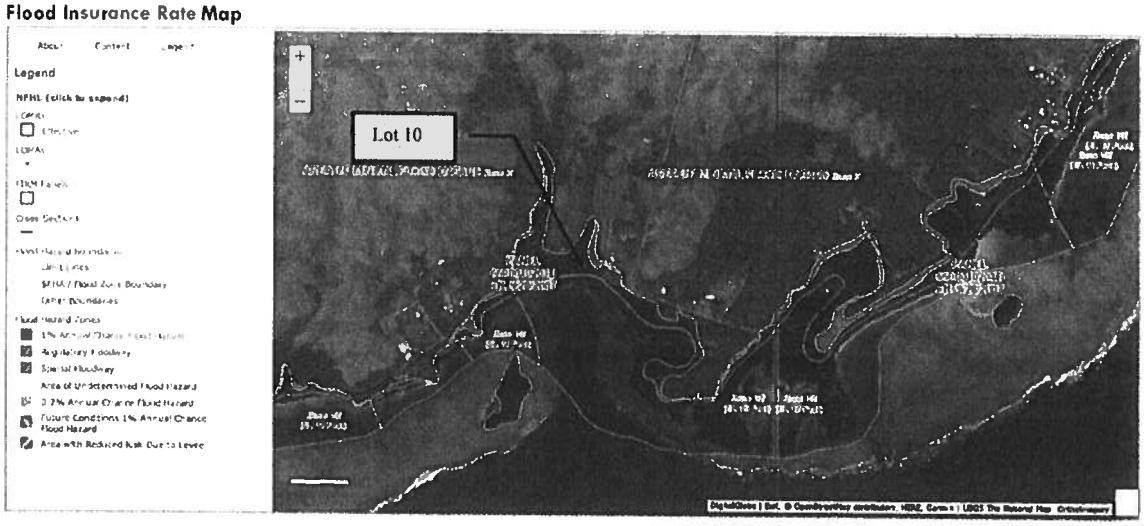


230 Description of Property, Photographs, and Sketches

Satellite Image of Property



Flood Insurance Rate Map



Property Data (Lot 10)

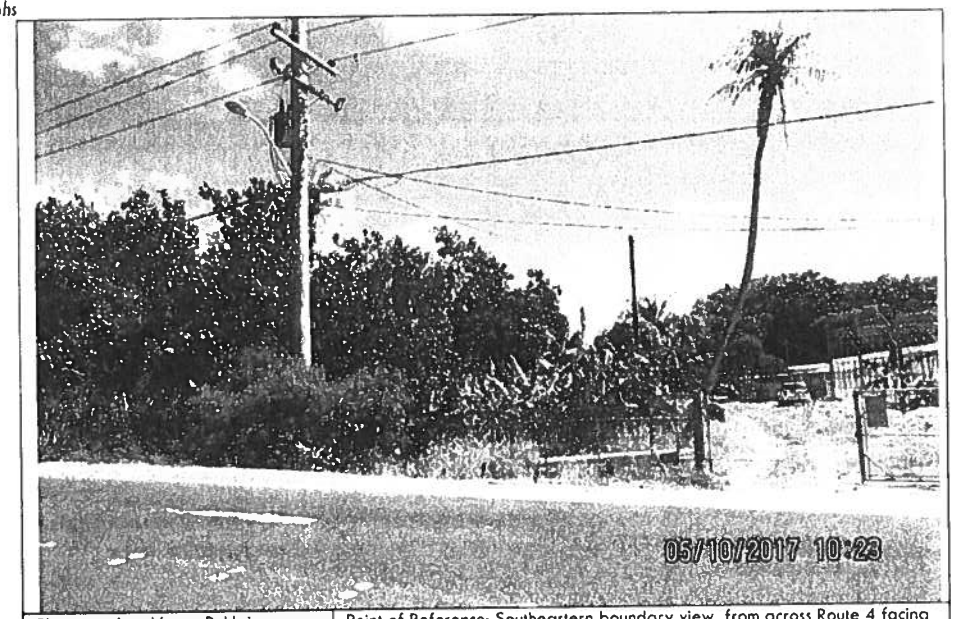
Site

1. Property Type: Raw Land
2. Existing use: Vacant; Mostly used for farming
3. Land
   A. Area: ±72,486 square meters (780,232 square feet)
   B. Shape: Trapezoidal
   C. Dimensions: South boundary is 82.69 meters; East boundary is 695.92 meters; North boundary is 149.50 meters; and West boundary is 776.33 meters.
   D. Ingress/Egress: Route 4 to the South.
   E. Topography: North side slopes down to the South, and East side slopes down to the West.
   F. Flood Plain Data: The southern portion of the property is in Zone VE (blue shading), 1% Annual Chance of Flood Hazard, remainder of the property is in Zone X, Areas of minimal flood hazard.
   G. Drainage: The parcel naturally drains down the west and Route 4. There is no storm drainage.
   H. Soil Characteristics: No adverse conditions apparent.
   I. Utilities on Site: Public power and water; telephone connection is unconfirmed.
   J. Utilities Available: Public power, water, and telephone.
   K. Site Improvements: Guam Power Authority has a concrete power pole on the taking that would have to be relocated.
   A. Easement, Encroachments or Restrictions and their Effect or Limitation: None.

Other Pertinent Features

None.

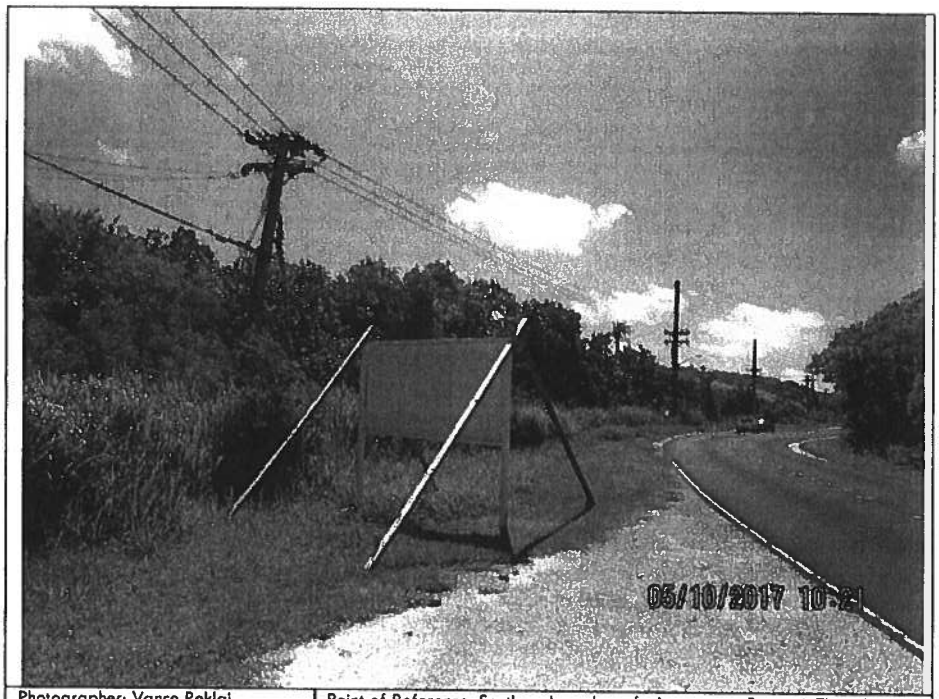
Photographs



Photographer: Vance Reklai Date Taken: May 10, 2017	Point of Reference: Southeastern boundary view from across Route 4 facing north.



Photographer: Vance Reklai Date Taken: May 10, 2017	Point of Reference: Southern boundary, facing weston Route 4. The subject is to the right across Route 4.



Photographer: Vance Reklai Date Taken: May 10, 2017	Point of Reference: Southern boundary, facing east on Route 4. The subject is to the left of the photographer.

235 Existing Transportation Facility Description

Route 4 is the main thoroughfare for the village of Inarajan. The road is a 100' wide right of way of 30' is paved with two traveling lanes. There are no curbs, gutters, and sidewalks. Public transportation is available with the Guam Regional Transit Authority.

- Blueline 2A – servicing the Hagatna, Asan, Piti, Agat, Umatac and Merizo areas
- Greenline – servicing the Yona, Inarajan and Talofofo areas;
- Greenline Express – servicing the Hagata Pool Parking Lot, Adelup, Agana Heights, Sinajana and Hagatna areas

240 Zoning, Land Use Plan, Concurrency

Guam's Zoning Law establishes regulations in order to:

> *establish certain minimum regulations for the protection and promotion of the public health, safety and general welfare of the people of the Territory of Guam, which regulations are deemed necessary in order to encourage the most appropriate use of land, to provide adequate open spaces about buildings for light and air, to prevent undue concentration of population, and to assure adequate provisions for community utilities and facilities such as water, schools, parks and other public requirements.*[19]

Private properties on Guam are divided into eight zones:

"A"	-	Agricultural zone
"R1"	-	One-Family zone
"R2"	-	Multiple-Family zone
"C"	-	Commercial

[19]Government of Guam, Title XVIII, Chapter I, Paragraph 17001, as quoted in Land use Regulations for Guam, p. 80.

"P"	-	Parking
"M1"	-	Light Industrial
"M2"	-	Heavy Industrial
"H"	-	Resort

These zones are depicted on Official Zoning Maps, available at the Planning Division of the Department of Land Management. Each zone has permitted uses and conditional uses as well as height limitations and yard setback restrictions. If a proposed development is a permitted use and complies with the zone's regulations, Government review and approval is not necessary by either the ARC (Application Review Committee) or the GLUC (Guam Land Use Commission).

The subject is outside the official zoning map of Guam. Both the Government GIS and subject map provided by the client identify the property as zoned A-Rural.

§ 61304. A Rural Zone.
(a) Uses permitted:

1) One-family dwellings and duplexes.
2) Farming and fisheries, including all types of activities and pursuits customarily carried on in the field of agriculture and fisheries, including the raising of crops and fruits, poultry and livestock, grazing and dairying, tree and other vegetative production whether for commercial or personal uses.
3) Cockpits.
4) Uses customarily accessory to any of the above uses including home occupations, and private auto mobile parking areas as well as accessory buildings and structures such as private garages, warehouses, barns, corrals or other similar structures.

(b) Conditional Uses:

1) Parks, playgrounds and community centers.
2) Biological gardens.
3) Schools and churches.
4) Hospitals, sanitariums, and institutional uses.
5) Cemeteries.
6) Recreational use including golf courses, marinas, beaches, swimming pools and accessory residential and commercial use.
7) Extractive industry.
8) Utilities and public facilities.
9) Wholesale and retail stores, shops and businesses.
10) Automobile service stations, including service shops.
11) Accessory uses and structures for the above.

SOURCE: GC § 17103 is repealed and reenacted by P.L. 21-072:23.

A new zoning plan, the I Tano-'ta Land Use Plan, was enacted in June 1998 with an implementation date of May 1st, 1999. The plan was a "performance-based" plan that permitted a wide range of uses with detailed performance standards. As a result of concerns raised by the financial community, I Tano-'ta was deferred/repealed by legislative act on May 26th.

The concerns centered primarily on the large number of "legally non-conforming" properties resulting from new performance standards. A significant concern for the real estate community is the continuity of secondary market financing for these legally non-conforming properties. Public sentiment appears to remain against I Tano-'ta unless the concerns of the secondary market are addressed.

250 Assessed Value, Taxes and Special Assessments

The assessed value is established by the Department of Revenue and Taxation, Government of Guam at 90% of the "appraised value" as determined by the most recent government revaluation conducted, with an effective date of 2014. Real estate taxes are currently computed as 0.09722% of the assessed value of land, and 0.38889% of the assessed value on improvements. The property has not been assessed for the past 3 years; account has been deactivated. Delinquent taxes are due for years 2000, 2006-2013. Our analysis assumes the subject is free and clear of any tax obligation.

Special Note
None.

260 History of Property

Department of Land Management records show no transactions within the last five years.

The property has not sold or transferred within the last five years. There are also no current, pending, expired or withdrawn listings were found on Guam Multiple Listing Service.

270 Exposure Time

"Exposure time is defined as the estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical sale at market value on the effective date of the appraisal; a retrospective estimate based upon an analysis of past events assuming a competitive and open market."[20]

Large Tract of Land: In the three year period immediately prior to the effective date of appraisal, a total of 13 land transactions with sizes over 25,000 square meters that were recorded in the GAR MLS database for the island of Guam.

MLS#	Legal	Village	Sold Date	Zoning	Sold Price	Land Area (SM)	Price/SM	Days on Market	Months
12-1121	Lots 7145-15-2 thru 6, and -R6	Yigo	10/30/2013	R-1	$767,980	38,399	$20.00	590	20
13-2157	Lot 6-R2, Tract 37103	Inarajan	6/27/2014	A	$210,000	100,798	$2.08	385	13
13-2443	Lot 5299-R1	Mangilao	8/18/2014	A	$1,574,300	78,715	$20.00	420	14
14-1301	Lot 3251-1-2NEW	Ordot-Chalan Pago	9/27/2014	PUD	$837,500	67,728	$12.37	165	5
14-2762	Lot 154-1CAA	Yona	1/28/2015	A	$1,500,000	151,839	$9.88	162	5
14-3541	Lot 238-1-8	Santa Rita	4/1/2017	R-2	$1,430,000	51,520	$27.76	882	29
15-829	Lot 3415-R3	Ordot-Chalan Pago	10/13/2015	R-1	$385,000	63,745	$6.04	218	7
15-3274	Portions of Lot 5328 Norther and Southern	Mangilao	3/28/2017	A	$1,093,880	54,694	$20.00	544	18
15-3436	Lot 5, Tract 31002	Agat	8/5/2016	R-2	$920,000	27,067	$33.99	289	10
16-596	Lot 16-10NEW-R2	Talofofo	11/23/2016	A	$215,000	27,744	$7.75	281	9
16-2144	Lot 2168	Barrigada	9/2/2016	C	$6,120,756	90,747	$67.45	198	7
16-3322	Lot 5202-1-3	Barrigada	11/9/2016	A/C	$1,058,680	30,428	$34.79	65	2
16-3700	Lots 7062 & 7064	Yigo	4/7/2017	A	$700,000	72,900	$9.60	182	6
			Min		$210,000	27,067	$2.08	65	2
			Max		$6,120,756	151,839	$67.45	882	29
			Median		$920,000	63,745	$20.00	281	9
			Mean		$1,293,315	65,871	$20.90	337	11

The data suggest the southern and northern (secondary locations) tend to have a longer exposure time. Therefore, we conclude the exposure times for the values in this report are estimated at approximately nine (12) to eighteen (18) months.

280 Public and Private Restrictions

There are no private or public restrictions affecting the subject property.

Analysis of Data and Conclusions

300 Highest and Best Use Analyses

Highest and best use is defined:

Highest and Best Use[21]

The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.

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.* If improved, this analysis compares the existing improvement with the ideal improvement, resulting in a decision of what to do with the existing improvements, including leaving as is, repairing, remodeling, or demolishing.

[20] Department of Works Right of Way Manual

[21] Appraisal Institute, The Dictionary of Real Estate Appraisal, 6th Edition, 2015.

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 restrictions, 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.

As Though Vacant
Legally Permissible: The property is A-Rural, which permits low density residential up to duplex, farming, fisheries and other legally permitted use.

Physically Possible: The size and shape of the property is a large tract able to support residential subdivision or medium scale farming. Topography limits some of the areas for infrastructure that support residential development.

Financially Feasible: Current residential demand in the southern area of Guam is relatively slow. The land transaction in the report supports farming or speculative buying.

Maximally Productive: The comparable sales in this report demonstrate the financial feasibility of buying very large parcels with the intent of holding it for speculative investment purposes. However, smaller parcels, 100,000 square meters or smaller, have been bought for with different intensions. Whereas a few years ago, most purchases were of the buy-and-hold variety, more and more purchases are becoming the buy-and-develop and the buy-and-immediately re-list-for-sale varieties. The subject is in the category of the buy-and-hold due to the lack of demand in southern area.

The property is located in southern portion of the island where demand for development is slow. For this reason, the maximally productive use of the property is to buy and hold for future residential or agricultural related use.

As Improved
Subject property is used for agricultural farming. The highest and best use as improved is not applicable since no improvements are present at time of inspection.

302 Highest and Best Use Conclusion
The maximally productive use of the property is to buy and hold for future residential or agricultural related use when there is strong demand for development.

305 Approaches to Value Used and Excluded
The valuation of real property typically involves three approaches to value: the Cost Approach, the Sales Comparison Approach, and the Income Capitalization Approach. Utilization of the appropriate approach or approaches for a given property is based on the quality and quantity of data available, and the relevance of the data to the property being appraised. If more than one valuation approach is utilized, the resulting value estimates are reconciled to produce a final value conclusion.

Methodology
The Cost Approach is based on the principle of substitution that an informed buyer would not pay more for a given property than the cost of an equally desirable alternative. The Cost Approach is a procedure that estimates the current reproduction or replacement cost of the improvements, adds entrepreneurial profit, deducts accrued depreciation from all sources, and adds the value of the land. The Cost Approach is most appropriate when the improvements being appraised are proposed or relatively new (with a small amount of physical deterioration) and represent the highest and best use for the site.

The Sales Comparison Approach is based on the premise that the market value of a property is directly related to the prices of comparable, competitive properties. The value of this approach is dependent on the availability of recent confirmed sales of properties considered comparable to the property being appraised. The sold properties are compared to the subject using key units of comparison. Adjustments are made for differences between the subject and the comparable sales, resulting in adjusted sales values for each of the comparable sales. The adjusted values are reconciled for a value conclusion by the Sales Comparison Approach. The Sales Comparison Approach is appropriate for most real property interests.

The Income Capitalization Approach is based on the premise that the value of a property is directly related to the income it generates. This approach converts anticipated future gains to present worth by projecting reasonable income and expenses for the subject property. The Income Capitalization Approach mirrors the analysis of typical investors and is considered appropriate for valuing investment properties.

Selection and Exclusion of Approaches
Cost Approach: The acquisition includes land and minor site improvements, including a power pole, but no building improvements. For this reason, a complete cost approach is not necessary and would not enhance the reliability of the assignment results.

Sales Comparison Approach: There is good quality data of sufficient quantity to appraise the site as though vacant. The sales comparison approach is applicable and necessary for the valuation of the subject property.

Income Approach: It is possible to value land using income techniques such as an income residual analysis. However, such analyses are very sensitive to inputs and unreliable. For this reason, the income approach is not appropriate or necessary for the subject property.

Given the preceding, this assignment considers the sales comparison approach and excludes the cost approach and income approach, which are not applicable.

310 Land Valuation

Methodology[22]
Sales comparison[23] is the most common technique for valuing land, and it is the preferred method when comparable sales are available. To apply this method, data on sales of similar parcels of land is collected, analyzed, compared, and adjusted to provide a value indication for the site being appraised. In the comparison process the similarity or dissimilarity of the parcels is considered.

The appraisers must perform several tasks in developing an opinion of site value:

- Gather data on actual sales as well as listings, offers and options based on highest and best use.
- Identify the similarities and differences in the data.
- Identify the highest and best use of each potential comparable sale and then choose the appropriate sales for analysis.
- Identify units of comparison that explain market behavior.
- Adjust the appropriate unit prices of the comparable sales to account for the dissimilar characteristics of the site being appraised.
- Form a conclusion as to the market value of the subject site.

The goal of the sales comparison approach is to select the most comparable sales and then adjust the comparable sales for differences that cannot be eliminated within the selection process. After comparable data is 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 in a market data grid that has separate rows (or columns) for important property characteristics. It is also known as a site valuation chart.

Selection of Comparable Sales

[22] The following four paragraphs are quoted from The Appraisal of Real Estate, 14th Edition, Appraisal Institute, 2013.

[23] 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).

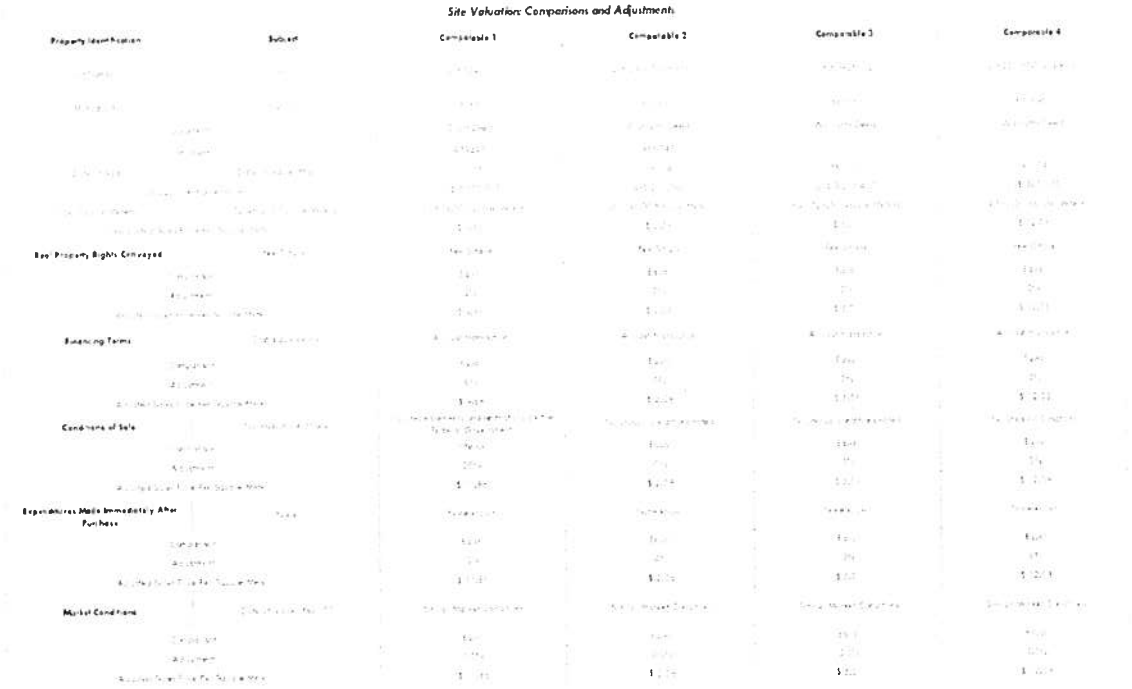
Sales that require significant adjustment – either in magnitude or number of adjustments – are suspect for their comparability and reliability. Therefore, the appraiser's objective was to select sales with the fewest number and lowest magnitude of adjustments. Another important consideration is the highest and best of the land. Transactions with the same highest and best use as the subject were selected.

Land Transaction Data

The land transactions selected for comparison against the subject are attached in the exhibit section of this report. Following data summarizes the comparable sales including collateral data:

Legal	Village	Sold Date	Zoning	Sold Price	Land Area (SM)	Price/SM	Days on Market	Months	Comp#
Lot 154-1	Yona	1/9/2015	A, Rural	$1,500,000	151,839	$9.88	162	5	1
Lot 6-R3, Tract 37103	Inarajan	6/27/2014	A-Rural	$210,000	100,798	$2.08	385	13	2
Lot B-3REM-12	Inarajan	3/13/2013	A, Rural	$3,215,400	641,723	$5.01	Unknown	Unknown	3
Lot 223-6NEW-4-R14	Piti-Asan	9/3/2014	A, Rural	$300,000	24,385	$12.30	388	13	4
			Min	$210,000	24,385	$2.08	162	5	
			Max	$3,215,400	641,723	$12.30	388	13	
			Median	$900,000	126,319	$7.44	385	13	
			Mean	$1,306,350	229,686	$7.32	312	10	

Site Valuation Chart



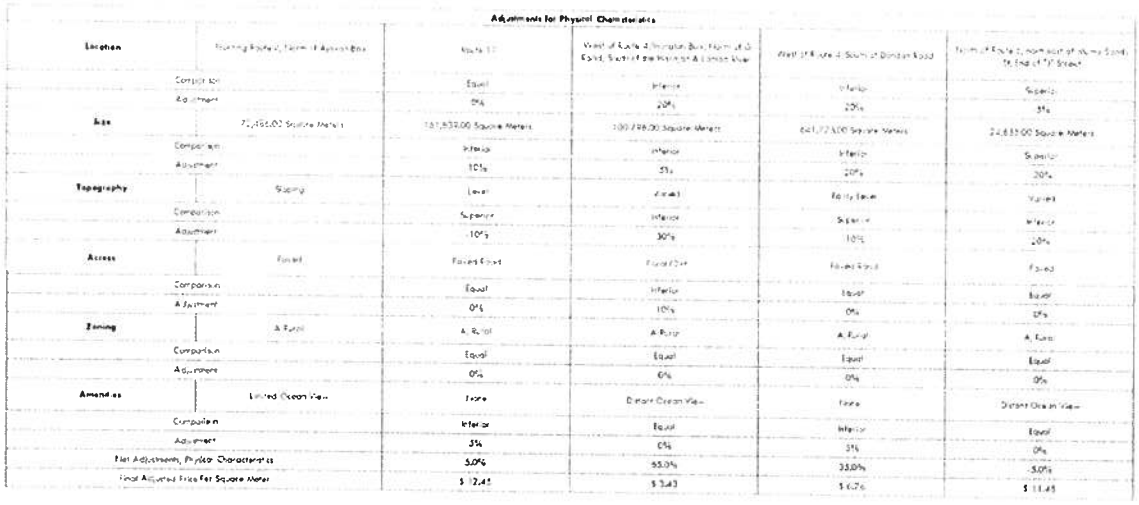
Real Property Rights Conveyed: The subject and all comparable sales are fee simple; therefore, no adjustment is required.

Financing Terms: The market value definition applied in this assignment requires payment of an amount that would ordinarily be paid. Sellers and buyers on Guam ordinarily transact real property such that the seller in the vast majority of times receives all cash. Therefore, the analysis adjusts all of the comparable sales so as to be equivalent to a transaction where the seller receives all cash at closing. For all four comparable sales, the seller received all cash at closing; therefore, no adjustment is required.

Conditions of Sales: Comparable 1 included a federal easement reserved of government use; at time of sale the buyer considered this portion as unusable which impacted the sale of the price; according to the buyers representative, the federal easement had a +20% impact and the purchase price.

Expenditures Made Immediately After Purchase: No material expenditures were noted or reported to have been made immediately after purchase for any of the four comparable sales; therefore, no adjustment is required.

Market Conditions: Market conditions have been stable and no adjustment required.



Location/Visibility: Comparable 2 and 3 are both located within an inferior secondary road with less visibility and traffic, thus a +20% adjustments were required. Comparable 4 required a -5% adjustment for superior location. The comp is located in an area closer to downtown Hagatna.

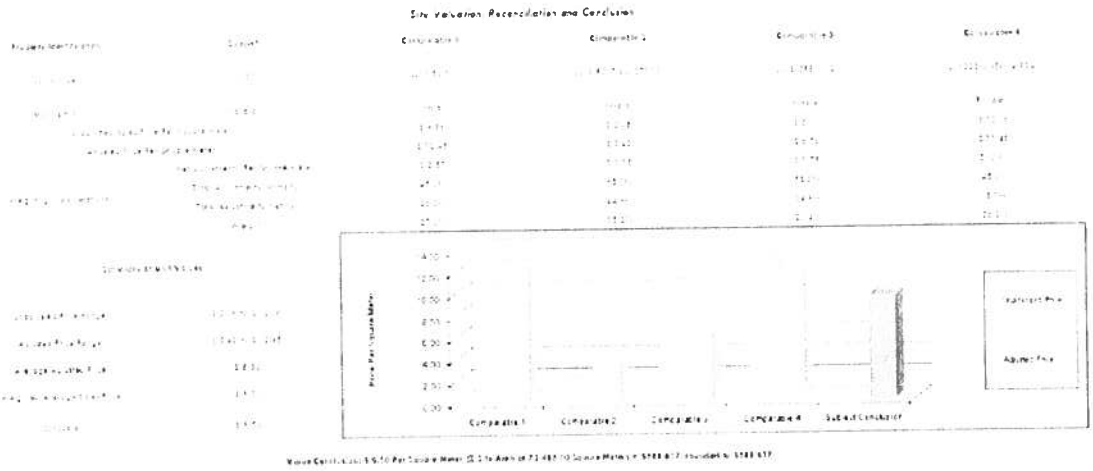
Size: Comps 1, 2, and 3 are larger than the subject and required a positive adjustment. Comp 4 is smaller and required a negative adjustment. Smaller land area tends to command higher price per square meter because of economies of scale principal.

Topography: Comparable 1 and 3 are fairly level as compared to the subject therefore, an adjustment of -10% was necessary. Comparable 2 is sloping with some areas having greater than 30% slope and considered unusable. A +30% adjustment was necessary. Comp 4 is also sloping but only required a +20% adjustment.

Access: Comparable 2 road in undeveloped with coral access, thus a +10% adjustment was required.

Zoning: All the comparable sale are zoned A-Rural; no adjustment necessary.

Amenities: The subject has limited ocean view from the higher elevation toward the northern boundary. Comparable 2 and 4 have distance ocean view and required no adjustment. Comparable 1 and 3 do not have view amenities. Both comps were adjusted +5%.



The weighting of the comparable sale is based on the amount of gross and net percentage adjustments. Comparable sales with lower levels of adjustment are given more weight on the basis that such comparable sales are more similar to the subject

The site valuation analysis concludes a site value of $9.50 per square meter for an area of 72,486 square meter resulting to a conclusion of $688,617 for the entire property, "as is" condition. The value is as of May 10, 2017 as of the effective date of appraisal. The estimated marketing time and exposure time is 12 -18 months. This conclusion is subject to the hypothetical conditions and extraordinary assumptions of this appraisal which may have affected the assignment results.

315 The Cost Approach

Not applicable.

320 Building Cost Estimate

Not applicable.

325 Accrued Depreciation Estimate

Not applicable.

330 Indicated Value by Cost Approach

Not applicable.

335 Sales Comparison Approach

Section "310 Land Valuation" includes a Land Valuation table for the site as though vacant.

340 Collection of Comparable Sales

See Exhibit 1 attached to this report for details of the comparable transactions used in this report.

345 The Sales Adjustment Grid

Section "310 Land Valuation" includes a Land Valuation table for the site as though vacant.

350 Analyses of Comparable Sales and Explanation of Adjustments

Section "310 Land Valuation" includes analyses of comparable sales and explanation of adjustments.

355 Indicated Value by the Sales Comparison Approach

Section "310 Land Valuation" includes and explains the indicated value of the site as though vacant.

360 The Income Capitalization Approach
Not applicable.

365 Gross Rent Estimate
Not applicable.

370 Vacancy and Collection Loss
Not applicable.

375 Expenses and Net Operating Income Estimate
Not applicable.

380 Capitalization Rate
Not applicable.

385 Indication of Value by the Income Capitalization Approach
Not applicable.

390 Reconciliation of Value Indications and Final Value Opinion
The cost approach and income approach were not necessary for this assignment. Section "310 Land Valuation" includes a sale comparison approach for the site as though vacant.

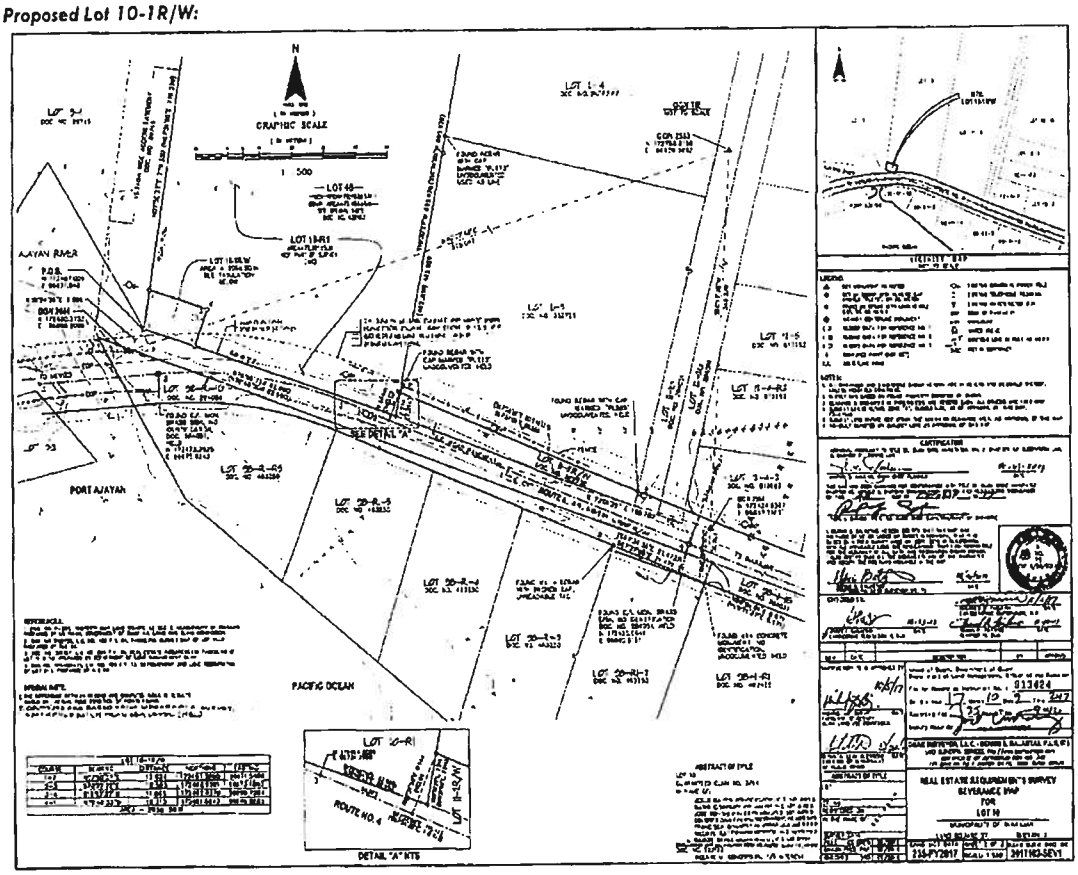
The site valuation analysis concludes a site value of $9.50 per square meter for an area of 72,486 square meter resulting to a conclusion of $688,617 for the entire property, "as is" condition. The value is as of May 10, 2017 as of the effective date of appraisal.

395 Allocation of Land, Site Improvements, Structures, and Other Improvements
The improvements includes the road and sidewalk that would be improved after the taking.

Description and Valuation of Part Acquired

400 Description of the Part Acquired
The part to be acquired is 205 square meters (2,207 square feet).

Proposed Lot 10-1R/W:



The proposed Lot 10-1R/W to be acquired is described as follows:

Land

1. Property Type: Public Access and Right of Way
2. Existing use: Access Road, Roadside
3. Land
   A. Area: ±205 square meters (2,207 square feet)
   B. Shape: Irregular
   C. Dimensions: Lot 10-1R/W: South boundary is 16.213 meters; East boundary is 11.805 meters; North boundary is 18.565 meters; and West boundary is 12.024 meters.
   D. Ingress/Egress: Route 4 to the South.
   E. Topography: North side slopes down to the South, and East side slopes down to the West.
   F. Flood Plain Data: The property is in Zone VE (blue shading), 1% Annual Chance of Flood Hazard.
   G. Drainage: The parcel drains down Route 4.
   H. Soil Characteristics: No adverse conditions apparent.
   I. Utilities on Site: Power and water; telephone connection unconfirmed.
   J. Utilities Available: Public power, water, and telephone.
   K. Site Improvements: Guam Power Authority has a concrete power pole on the taking that would have to be relocated if needed.
   L. Easement, Encroachments or Restrictions and their Effect or Limitation: None.

Other Pertinent Features

None.

Improvements
A Guam power authority power pole is the only improvements on the site.

Photographs
Photographs of the acquisition were presented earlier in Section 230.

450 Valuation of the Part Acquired

The value of the parent tract was estimated by sales comparison approach. The land area of 205+/- square meters for the part acquired was calculated by the preceding maps.

Land Valuation				
Benchmark: Parent Tract:	72,486 SM			
Unit Value		$	9.50	
Adjustments				
None	Adj. @ 0%	$	-	
Adjusted Unit Value of Part Acquired		$	9.50	$/SM
Land Area	205 SM			
Total Value of Part Acquired (As Part of Whole)		$	1,948	Rounded

Valuation of Remainder as Part of Whole

500 Value of Remainder as Part of Whole Property

The value of the remainder as part of the whole property is by definition the difference in value of the whole before the taking and the value of the part acquired. The value of structures is excluded. The value of site improvements is also excluded except for the portion within the acquisition area. The value of the remainder as part of the whole property is as follows.

Remainder Size (SM):	**72,281 SM**		
Component	Value		Totals
Value of Whole Before Taking			
Land	$ 688,617		
Improvements	$ -		
Total (Excludes Structures)		$	688,617
Value of Part Acquired			
Land	$ 1,948		
Improvements (Included Portion)	$ -		
Total		$	1,948
Value of Remainder as Part of Whole			
Land	$ 686,670		
Improvements	$ -		
Total		$	686,670

Premises of the Appraisal – The Remainder Valuation

640 Purpose of Appraisal of Remainder after the Acquisition

As required by the Right of Way Manual, "the appraisal of the remainder is made uncured under the assumption that the transportation facility has been completed according to the construction plans and that said facility is open for public use. The market value of the parent tract before the taking has been estimated, the value of the part taken has been subtracted. This results in the estimated value of the remainder as part of the whole. The purpose of the appraisal of the remainder un-cured is to estimate its market value to discover if there are any damages or special benefits caused by the taking."

680 Appraisal Problem

As required by the Right of Way Manual, "the purpose of the appraisal is to estimate the market value of the remainder un-cured. This is done by appraising the remainder before any cure is applied and comparing this after value estimate with the value of the remainder as a part of the whole property to determine whether there is any reduction, damage, enhancement, or special benefit,

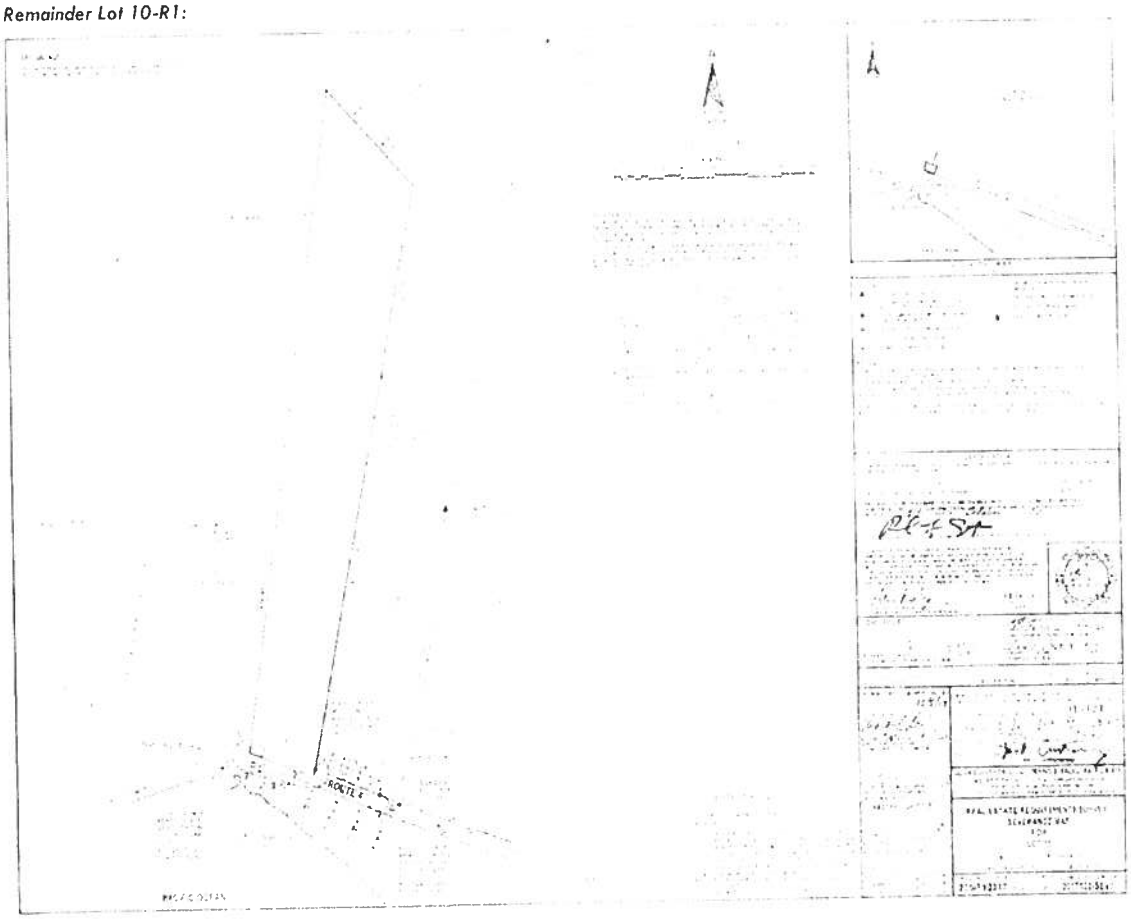
as a result of the acquisition. The appraisal of the remainder property must be made presuming the transportation facility has been completed according to construction plans and is open for public use."

Presentation of Data – The Remainder

730 Description of Remainder Uncured

Section "230 Description of Property, Photographs, and Sketches" includes data for the parent tract and remainder parcels.

Remainder Lot 10-R1:



Remainder Data

Land

1. Property Type: Raw Land
2. Existing use: Vacant; Mostly used for farming
3. Land
   A. Area: 72,281 square meters (778,025 square feet)
      A. Shape: Trapezoidal
      B. Dimensions: South boundary is 66.477 meters; East boundary is 695.920 meters; North boundary is 149.50 meters; and West boundary is 764.306 meters.
      C. Ingress/Egress: Route 4 to the South.
      D. Topography: North side slopes down to the South, and East side slopes down to the West.
      E. Flood Plain Data: The southern portion of the property is in Zone VE (blue shading), 1% Annual Chance of Flood

Hazard, remainder of the property is in Zone X, Areas of minimal flood hazard.

F. Drainage: The parcel naturally drains down the west and Route 4. There is no storm drainage.
G. Soil Characteristics: No adverse conditions apparent.
H. Utilities on Site: Public power and water; telephone connection is unconfirmed.
I. Utilities Available: Public power, water, and telephone.
J. Site Improvements: None
K. Easement, Encroachments or Restrictions and their Effect or Limitation: None.

Other Pertinent Features

None.

Photographs

Photographs of the remainder are included in Section 230.

740 Zoning, Land Use Plan, Concurrency

Section "240 Zoning, Land Use Plan, Concurrency" includes the zoning, land use plan, and concurrency data for the larger parcels. The same description applies to the remainder parcels.

750 Proposed Transportation Facility Description

The project is the expansion of Ajayan Bridge.

775 Effect of Acquisition on Remainder Uncured

The access to the property will not be adversely affected.

Analysis of Data and Conclusions – The Remainder

800 Highest and Best Use

Section "300 Highest and Best Use Analyses" includes the highest and best use analyses for the parent tract. The remainder parcels are slightly smaller but this change does not affect the highest and best use analysis.

802 Highest and Best Use Conclusion

Section "302 Highest and Best Use Conclusion" includes the highest and best use conclusion for the parent tract. The remainder parcels are only slightly smaller. This change does not affect the highest and best use analysis. Therefore, the same conclusion applies to the remainder. The highest and best use as vacant is to buy and hold or use for farming. The maximally productive use of the property is to buy and hold for future residential or agricultural related use when there is strong demand for development.

805 Approaches to Value Used and Excluded

Section "305 Approaches to Value Used and Excluded" includes the arguments for excluding the cost approach and income capitalization approach. The very same reasoning applies to the remainder parcel.

810 Land Valuation

Section "310 Land Valuation" contains the land valuation analysis for the parent tract. The same methodology and analysis applies to this section.

The unit value of the parent tract is $9.50 per square meter.. The remainder area is 72,281 square meters; thus, the remainder land value is $ $686,670.

815 The Cost Approach

Not applicable.

820 Building Cost Estimate

Not applicable.

825 Accrued Depreciation Estimate

Not applicable.

830 Indicated Value by Cost Approach

Not applicable.

835 The Sales Comparison Approach

Section "810 Land Valuation" includes a sale comparison approach for the remainder as though vacant.

840 Collection of Comparable Sales

See Exhibit 3 attached to this report for detailsof the comparable transactions used in this report.

845 The Sales Adjustment Grid

Section "310 Land Valuation" includes a sale adjustment grid for the site as though vacant.

850 Analyses of Comparable Sales and Explanation of Adjustments

Section "810 Land Valuation" includes analyses of comparable sales and explanation of adjustments.

855 Indicated Value by the Sales Comparison Approach

Section "810 Land Valuation" includes and explains the indicated value of the site as though vacant.

860 The Income Capitalization Approach

Not applicable.

865 Gross Rent Estimate

Not applicable.

870 Vacancy and Collection Loss

Not applicable.

875 Expense and Net Operating Income Estimates

Not applicable.

880 Capitalization Rate

Not applicable.

885 Indicated Value by the Income Capitalization Approach

Not applicable.

890 Reconciliation Value Indications and Final Value Estimate

The cost approach and income approach were not necessary for this assignment. Section "810 Land Valuation" includes a sale comparison approach for the site as though vacant.

My opinion of the market value of the remainder parcel as though vacant, as of May 10, 2017, is $686,670.

900 Support for Damages/No Damages to the Remainder

The valuation of the remainder took into consideration the government's proposed project and therefore reflects the anticipated impact of the project. As stated, no material impact, positive or negative, is anticipated on the remainder parcel as a result of the taking.

910 Cost to Cure Damages

The southern access point to the property would require realignment that Department of Public Works would need to incur the cost.

920 Special Benefits

The Right of Way Manual states, "special benefits are the result of an enhancement in value which has advanced the market value of the remainder beyond the mere general appreciation of property in the neighborhood. The taking must be for a road, canal, levee, or water control facility right of way."

Relevant terms are defined:

Benefits

In eminent domain valuation, the advantageous factors that arise from a public improvement for which private property has been taken. The law in some jurisdictions makes a distinction between general benefits and special benefits because only special benefits are considered in determining the value of the remainder in a partial acquisition. The distinction between special benefits and general benefits is both a factual and a legal question, so appraisers may need to consult legal counsel to resolve questions about the classification of benefits. See also general benefits; set-off rule; special benefits.

Source: Appraisal Institute, The Dictionary of Real Estate Appraisal, 6th ed. (Chicago: Appraisal Institute, 2015).

Special Benefits

In condemnation, the benefits that arise from the peculiar relation of the land in question to the public improvement, usually resulting from a change in its highest and best use. Special benefits may accrue to multiple parcels (such as all four quadrants of a newly constructed freeway interchange) because the parcels are directly benefitted in a similar manner, if not to the same degree.

Source: Appraisal Institute, The Dictionary of Real Estate Appraisal, 6th ed. (Chicago: Appraisal Institute, 2015).

General Benefits

1. *In eminent domain takings, the benefits that accrue to the community at large, to the area adjacent to the improvement, or to other property situated near a taken property.*
2. *Benefits that arise from the fulfillment of the public object that justified a taking.* Source: Appraisal Institute, The Dictionary of Real Estate Appraisal, 6th ed. (Chicago: Appraisal Institute, 2015).

The proposed road reconstruction is anticipated to benefit the community, not just the subject remainders, thus it would result in a general benefit. The road reconstruction would not enhance the value of the remainder beyond that of other parcels. Thus, the proposed road reconstruction would result in general benefits but not special benefits.

995 Summary of Values

The final value for the acquisition is as shown in the following table.

Final Value of Acquisition

Component	Value	
Land	$	1,948
Improvements	$	-
Severance Damages	$	-
Special Benefits	$	-
Fair Market Value	$	1,948

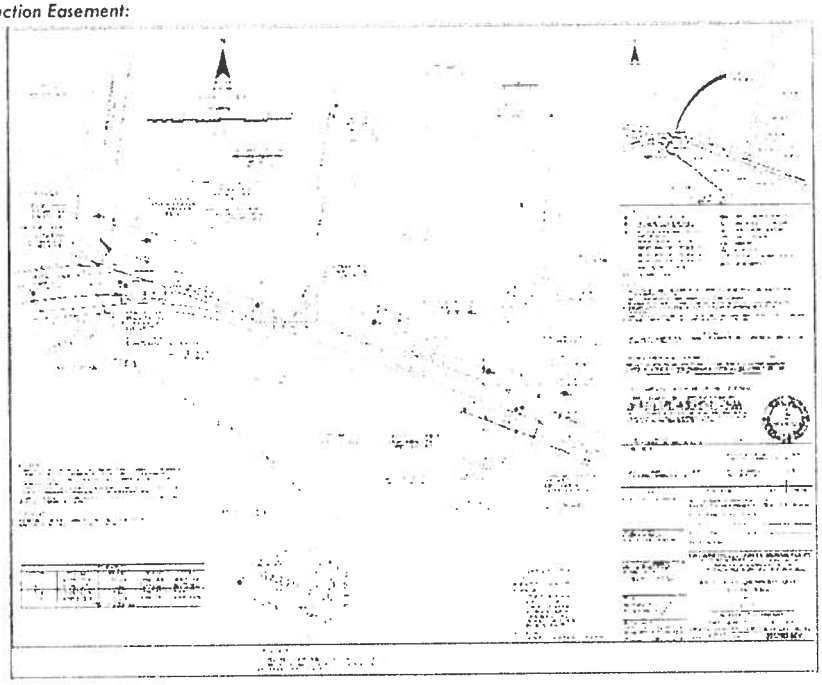
As per client directed scope, the final valuation is rounded up to the next 100's. The final value of the part taken is concluded at $2,000.

Temporary Construction Easement

Description of the Temporary Construction Easement (TCE)

The part to be acquired for TCE is 776.834 square meters (8,361.771 square feet).

Temporary Construction Easement:



The Temporary Construction Easement to be acquired is described as follows:

Land

4. Property Type: Public Access and Right of Way
5. Existing use: Access Road, Roadside
6. Land
   - M. Area: ±776.834 square meters (8,361.771square feet)
   - N. Shape: Rectangular
   - O. Dimensions: Temporary Construction Easement:South boundary is 66.446 meters; East boundary is 11.783meters; North boundary is 66.532 meters; and West boundary is 11.804 meters.
   - P. Ingress/Egress: Route 4 to the South.
   - Q. Topography: North side slopes down to the South, and East side slopes down to the West.
   - R. Flood Plain Data: The property is in Zone VE (blue shading), 1% Annual Chance of Flood Hazard.
   - S. Drainage: The parcel drains down Route 4.
   - T. Soil Characteristics: No adverse conditions apparent.
   - U. Utilities on Site: Power and water; telephone connection unconfirmed.
   - V. Utilities Available: Public power, water, and telephone.
   - W. Site Improvements: Guam Power Authority has a concrete power pole on the taking that would have to be relocated if needed.
   - X. Easement, Encroachments or Restrictions and their Effect or Limitation: None.

Other Pertinent Features

None.

Improvements
A Guam power authority power pole is the only improvements on the site.

Photographs
Photographs of the acquisition were presented earlier in Section 230.

Valuation of the TCE

The valuation uses the same unit price of $9.50 per square meters as concluded earlier. Based on the size of the temporary easement, we conclude to the following value:

Land Valuation				
Benchmark: Parent Tract	72,462 SM			
Unit Value		$	9.50	
Adjustments				
None	Adj. @ 0%	$	-	
Adjusted Unit Value of Temporary Easement (TCE)		$	9.50	$/SM
Land Area	776 SM			
Total Value of TCE (As Part of Whole)		$	7,372	

The valuation reflect the taking, however, the easement is temporary and would revert back to the current owner after the construction phase. Therefore, we have to reflect the annual rental of the easement based on this concluded value.

Included in the exhibit is a study of land capitalization and yield rates for Guam.

The general observed pattern for lease rentals has been an initial rent ranging from 8% to 10% of the fair market value of the property, with the most common escalation pattern being 10% every five years. This escalation annualized to approximately 2% suggests a typical yield rate of 10% to 12%.

It also is observed that Government of Guam agencies historically used 10% per annum as typical contract lease rents. This was observed in various lease renewals over the years within the Port Authority of Guam, the Guam Airport Authority Industrial Park, and Guam Economic Development Authority property. Our observation is that these government properties are typically prime commercial or industrial properties.

Most important for understanding the type of rate involved, these lease rents are typically fixed for five or ten years and then re-set at market rents; this treatment would therefore correspond to a 10% capitalization rate.

Based on the evidence from leased fee sales, as supported by the range from general lease activity, we conclude that a market-derived land capitalization rate for this property is 12%. The higher rate represent the short term nature of the lease. Under this arrangement, lessees pay all property-related expenses, while lessors pay taxes on the rental income.

Therefore, the annual estimated rent for the Temporary Construction Easement is:

Total Value of the TCE	$7,372
Land Capitalization Rate	12%
Annual Rent	$ 885, rounded

Addenda

Exhibit 1

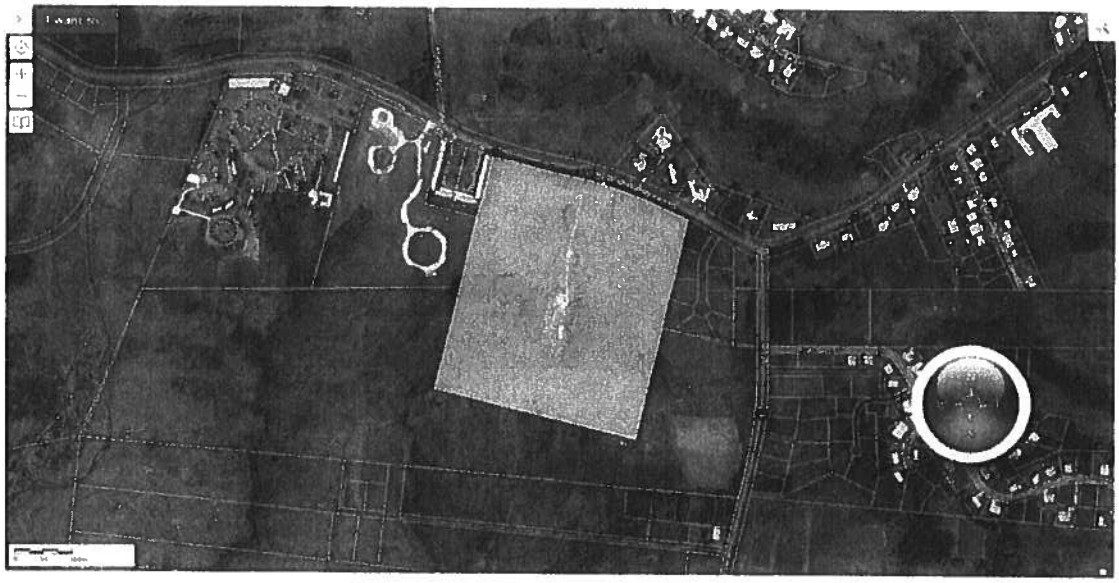
Market Data, Land Transactions, Island of Guam

Land Transaction 1



A.	Recording Data:	Instrument Number 873497
B.	Grantor/Lessor:	Rita C. Hugo, John M. Camacho, Annie C. Cruz, Joseph M. Camacho, Raymond M. Camacho, Vicente F. Camacho, Michelle P. Camacho & Francisco V. Camacho
C.	Grantor/Lessee:	Decha Farms Inc.
D.	Date of Transaction:	1/9/2015
E.	Date Inspected:	8/18/2017
F.	Dimensions and size:	Survey Drawing No. 078-02
	a. Land:	151,839 square meters
	b. Improvement:	None
G.	Consideration:	$1,500,000
H.	Unit Price:	$9.88 per square meters
I.	Type of Instrument:	Grant Deed
J.	Tax Identification/Folio Number:	Lot 154-1
K.	Address:	Route 17
L.	Zoning:	A, Rural
M.	Present Use:	Vacant and idle
N.	Highest and Best Use at Time of Transaction:	Residential Subdivision
O.	Condition of Transaction:	Arm's-length transaction
P.	Type of Financing:	All cash to seller
Q.	Encumbrances:	
	a. Easements:	Includes easements and restrictions by the Federal Government

	b. Flood Zone:	Zone X
	c. Other:	None
R.	Type of Improvements:	None
S.	Site Utilities:	Power and Water on Site
T.	Verification Information:	Seller
	a. Verification Sources:	Public Records; MLS 14-2762
	b. Information Verified:	No Unusual Conditions
	i. Transaction Price:	$1,500,000
	ii. Terms/Concessions:	All cash to seller per DLM Public Records and MLS
	iii. Other:	None
U.	Motivation of Parties:	Arm's-length transaction with no unusual conditions.
	a. Source of Information:	Seller
	b. Relation of Parties:	No relation
	c. Unusual Motivations:	None known
V.	Analysis of Pertinent Information:	None
W.	Overall Exposure Time:	DOM: 131, listing to pending dates
X.	Days on Market:	162
Y.	Remarks:	None
	a. Topography:	Level
	b. Access:	Paved Road
	c. Amenity View:	Neighborhood
Z.	Property Sketch:	None



Land Transaction 2



A.	Recording Data:	Instrument Number 866749
B.	Grantor/Lessor:	Harvest Baptist Church
C.	Grantor/Lessee:	Lee P. and June P. Webber
D.	Date of Transaction:	6/27/2014
E.	Date Inspected:	8/18/2017
F.	Dimensions and size:	Survey Drawing No. FC059/2002
	c. Land:	100,798 square meters
	d. Improvement:	None
G.	Consideration:	$210,000
H.	Unit Price:	$2.08 per square meters
I.	Type of Instrument:	Warranty Deed
J.	Tax Identification/Folio Number:	Lot 6-R3, Tract 37103
K.	Address:	West of Route 4/Inarajan Bay, North of G Road, South of the Inarajan & Laolao River
L.	Zoning:	A-Rural
M.	Present Use:	Vacant and idle
N.	Highest and Best Use at Time of Transaction:	Residential Subdivision
O.	Condition of Transaction:	Arm's-length transaction
P.	Type of Financing:	All cash to seller
Q.	Encumbrances:	
	d. Easements:	None
	e. Flood Zone:	Zone X & AE (Floodway)

	f. Other:	None
R.	Type of Improvements:	None
S.	Site Utilities:	Power and Water
T.	Verification Information:	Listing Agent
	c. Verification Sources:	Public Records; MLS 13-2157
	d. Information Verified:	No Unusual Conditions
	iv. Transaction Price:	$210,000
	v. Terms/Concessions:	All cash to seller per DLM Public Records and MLS
	vi. Other:	None
U.	Motivation of Parties:	Arm's-length transaction with no unusual conditions.
	d. Source of Information:	Ryan Mummert, 648-1311/688-4907
	e. Relation of Parties:	No relation
	f. Unusual Motivations:	None known
V.	Analysis of Pertinent Information:	None
W.	Overall Exposure Time:	DOM: 371, listing to pending dates
X.	Days on Market:	385
Y.	Remarks:	None
	d. Topography:	Varied
	e. Access:	Paved Road
	f. Amenity View:	Neighborhood
Z.	Property Sketch:	None

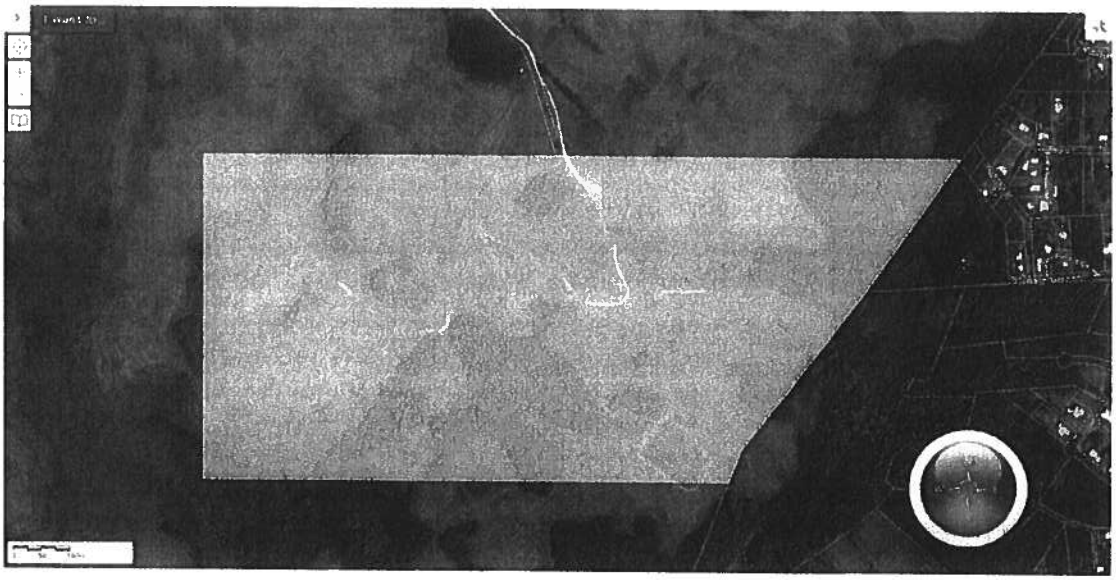


Land Transaction 3



A.	Recording Data:	Instrument Number 848834
B.	Grantor/Lessor:	Oxford (Guam) Inc., Calvo's Insurance Underwriters, Inc., Joaquin Arriola, Valencia Investments Corp., Alfred C. & Diana Z. Ysrael, Jones & Guerrero Company, Inc., Douglas F. & Regina DLG Cushnie, Young Chull & Louisette Kim and Lee M. Holmes
C.	Grantor/Lessee:	Guam Solar Property, LLC
D.	Date of Transaction:	3/13/2013
E.	Date Inspected:	8/18/2017
F.	Dimensions and size:	Survey Drawing No. QUA-12-01-70
	e. Land:	641,723 square meters
	f. Improvement:	None
G.	Consideration:	$3,215,400
H.	Unit Price:	$5.01 per square meters
I.	Type of Instrument:	Warranty Deed
J.	Tax Identification/Folio Number:	Lot B-3REM-12
K.	Address:	West of Route 4, South of Dandan Road
L.	Zoning:	A, Rural
M.	Present Use:	Solar Farm
N.	Highest and Best Use at Time of Transaction:	Residential Subdivision
O.	Condition of Transaction:	Arm's-length transaction
P.	Type of Financing:	All cash to seller
Q.	Encumbrances:	
	g. Easements:	None
	h. Flood Zone:	Zone X
	i. Other:	None
R.	Type of Improvements:	Solar Farm
S.	Site Utilities:	Power and Water on Site
T.	Verification Information:	Tried to contact, no response
	e. Verification Sources:	Public Records

	f. Information Verified:	No Unusual Conditions
	vii. Transaction Price:	$3,215,400
	viii. Terms/Concessions:	All cash to seller per DLM Public Records
	ix. Other:	None
U.	Motivation of Parties:	Arm's-length transaction with no unusual conditions.
	g. Source of Information:	None
	h. Relation of Parties:	No relation
	i. Unusual Motivations:	None known
V.	Analysis of Pertinent Information:	None
W.	Overall Exposure Time:	Public Records; private sale
X.	Days on Market:	Unknown
Y.	Remarks:	None
	g. Topography:	Fairly Level
	h. Access:	Paved Road
	i. Amenity View:	Neighborhood
Z.	Property Sketch:	None



Land Transaction 4



A.	Recording Data:	Instrument Number 869088/869090
B.	Grantor/Lessor:	Gift Investments, LLC
C.	Grantor/Lessee:	Chi, Richard S. and Sunoke E.
D.	Date of Transaction:	9/3/2014
E.	Date Inspected:	8/18/2017
F.	Dimensions and size:	Survey Drawing No. MS-06025
	g. Land:	24,385 square meters
	h. Improvement:	None
G.	Consideration:	$300,000
H.	Unit Price:	$12.30 per square meters
I.	Type of Instrument:	Warranty Deed
J.	Tax Identification/Folio Number:	Lot 223-6NEW-4-R14
K.	Address:	North of Route 6, northeast of Mama Sandy St, End of "J" Street
L.	Zoning:	A, Rural
M.	Present Use:	Vacant and Idle
N.	Highest and Best Use at Time of Transaction:	Single Family Residential
O.	Condition of Transaction:	Arm's-length transaction
P.	Type of Financing:	$150k down, remainder seller financed
Q.	Encumbrances:	
	j. Easements:	None
	k. Flood Zone:	Zone X
	l. Other:	None

R.	Type of Improvements:	None
S.	Site Utilities:	Power and Water on Site
T.	Verification Information:	
	g. Verification Sources:	Public Records; MLS 13-3215
	h. Information Verified:	No Unusual Condtions
	x. Transaction Price:	$300,000
	xi. Terms/Concessions:	$150k down, remainder seller financed per DLM Public Records
	xii. Other:	None
U.	Motivation of Parties:	Arm's-length transaction with no unusual conditions.
	j. Source of Information:	Listing Agent: Francisco 'Frank' R. San Agustin, Jr. Office: (671) 479-4663
	k. Relation of Parties:	No relation
	l. Unusual Motivations:	None known
V.	Analysis of Pertinent Information:	None
W.	Overall Exposure Time:	DOM: 321, listing to pending dates
X.	Days on Market:	435
Y.	Remarks:	None
	j. Topography:	Varied
	k. Access:	Paved Road
	l. Amenity View:	Ocean view
Z.	Property Sketch:	None

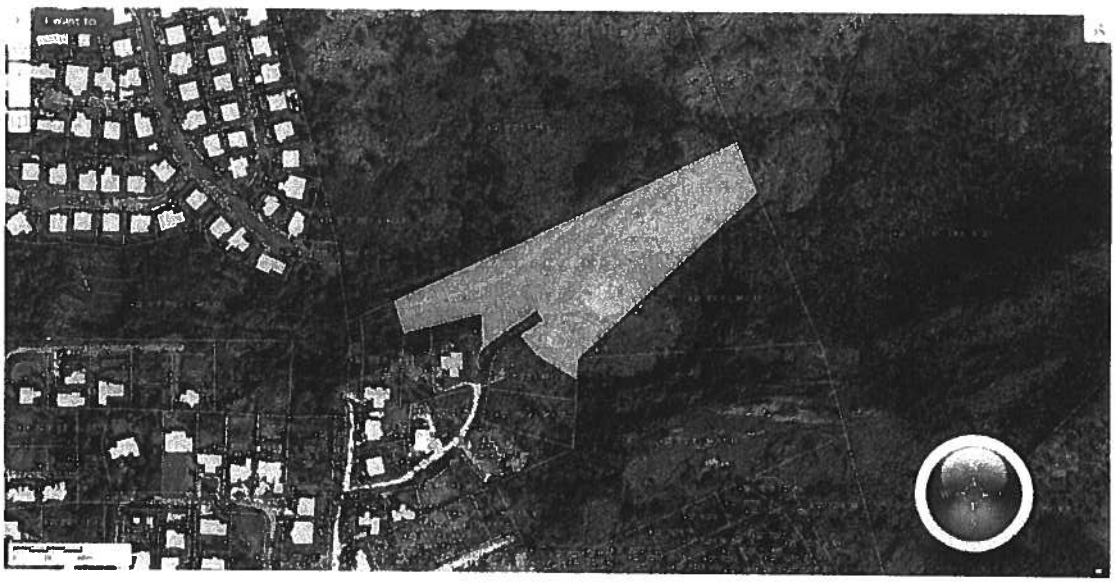


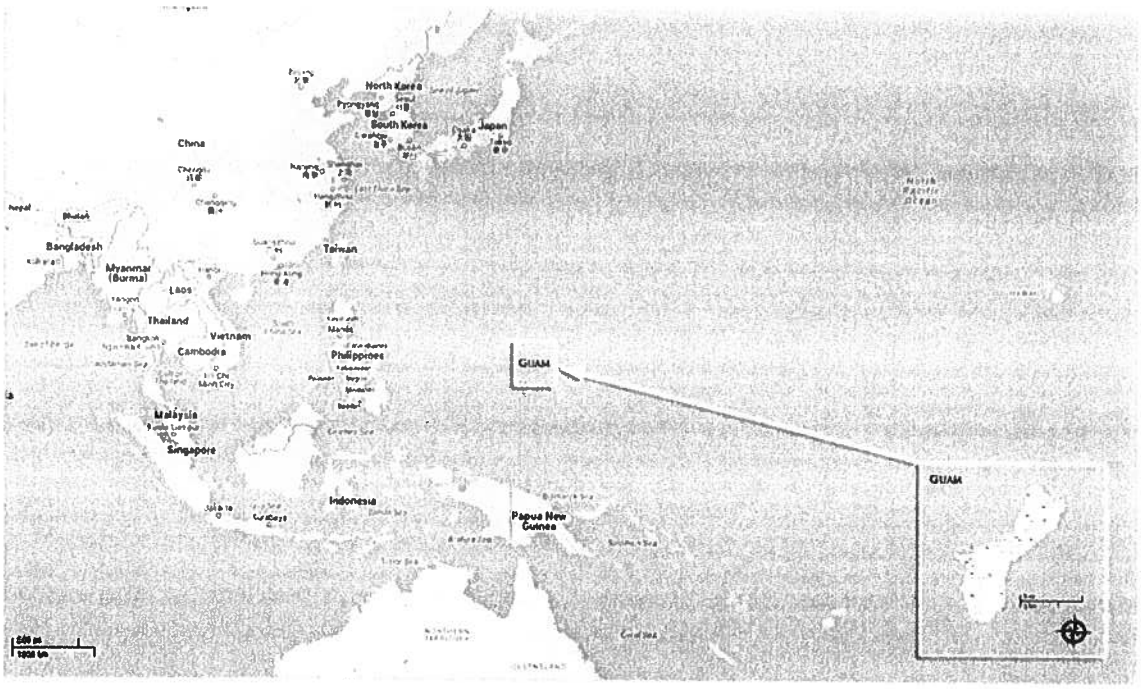
Exhibit 2

Island Data

Regional Analysis (Island Data)

Guam: The Setting

Located in the western Pacific, Guam is the southernmost of the Marianas Islands and the closest U.S. possession to Asia. Guam is about 2,400 km. south of Tokyo, 3,360 km. southeast of Hong Kong, 2,400 km. east of Manila and 6,000 km. southwest of Honolulu. The Mariana Trench, the deepest known ocean depth, is located southeast of Guam.



Guam lies 13 degrees north latitude and 144 degrees east longitude of the equator. It is the largest landmass in Micronesia. Guam is about 48 km. long, and from six to 14 km. wide. The central and northern parts of the island consist of a limestone plateau with steep cliffs dropping down to a narrow coastal shelf. Southern Guam is made up of volcanic hills with a maximum elevation of 407 meters. Coral reefs surround the island except for openings at harbor and river mouths.

The history and natural beauty of Guam offer numerous sights of interest. Latte stones, which served as foundation blocks for the thatch huts of pre-contact Chamorros, are found in parks and jungle areas. The graceful remains of Spanish buildings, plazas and bridges may be seen in Agana and at other locations around the island.

The major hotel, business and residential centers are on the western side of the island facing the calm Philippine Sea. A drive along the east coast past Pago Bay and Yona, south to Talofofo and Inarajan affords spectacular views of the open Pacific thundering against the narrow coastal shelf. Spanish influence is clearly visible in the architectural design of the southern village.

Climate
Guam's tropical climate shows little variation throughout the year. The mean annual temperature is 81 degrees Fahrenheit and humidity is tempered by prevailing northeast trade winds. The rainy season is from July through November, and the cooler dry season from December through June. Guam lies in the path of tropical storms and occasionally experiences typhoons.

People
The indigenous people of Guam are Chamorros, a Micronesian race with a mixture of Spanish, Mexican and Filipino blood. Present day Guam is a cosmopolitan community featuring large populations of Filipinos, Japanese, "stateside" Americans, Chinese, Koreans, and islanders from throughout Micronesia, as well as Europeans, Vietnamese and Indians. Current population is estimated at 171,019.

History
Archaeological evidence indicates that Guam has been settled since about 2000 B.C. The island was discovered for the western world by Portuguese explorer Magellan in 1521, and claimed for Spain in 1565. Jesuit missionaries arrived in 1668 to convert the populace to Christianity. For the next 200 years, Guam remained a Spanish colony administered from Mexico.

Guam first became a U.S. possession in 1898 after the Spanish-American War, and was run as a U.S. naval station until the outbreak of World War II. The island was surrendered to a Japanese invasion force in December 1941.

On July 21, 1944, American troops landed on Guam and recaptured the island in a series of fierce battles. More than 200,000 U.S. servicemen were stationed on Guam after the conclusion of the war.

In 1950, administration of the island was transferred to the United States Department of the Interior and residents were granted U.S. citizenship. In 1962 a U.S. navy security clearance requirement was lifted and Guam began its rapid entry into the mainstream of modern development.

Government
Guam is an unincorporated territory of the United States, administered under the 1950 Organic Act of Guam. Plans are underway to change the island's status to that of a commonwealth. It is anticipated that this change in the political relationship with the federal government would ease some legal constraints that hamper economic development.

The executive branch of government is headed by a governor elected by voters at large for a four-year term. Guam has a unicameral legislature consisting of 15 senators elected for two-year terms. The most recent election for governor was held in 2014 and for senators in 2014.

The District Court of Guam, headed by a judge appointed by the U.S. president for an eight-year term, has jurisdiction over all cases arising under the U.S. Constitution, federal laws and treaties. The Superior Court of Guam handles all other cases arising under the laws of Guam. Appeals may be made to the Ninth Circuit Court of Appeals or to the U.S. Supreme Court.

Economy
The establishment of Guam's economy dates only to 1962 when a U.S. Navy security clearance which restricted travel to the island was lifted. Since that time, Guam has witnessed tremendous growth and

change, and now serves as a Pacific crossroads with good telecommunications, airline connections and media.

During the late eighties and early nineties, the island experienced an economic boom fueled by Japanese investment, and by tourism, most of which originated in Japan. Land values spiraled, with the sales prices of parcels in some prime areas of the island doubling within a short period. However, the "bubble economy" on Guam suffered when the Japanese economy weakened (1990/91). A persistently weak Japanese economy, a series of typhoons in 1992 and a powerful earthquake in 1993 adversely impacted Guam real estate markets for years thereafter; its effects lingered through 2003. A recovering visitor industry and increased external investment led a recovering economy; anticipation of military upsizing will provide significant stimulus into the local market over the next decade and is already driving investment into the real estate market.

Tourism remains the leading component of Guam's economy, and is discussed in further detail below.

Federal and Military Impact

The Federal Government has historically played a major role in the economic affairs of Guam. Increases in Federal and Military spending has remained strong, and helped mitigate the adverse impact of the Japanese economy. The following table presents the growth in Military and Federal spending on Guam from 1989 to 2005.

Military expenditures went through a decline from 1995 to 1999 as part of the U.S. cut-backs world-wide.

> *On February 28, 1995, the Pentagon in its 1995 Base Closure and Realignment Report recommended to the Defense Base Closure and Realignment Commission that four of Guam's military bases be closed or reduced in size, resulting in a loss of 2,104 military jobs and 2,665 civilian jobs. Specifically, the Pentagon recommended the realignment of Naval Activities Guam, with 2,421 jobs being transferred to Hawaii; the closure of the Ship Repair Facility, with a loss of 633 jobs; the shifting of some 1,270 jobs formerly performed at Naval Air Station Guam to the U.S. mainland and Hawaii instead of to Guam's Anderson Air Force Base as previously recommended; and the closure of Fleet and Industrial Supply Center, with a loss of 413 jobs....Naval Air Station was closed by the military on April 1, 1995, and the facility, along with the civilian airport, now is operated by the Government of Guam. The base was renamed Tiyan Reuse Facility, and some government of Guam agencies occupy former military housing units. Guam has experienced a steady decrease in military personnel and infrastructure, a consequence of declining overall military spending. Because Guam's military expenditures have run an important second to tourism in economic input, most of the changes have had a direct impact on the island."*[1]

One result of overall military downsizing during the mid-1990s was a transfer of substantial federally-held lands back to the Government of Guam. During 1999, an estimated 1,317 acres of the total 3,200 acres in the Guam Excess Lands Act were returned by the military. Economically significant properties being turned over to Guam include the Tiyan area around the Guam International Airport and the Harmon Annex (Cliffline) area.

The Tiyan property returned to the Government of Guam was leased during 2001 by the Tiyan Trust (Guam Economic Development and Commerce Authority) to a private developer. Opposition by "original landowners" resulted in the 2002 abolition of the Tiyan Trust and the requirement that all Government of

[1] U.S. Naval Forces Marianas Fact Sheet - Military Presence on Guam, as quoted in Business Almanac of Guam and the Mariana Islands, 1996.

Guam agencies not supporting the airport to vacate occupied buildings. Current local political sentiment is for a return of these properties to "original landowners" (those owners at the time of condemnation following World War II), but the Federal Aviation Administration has indicated that this is inconsistent with the provisions of the excess land return from the Federal Government. These properties have yet to impact supply because of title restrictions and absence of zoning.

The trend in military activity is now for significantly increased presence. An early indicator was the May 1995 decision to halt the transfer of the 100-acre Naval Ship Repair Facility to the Government of Guam. Under lease to the Government of Guam and sublease to a private contractor, the Navy announced its decision to retain the property only one week before the scheduled transfer date.

Significant investments have been made by the military into renovation and expansion of on-base housing and school facilities, a precursor to increased personnel. During 2000, it was announced that up to five nuclear-powered submarines would be moved to Guam. The advance team arrived early in 2001 with the first submarine arriving in 2002 and two additional during 2003. There were persistent rumors about possible significant relocation of military personnel to Guam; for example, real estate professionals were contacted during late 2000 by individuals studying the ability of Guam's market to support up to 25,000 to 30,000 additional population. There has also been ongoing discussion of possible home-porting of an aircraft carrier on Guam. The past years have also seen increased port calls by various Navy ships.

In its 2001 Quadrennial Review, the Department of Defense included comments about Guam and the region[2]:

- *The Secretary of the Navy will increase aircraft carrier battle group presence in the Western Pacific and will explore options for home porting an additional three to four surface combatants, and guided cruise missile submarines (SSGNs), in that area.*
- *The Secretary of the Air Force will develop plans to increase contingency basing in the Pacific and Indian Oceans, as well as in the Arabian Gulf. The Secretary of the Air Force will ensure sufficient infrastructure for refueling and logistics to support operations in the Arabian Gulf or Western Pacific areas.*
- *In consultation with U.S. allies and friends, the Secretary of the Navy will explore the feasibility of conducting training for littoral warfare in the Western Pacific for the Marine Corps.*

The most significant event is the April 2006 announcement of the relocation of 8,000 Marines (together with an estimated 12,000 dependents) from Okinawa to Guam. As recently as 2014, those figures have dropped to 5,000 marines and 1,300 dependents relocating over a 12 year period. Other changes to the original force relocation plans are listed in the following 2014 chart from Naval Facilities Engineering Command Pacific, on the next page.

The Government of Guam is negotiating for approximately $330 million in general island-wide infrastructure upgrades in conjunction with the military upsizing. Governor Calvo has stated that the money is necessary to upgrade the infrastructure, roads, and public health facilities[3].

[2] Department of Defense, Quadrennial Defense Review Report, September 2001, p. 27.
[3] Source: Pacific News Center, Governor to Discuss Military Build Up and Compact Impact with Federal Government Officials (January, 2015)

The Guam Economic Development Authority - in their October 2014 Invest Guam conference - estimated that the military expansion is expected to "create $6.2 billion in economic contributions over the next 10 years."[4]

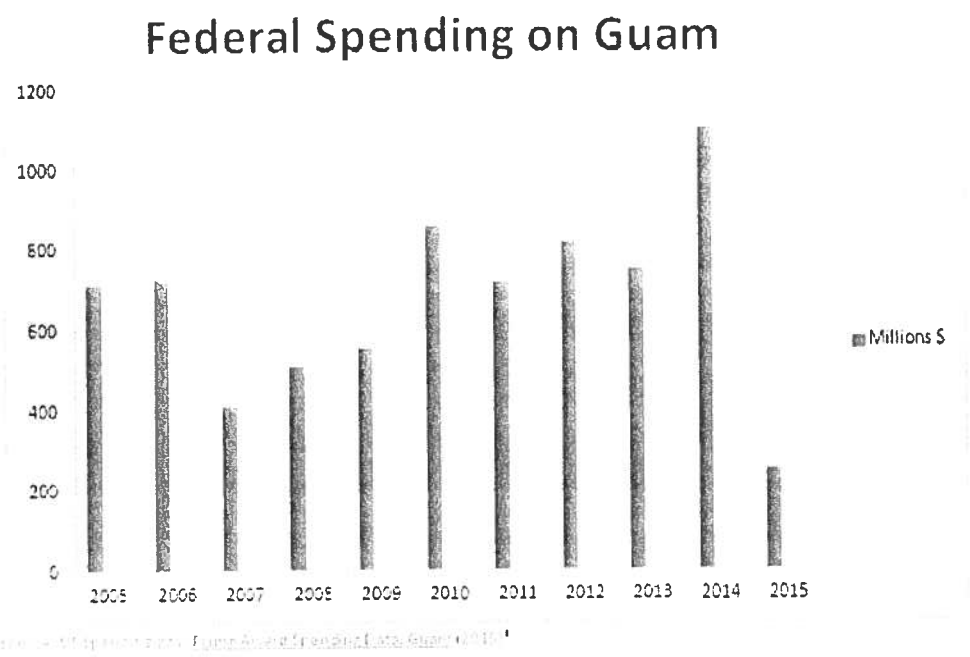
Key Differences Between 2010 Final EIS and 2014 Draft SEIS

2010 Final EIS		2014 Draft SEIS
Approximately 8,600 Marines and 9,000 dependents relocating over 5 years	Relocated Population	Approximately 5,000 Marines and 1,300 dependents relocating over 12 years
7-year intense construction boom followed by sharp decline	Construction Period	13-years of moderate construction activity with gradual phase out
More than 79,000 new Guam residents at peak	Peak Population Increase	Less than 10,000 new Guam residents at peak
More than 33,000 additional Guam residents	Steady State Population Increase	Approximately 7,400 additional Guam residents
2,580 acres at Finegayan preferred alternative	Project Area: Cantonment	1,452 acres at Finegayan preferred alternative
Acquisition of 688 acres of non-federal land at Finegayan preferred alternative	Land Acquisition: Cantonment	No land acquisition at Finegayan preferred alternative
5,529 acres for Route 15 preferred alternative (4,439 acres in SDZs, mostly over ocean)	Project Area: LFTRC	3,966 acres for Northwest Field preferred alternative (3,701 acres in SDZs, mostly over ocean)
Acquisition of more than 1,000 acres of non-federal land at Route 15 preferred alternative	Land Acquisition: LFTRC	No land acquisition at Northwest Field preferred alternative
20 megawatts	Power Demand	5.7 megawatts
5.82 million gallons/day	Potable Water Demand	1.7 million gallons/day
2.6 million gallons/day	Wastewater Generation	1.2 million gallons/day
165,600 pounds/day	Solid Waste Generation	54,250 pounds/day
4 alternative sites in EIS analysis, all in same vicinity	EIS Alternatives: Cantonment	4 alternative sites in 3 different areas on Guam
2 alternative sites in EIS analysis, both in same vicinity	EIS Alternatives: LFTRC	5 alternative sites in 3 different areas on Guam

Source: Naval Facilities Engineering Command Pacific

[4] Source: Guam Economic Development Authority. Invest Guam Conference Sponsorship Packet. (October, 2014)

The following table presents the growth in Federal spending on Guam from 2005 to 2015.[5]



Federal spending had reached its peak of $1.1 billion in 2014 and is already at $248.6 million for the first quarter of 2015. Much of the money had flowed into the island as part of the preparation for the military buildup. However, the bulk of that money has gone to upgrade military facilities on base (such as airstrips and base infrastructure projects). The Government of Guam is negotiating for approximately $330 million in general island-wide infrastructure upgrades in conjunction with the military upsizing. Governor Calvo has stated that the money is necessary to upgrade the infrastructure, roads, and public health facilities[6].

Construction

When construction is in an upswing, construction companies tend to hire more people and purchase more supplies from the local economy to complete the project. This, in turn, increases economic activity to the region.

A snap shot of existing and upcoming construction projects for 2014 to 2016 (including federal, local government, and private contracts) shows a total of $610 million in construction work that has been awarded as of September, 2014[7]. The data was compiled by Guam Business Magazine from data gained from the Department of Public Works and Navy Engineering Facilities Command Marianas.

[5] Source: US Spending.gov. Prime Award Spending Data, Guam (2015)
[6] Source: Pacific News Center. Governor to Discuss Military Build Up and Compact Impact with Federal Government Officials (January, 2015)
[7] Johnson. Guam Business Magazine. Building Confidence: Construction Industry gradually on its way back up (September, 2014).

2014-2016 Construction Projects on Guam

Project	Vendor	Estimated cost	Award Date	Completion Date
DPW - Reconstruction of Route 4 Agfayan Viaduct Bridge	Mamer Pacific Corp	$[illegible] million	[illegible]	[illegible]
DPW - Route 3 Widening Route 28 to Dededo Flats	DPW Implementation	$2.2 million	5/6/2013	9/30/2014
Rizal Beach Emporium Restoration	Pacific Builders Inc	$[illegible] million	6/30/2012	9/30/2014
DPW - Route 4 Agfayan Bridge Replacement	Black Construction Co	$4.7 million	6/4/2013	11/30/2014
Phase II GU Chamorro Education Building	Infinite Builders Corp	$[illegible] million	6/6/2013	9/30/2014
DPW - Route 17 Rehab & Widening Phase 2A	Taisei Corp	$[illegible] million	10/28/2013	9/30/2014
DPW - Dublon Quarry Closure - Construction and Other Public Facility Improvements	Black Construction Co	$[illegible] million	12/1/2013	12/8/2015
DPW - Inarajan Northern Bridge Rehab	JMCO General Construction Inc	$[illegible] million	3/3/2014	3/4/2015
DPW - Routes 26 and 15 Intersection Improvements	Hawaiian Dredging Corp	$2.5 million	3/6/2014	11/14/2014
DPW - Tuyan Facilities, Phase I Project	JMCO General Construction Inc	$[illegible] million	3/10/2014	3/12/2015
NAVFAC Marianas - AAFB BAMS Hangar 1 HACC	Guam HACC Builders	$[illegible] million	3/27/2014	4/1/2016
NAVFAC Marianas - IDIQ Construction Navy Support Facility Diego Garcia EIDI	Black Construction Co	$[illegible] million	4/7/2014	5/1/2014
NAVFAC Marianas - Emergent Repair Facility	HACC Guam HACC Builders	$25.7 million	4/14/2014	8/1/2016
Const. Farmers Coop Facility and Relocation - Dededo Flea Market	Mega Venture Corp	$[illegible] million	5/1/2014	2/28/2015
NAVFAC Marianas - Marine Corps Support and Maintenance Hangar HACC	DIA Pacific	$[illegible] million	5/7/2014	12/1/2015
NAVFAC Marianas - Modular Storage Construction & Infrastructure Improvements FY-20	Guam HACC Builders	$[illegible] million	5/12/2014	[illegible]
DPW - Ylig River Bridge Replacement Project	Kiewit Corp	$[illegible] million	5/19/2014	[illegible]
Guam Public Library - Expansion Design Build	[illegible]	$[illegible] million	7/14/2014	[illegible]
NAVFAC Marianas - IDIQ Airfield Pavement	Hawaiian Rock Products Corp	$90 million	8/1/2014	TBD
NAVFAC Marianas - Guam Strike Fuel System Maintenance Hangar	TBD	$[illegible] million	8/30/2014	TBD
NAVFAC Marianas - Apra Fuel Fuel System Hardstand Structures	TBD	$[illegible] million	9/30/2014	TBD
NAVFAC Marianas - PRTC Red Horse Logistics Facility	TBD	$[illegible] million	2/15/2015	TBD
NAVFAC Marianas - PRTC Satellite Fire Station	TBD	$9.5 million	2/25/2015	TBD
NAVFAC Marianas - Composite Repair Shop	TBD	$[illegible] million	3/16/2015	TBD
NAVFAC Marianas - PRTC - Combat Communications Infrastructure	TBD	$4.3 million	4/10/2015	TBD
NAVFAC Marianas - DPRI-GSE Shops at North Ramp	TBD	$21.3 million	4/4/2015	TBD
NAVFAC Marianas - DPRI - HWSS Facilities at North Ramp	TBD	$28.8 million	4/4/2015	TBD

Sources: Department of Public Works and Naval Facilities Engineering Command Marianas

John Sage - Vice-President of Watts Construction - stated in an interview with Guam Business Magazine in 2014 that the limited skilled labor force on the island was going to be a problem when more government contracts are handed out. He stated in the article,

> *"The biggest challenge we see is the upcoming pressure on the local labor supply from upcoming [Department of Defense] projects....We are reinforcing training within the company, re-evaluating the employee benefits we offer and looking at alternate sources of labor."* (as qtd in Johnson, 2014)

Other contractors had concerns regarding the industry as a whole and the lack of large government jobs in general. The Guam Business Magazine article[8] quoted another contractor - Louis DeMaria, vice president of Dck Pacific Guam LLC - as saying,

[8] Ibid

"The prices are tighter and the margins are tighter, but I think a lot of that is just what happens when we go through a period like we have — when there just wasn't much work to go around. And now it looks like we're starting to come out of that, but whether or not it continues this trend, we'll just have to see. Things change fast." (as qtd in Johnson, 2014)[9]

It must be noted that an increase in construction activity may not indicate a growing economy since the allocation of money for some of the projects may have occurred one to two years prior to work actually begins on a project. Also, military contracts may be awarded to construction companies based and operated outside of Guam.
However, construction projects still act as a stimulus for the local economy as contractors hire more people and buy more supplies during the construction period.

Guam is also expected to make some major investments and upgrades to its energy infrastructure in the coming years. These upgrades are necessary for Guam to be in compliance with federal environmental protection laws. The Guam Economic Development Authority outlined some of these upgrades in infrastructures in its Invest Guam Conference Sponsorship Packet in 2014:[10]

> Guam Economic Development Authority
> Invest Guam Conference Sponsorship Packet
> October, 2014
> ....
> Guam is mandated by EPA to come in to compliance with provisions of the Clean Air and Clean Water Act. The cost to meet mandated water treatment standards will require $400 million in infrastructural investment. To meet the requirement of the clean air act will require an investment twice as large. The Guam Power Authority (GPA) is planning to invest between $650 to $850 million to build a modern mix of generation facilities that support solar, the burning of Low Sulfur Diesel, and/or LNG. The planned new generators are twice as efficient as the current generation facilities. The use of new technology will stabilize and possibly lower power rates. Just as important, the plan also supports an aggressive increase in the use of solar, wind and other alternative technologies. GPA plans to convert 40% of their current generation capacity to solar by 2020. The economic impact of the program will contribute $3.3 billion in increased economic activity over the next seven years to the economy. In addition both Guam's international Air and Sea ports are embarking on substantial upgrades further adding to the islands dynamic economic development.

Local Economic Indicators

Guam's retail sector is one of the areas heavily influenced by tourism. It can respond more quickly than other sectors to changes in income, consumer preferences, population changes and import prices. In 2001, retail gross business income was $1.47 billion, down from its 1996/7 peak of $1.83 billion. Retail gross income accounts for more than 40 percent of total gross business income; retail sector employment makes up 27% of total private-sector employment. Confidence in Guam retailing is indicated by entries over the past decade: Liberty House (now Macy's), a high image and quality department store; Crazy Shirts, ABC Stores and other Hawaii based companies; K-Mart[11], a large chain of discount stores; and two Cost-U-Less warehouse retail stores. The Guam Shopping Center (Gibson's) was renovated into an 80,000sf outlet mall (Guam Premium Outlets) by a Hawaii developer during 1997; during 2000, Ross Dress For Less became the anchor of this center. There have been persisting rumors about Wal-Mart considering Guam, including in

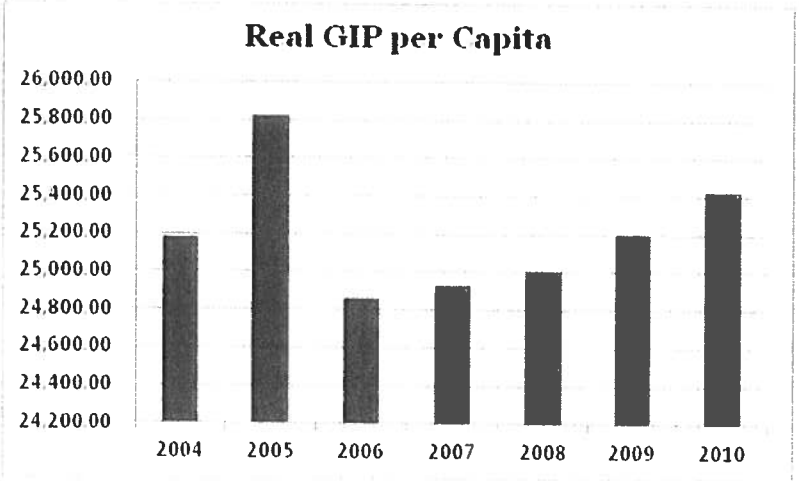
[9] Johnson. Guam Business Magazine. Building Confidence. Construction Industry gradually on its way back up (September, 2014). Retrieved from http://www.guambusinessmagazine.com/?p=1756
[10] Source: Guam Economic Development Authority Invest Guam Conference Sponsorship Packet. (October, 2014)
[11] The Guam store, opened in mid-1995, was immediately projected to become the chain's highest producing store. This store remains the number one store within the chain, changed to 24 hour operations during 2000, and shortly thereafter converted to a "Big K" format.

conjunction with the Micronesia Mall (300,000sf) expansion. Purchases by visitors contribute to the high retail and wholesale receipts. Visitor expenditures have historically provided Guam with revenues in excess of $1.4 billion annually. The high expenditures on gifts and souvenirs may reflect the cultural habits of the Japanese tourists, as Guam is a duty-free port without luxury taxes on goods.

The **Gross Island Product** grew rapidly from 1988 through 1992, both on an absolute and per-capita basis, accompanying the boom in the visitor industry, as discussed below. From 1993 to 1998 Gross Island Product was relatively stable, although it declined on a per capita basis. From 1999 to 2003 GIP declined gradually. GIP began recovering in 2004 and continued to recover in 2005. For the year 2010 (the year of the most recent data) GIP was at 4,577 and GIP per Capita was $28,721.49. The island population at the time was 159,358.[12]



The following table shows Real GIP per Capita from 2004 to the most current numbers of 2010:[13]



[12] Source: Department of Commerce, Guam Annual Economic Review
[13] Source: Department of Commerce. Guam Annual Economic Review (2011)

According to the Guam Bureau of Statistics and Plans' *FY 2013 Citizens Centric Report* (October, 2014), the total population on Guam in 2014 stood at 161,001. This represents a 0.4% increase from 2013's figure of 160,378, and a 0.7% increase from 2012's figure. The population of the island has grown steadily at less than 0.5% per year since 2004. The village with the largest population is Dededo which hosts 45,406 people; this is followed by Yigo with 20,751 people, and Tamuning with 19,888 residents.[14]

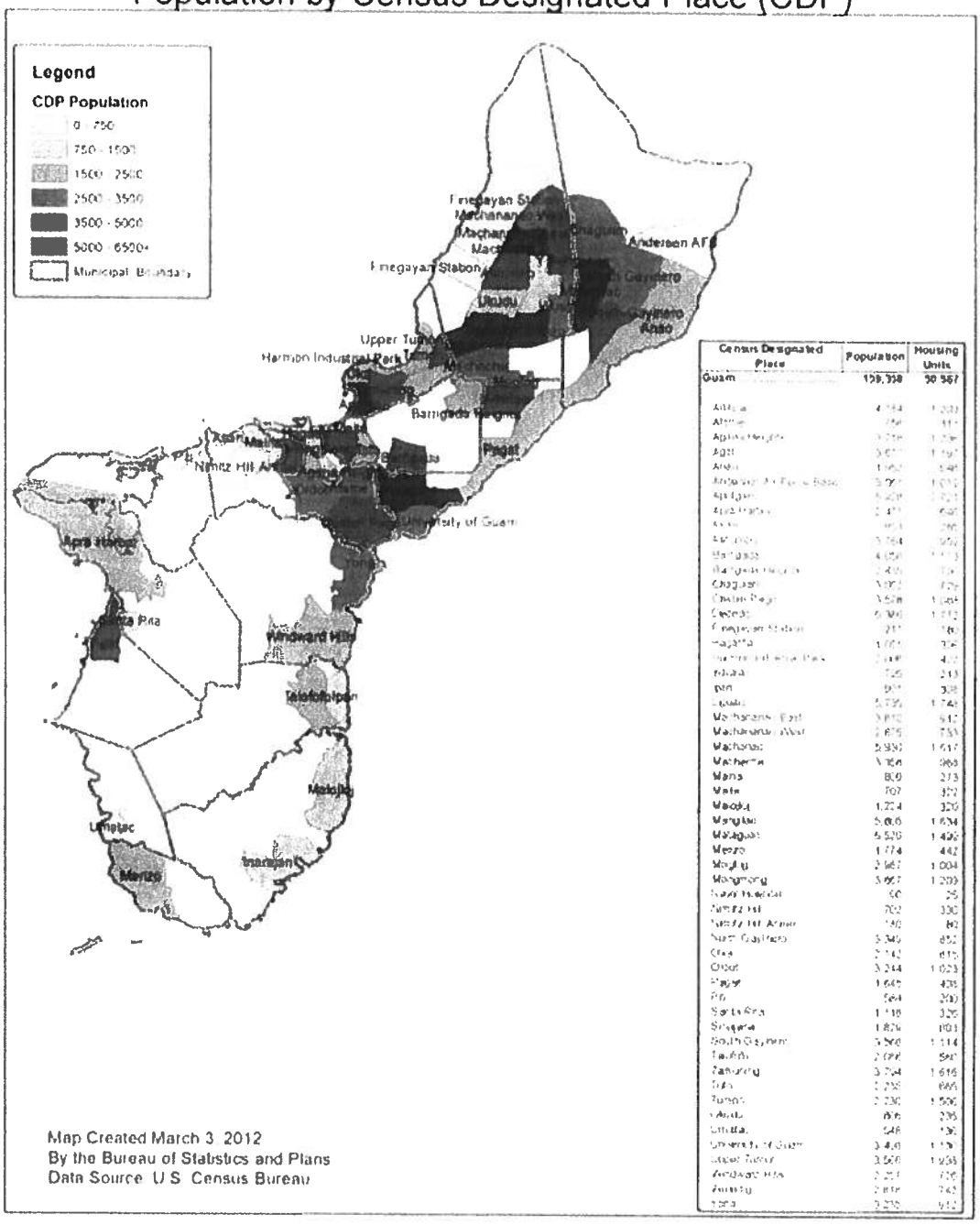
Village Population Projection

	2014	2013	2012	2011	2010
Total	161,001	160,378	159,914	159,600	159,358
Agana Heights	3,847	3,832	3,821	3,814	3,808
Agat	4,968	4,948	4,934	4,924	4,917
Asan-Maina	2,159	2,151	2,144	2,140	2,137
Barrigada	8,967	8,932	8,906	8,888	8,875
Chalan Pago-Ordot	6,892	6,866	6,846	6,832	6,822
Dededo	45,406	45,231	45,100	45,011	44,943
Hagatna	1,062	1,058	1,055	1,053	1,051
Inarajan	2,296	2,288	2,281	2,276	2,273
Mangilao	15,348	15,288	15,244	15,214	15,191
Merizo	1,869	1,862	1,856	1,853	1,850
M-T-M	6,895	6,869	6,849	6,835	6,825
Piti	1,469	1,463	1,459	1,456	1,454
Santa Rita	6,147	6,123	6,105	6,093	6,084
Sinajana	2,619	2,609	2,601	2,596	2,592
Talofofo	3,081	3,070	3,061	3,055	3,050
Tamuning	19,888	19,811	19,754	19,715	19,685
Umatac	790	787	785	783	782
Yigo	20,751	20,670	20,611	20,570	20,539
Yona	6,547	6,521	6,503	6,490	6,480

Source: 2010 Census Population and Housing

[14] Government of Guam, Bureau of Statistics and Plans, FY 2013 Citizens Centric Report (October, 2014)

2010 Census of Population and Housing Guam
Population by Census Designated Place (CDP)



Census Designated Place	Population	Housing Units
Guam	159,358	50,557
Agat	5,656	1,797
Agana Heights	3,794	1,294
Agana/Sinajana	5,078	2,021
Andersen AFB	1,891	648
Asan-Maina	2,178	790
Barrigada	6,859	2,113
Chalan Pago-Ordot	5,528	1,964
Dededo	44,943	11,512
Finegayan Station	211	186
Hagatna	1,051	366
Harmon Industrial Park	1,148	412
Inarajan	1,906	713
Mangilao	5,735	1,744
Machanao East	1,870	647
Machanao West	2,875	751
Machanao	2,930	1,017
Malesso'	3,164	968
Malojloj	830	273
Malojloj	707	327
Merizo	1,224	329
Mongmong-Toto-Maite	5,806	1,634
Mountain View	5,578	1,490
Nimitz Hill Annex	1,774	442
Piti	2,967	1,004
Santa Rita	5,957	1,209
Sasa Heights	60	25
Sinajana	702	330
Talofofo	1,920	652
Tamuning-Tumon-Harmon	5,340	1,114
Umatac	1,242	615
Yigo	3,244	1,023
Yona	1,645	435
Ylig	564	300
Santa Rita	1,118	325
Sinajana	1,874	703
South Finegayan	1,560	1,114
Talofofo	2,094	581
Tamuning	3,794	1,616
Tiyan	1,258	666
Tumon	1,230	1,500
Umatac	616	295
Umatac	548	136
University of Guam	3,440	1,176
Upper Tumon	3,560	1,936
Verdegate Hills	2,251	726
Yamashita	2,818	745
Yona	3,235	911

Vital Statistics Summary

Event	2011	2010
Births	3,298	3,419
Deaths	842	872
Fetal Deaths	37	49
Marriages	1,579	1,484
Divorces	734	718
Life Expectancy *	78.3	78.2
Male	75.3	75.1
Female	81.6	81.4

Source: Office of Vital Statistics, DPHSS.

* International Data Base, International Programs Center, U.S. Census Bureau

Birth rates on the island had decreased by 3.5 % from 2010 to 2011. The Death rate had also gone down 3.4 % (from 872 in 2010 to 842 in 2011). Below is a summary of anti-drug activities conducted on Guam by law enforcement personnel from 2012 to 2013. The chart came from the FY 2013 Citizens Centric Report and shows an almost $6 million (in drug street value) decrease in drugs seizures on Guam, from 2012 to 2013. [15]

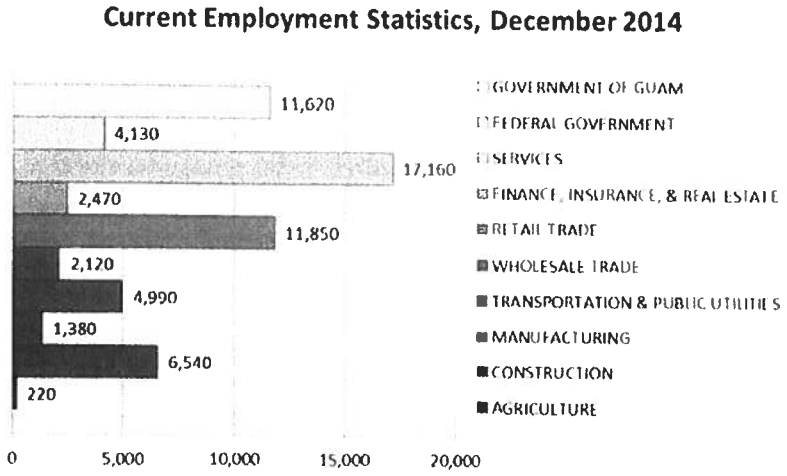
Multijurisdictional Task Force Drug Seizures and Value of Drugs Seized

Drugs in Guam	CY 2013		CY 2012	
	Seizure	Value	Seizure	Value
Methamphetamine	34,922.39	$20,281,477.82	34,557.43	$25,916,656.00
Marijuana	2,267.00	$62,898.00	3,000.00	$80,463.00
Marijuana Plants	87	$87,000.00	424	$424,000.00
Heroin	0	$0.00	0	$0.00
Cocaine	0	$0.00	0	$0.00
MDMA (Estacy)	499	$24,950.00	0	$0.00
Spice/Salviya	1,982.00	$19,190.00	25,064.99	$179,844.65
Spice/Salviya: Vials	0	$0.00	320	$16,000.00
Total Drugs Seized in Grams	**39,757.39**	**$20,475,515.82**	**63,366.42**	**$26,616,963.65**

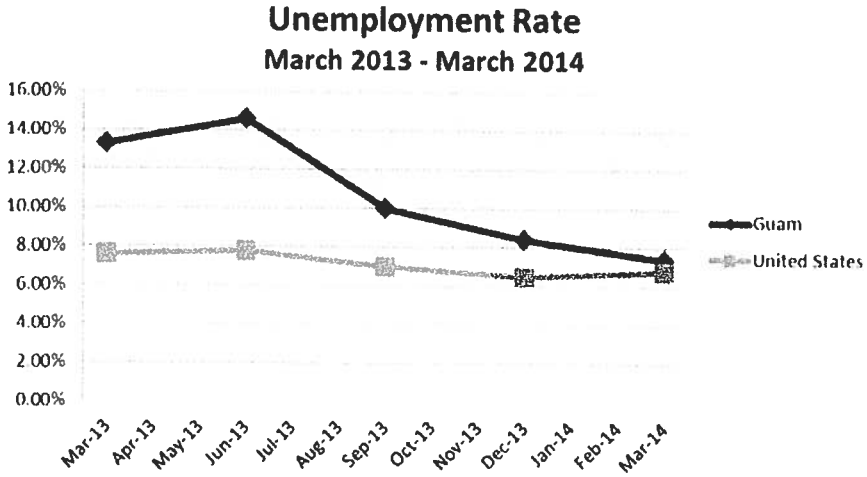
Source: Guam's Multi-jurisdictional Task Force FY 2013 Quarter Progress Reports

[15] Government of Guam, Bureau of Statistics and Plans, FY 2013 Citizens Centric Report (October, 2014)

The following chart shows employment by sectors in 2014:



Unemployment had steadily declined from during the first part of the last decade, but then went up to a high of 13.3% in March of 2013. The number came down to 7.4% in March of 2014: a 5.9% drop from the year prior. The Government of Guam Bureau of Labor and Statistics chart shows that - as of the end of 2014 - the services sector employed the most people on island (outside of the military). The second largest employing sector was the retail and trade sector, and the third largest was the Government of Guam. The following charts were taken from the Government of Guam, Department of Labor, Bureau of Labor Statistics website:[16]



[16] Source: Government of Guam, Department of Labor, Bureau of Labor Statistics (2014)

The Department of Labor statistics exclude members of the U.S. Armed Forces and their dependants living on base but includes those living off base.

The following charts were taken from First Hawaiian Bank *Economic Forecast: 2014 Guam-CNMI Edition*[17]

CHART 3 • GUAM JOB GROWTH, DECEMBER 1993-2013

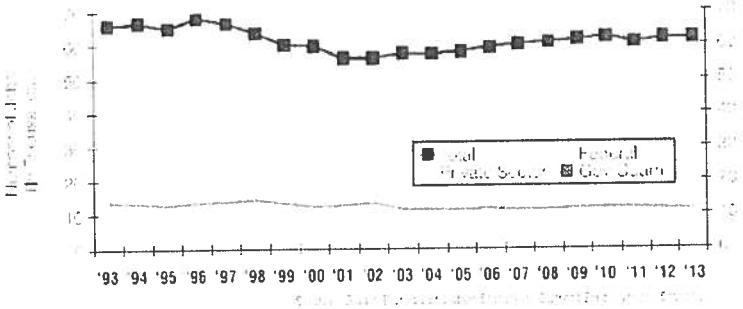


CHART 4 • GUAM CIVILIAN UNEMPLOYMENT RATE, 2011-2013

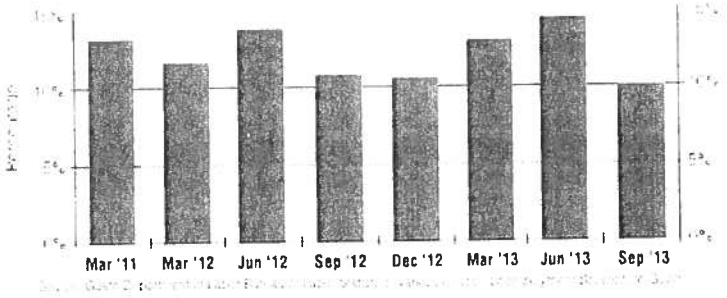
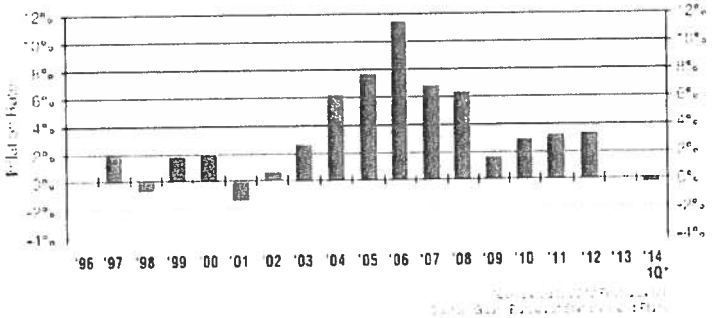


CHART 5 • GUAM CPI INFLATION, 1996-2014



Guam's current minimum wage is $8.25 per hour. The following charts on current minimum wage data, and projected minimum wage data (with minimum wage projections at $9.15 per hr) were also taken from the Government of Guam, Department of Labor, Bureau of Labor Statistics website:[18]

[17] Source: First Hawaiian Bank Economic Forecast: 2014 Guam-CNMI Edition (2014)

[18] Source: Government of Guam, Department of Labor, Bureau of Labor Statistics (2014)

Projected Minimum Wage - $8.25 per hour | All Sectors			
Estimated Total Workforce Number At or Below Wage			8,849
Top 10 Occupation Groups At or Below Specified Wage (Two-digit SOC)*			
Occupation Code	Description	Estimated Total Number of Employees In Occupation	Estimated Number of Employees At or Below Wage
35-0000	Food Preparation and Serving-Related Occupations	5,938	2,211
43-0000	Office and Administrative Support Occupations	10,879	1,620
41-0000	Sales and Related Occupations	4,562	1,128
37-0000	Building and Grounds Cleaning and Maintenance Occupations	2,999	1,051
53-0000	Transportation and Material Moving Occupations	3,304	592
39-0000	Personal Care and Service Occupations	1,576	469
33-0000	Protective Service Occupations	2,602	446
25-0000	Education, Training, and Library Occupations	4,490	412
49-0000	Installation, Maintenance, and Repair Occupations	3,364	293
51-0000	Production Occupations	1,654	260

Projected Minimum Wage - $9.15 per hour | All Sectors			
Estimated Total Workforce Number At or Below Wage			18,338
Top 10 Occupation Groups At or Below Specified Wage (Two-digit SOC)*			
Occupation Code	Description	Estimated Total Number of Employees In Occupation	Estimated Number of Employees At or Below Wage
35-0000	Food Preparation and Serving-Related Occupations	5,938	4,480
43-0000	Office and Administrative Support Occupations	10,879	3,382
41-0000	Sales and Related Occupations	4,562	2,330
37-0000	Cleaning and Maintenance Occupations	2,999	2,128
53-0000	Transportation and Material Moving Occupations	3,304	1,218
39-0000	Personal Care and Service Occupations	1,576	948
33-0000	Protective Service Occupations	2,602	886
25-0000	Education, Training, and Library Occupations	4,490	829
49-0000	Installation, Maintenance, and Repair Occupations	3,364	612
51-0000	Production Occupations	1,654	638

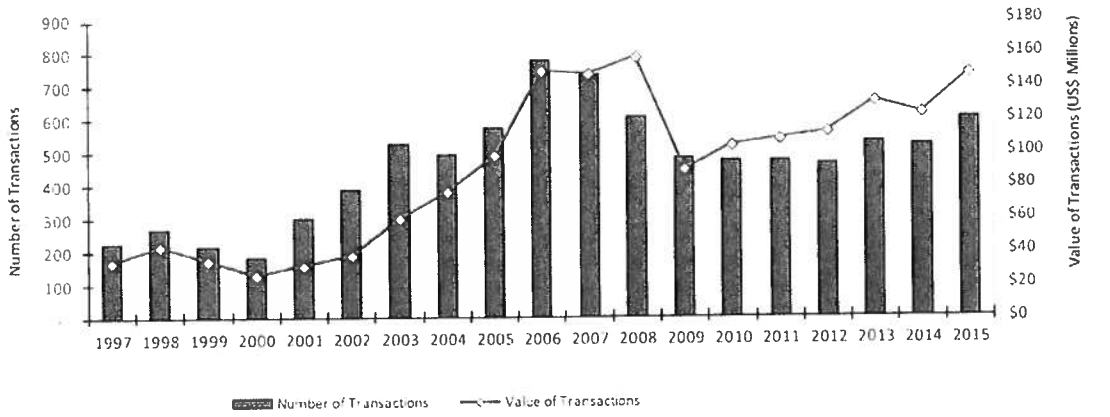
Real Estate

Overall Activity: Figure 2 shows Multiple Listing Service figures from 1996 through 2014 on volume and value of property transactions. The data includes detached dwelling, condominium, apartment, commercial, and land sales activity. The Multiple Listing Service data represents only a portion of total activity on Guam but has historically been indicative of single family, condominium, and multi-family and, land activity.

Market activity increased since the lows of 2001 due to significantly lower prices resulting from a dramatic increase in foreclosure activity. Foreclosure-related sales during this period represented a sizable portion of the market, about 100 to 200 transaction each year.

Market optimism was at an all-time high in 2006 from to the announcement of the military buildup and foreign investment activity, mostly Korean, drove demand and prices higher. Korean investments focused on prime locations (Tamuning and Tumon) for high-end condominium development. Some of these projects began construction but most never broke ground. All Korean projects on Guam halted as a result of the worldwide financial crisis and its severe impact on the Korean economy. The worldwide financial crisis led to the sharp decline in activity in 2008 and again in 2009. Since this time the market has remained relatively flat.

All Property Sales, Multiple Listing Service, 1997 to 2015, Guam



Source: Multiple Listing Service, Guam Association of Realtors.

Commercial and Industrial Market

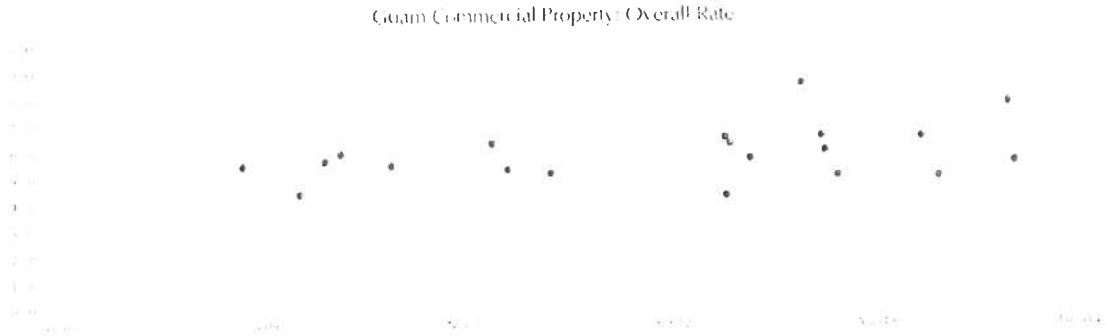
Commercial and industrial property transaction statistics are available from the multiple listing service database and typically include small and medium size properties. Hotels, shopping centers, and very large properties are seldom sold through the MLS.

Commercial and Industrial Property Sales Statistics, Guam

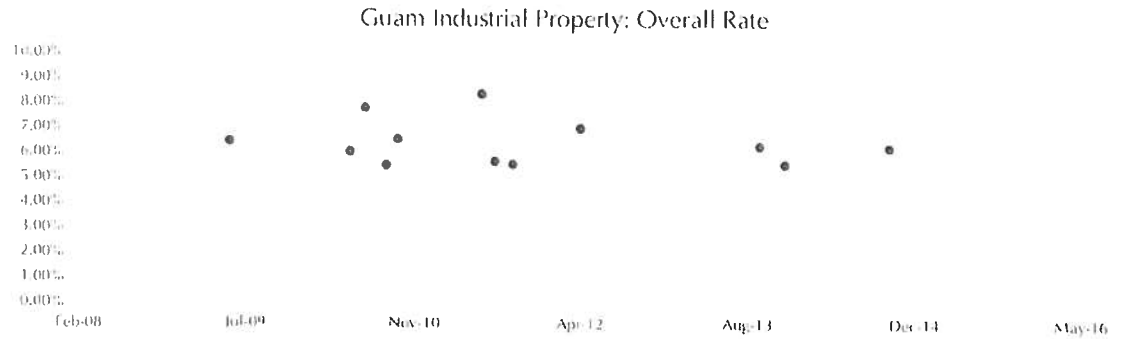
Period	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Number of Sales	6	3	5	4	6	6	3	6	6	5
Dollar Volume	$4,541,000	$2,025,000	$3,305,000	$2,634,200	$2,325,000	$6,044,998	$3,685,000	$5,883,000	$5,523,888	$8,740,000
Median Sales Price	$432,500	$650,000	$595,000	$384,600	$322,500	$989,999	$1,035,000	$665,000	$890,000	$1,130,000
Average Sales Price	$756,833	$675,000	$661,000	$658,550	$387,500	$1,007,500	$1,228,333	$980,500	$920,648	$1,748,000

From 2005 through 2014 commercial property prices increased, resulting in declining overall rates of return, as shown in the graph below. Overall rates has been stable at around 6% to 7%.

Guam Commercial Property Overall Rate Trend: 2009 to 2014



Guam Industrial Property Overall Rate Trend: 2009 to 2014



The increases in price have been driven by anticipation of the military buildup and low interest rates. The commercial unit median sales price per square foot of leasable area during this period has been $150 per square foot. Industrial properties median for the same period is $86 per square foot

Seller expectations have risen dramatically due to the impending buildup. Presently there are currently 18 commercial buildings listed for sale with a median list price of $1.55 million and a median time on market of 121 days. In the last 10 years a total of 50 buildings have sold through MLS, thus the current listings may appear to represent over seven years' worth of supply. But many of the listings are by sellers that appear to be testing the market with pricing well above historical levels.

Land Market

Market conditions:

- Ancestral land activity that began at round $20 to $30 per square meter in the Harmon cliffline area several years ago is now transacting at $50 to $100 per square meter, with the upper end being road frontage parcels and lower end being interior parcels with no to poor access. The earlier prices reflected some uncertainties about the title conditions and lack of zoning, as well as risk/timing for end-user demand for military buildup. Title insurance is now generally available for ancestral lands, and many have been rezoned (typically by Public Law through Legislature) so that buyers now have that expectation.

- Light industrial land (5 acres or smaller) in Harmon Industrial Park: prices have increased from the market bottom in 2003 at about $50 per square meter to a present level of about $150 per square meter.

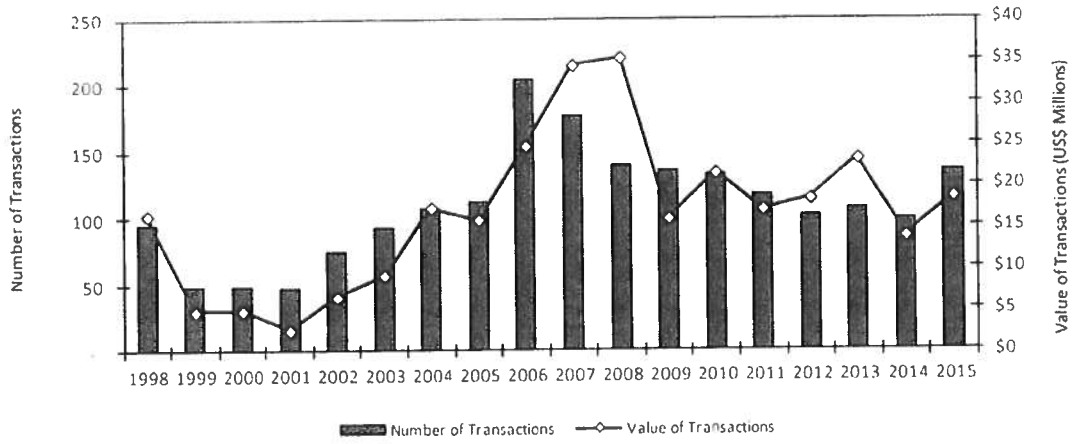
- Since 2008 there were 22 industrial land transactions around Dos Amantes area. Price ranges from $44 per square foot for R-2, Multi-family residential, to $123 per square foot for M-1, Light Industrial parcels. One of the land transaction is the site of the Guam Regional Medical City, expected to open in April 2015.

- Residential land: most activity in northern Guam (Dededo, Yigo) is at $20 per square meter for raw land in rural locations. Suburban or better located tracts of land and those nearby sewer lines sell for $30 to $60 per square foot.

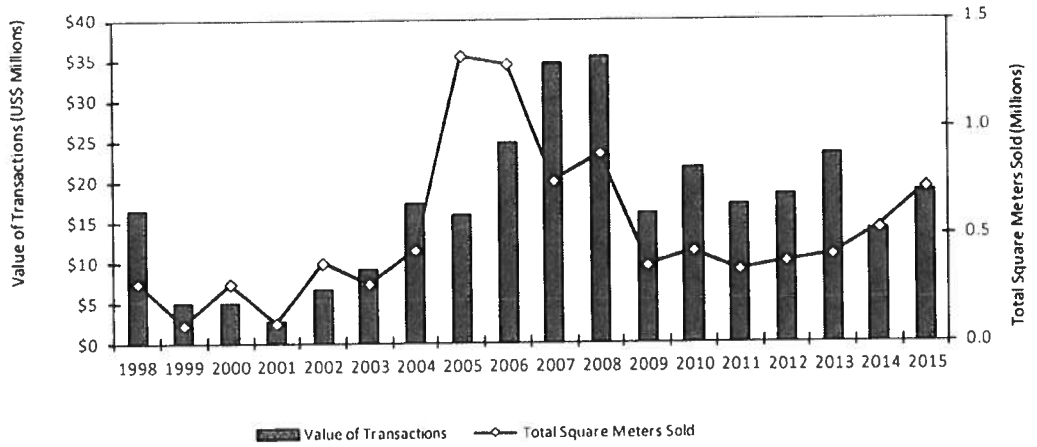
Multiple Listing Service database includes all types of land transaction activity: residential, commercial, industrial. Drivers of demand (military buildup) for the various uses of property are similar thus sales volume trends for each use tends to correlate closely with the overall trend.

For industrial/commercial real estate, the current environment is limited activity with no noticeable change in prices (sales or rents). We attribute this to limited supply rather than weak demand.[19]

Vacant Land Sales, Multiple Listing Service, 1998 to 2015, Island of Guam



Vacant Land Sales, Multiple Listing Service, 1998 to 2015, Island of Guam



Real Estate Conclusion:

In conclusion, the state of the island's commercial real estate market is heating up while the residential real estate market is stable. However, it must be noted that some areas- such as Dededo, Yigo, and Mangilao - have seen increases in activity in the sale of medium sized, single family residential homes. We may expect to see even more activities in these villages - as well as villages surrounding the Navy base down South - as more military personnel are transferred to the island during the base build up.

[19] Source: Multiple Listing Service, Guam Association of Realtors (2011)

Tourism

Guam has seen a steady increase in tourist arrivals for the last 3 years. In 2012, the number of arrivals was 1,308,035. That number climbed to 1,334,497 in 2013: a 2% increase. The following is a chart from First Hawaiian Bank's *Economic Forecast, 2014 Guam- CNMI Edition (2014)* that shows the total number of arrivals from each of the eleven main tourist markets.[20]

CHART 6 • SOURCES OF GUAM VISITORS, 2013 VS. 2012

Calendar Year	2013	2012	Growth	2013 Share
Japan	893,118	929,229	-3.9%	66.9%
Korea	245,655	182,829	34.4%	18.4%
U.S. Mainland	48,836	51,321	-4.8%	3.7%
Taiwan	48,653	49,144	-1.0%	3.6%
CNMI	16,154	16,717	-3.4%	1.2%
China P.R.C.	11,225	8,939	25.6%	0.8%
Philippines	10,920	10,483	4.2%	0.8%
FSM	9,842	10,069	-2.3%	0.7%
Hawaii	9,746	11,297	-13.7%	0.7%
Hong Kong	8,857	8,609	2.9%	0.7%
Russia	8,084	4,040	100.1%	0.6%
All others	17,671	15,964	10.7%	1.3%
Total Arrivals	**1,334,497**	**1,308,035**	**2.0%**	**100.0%**

Source: Guam Customs Declaration Forms, Customs and Quarantine Agency. Processed by the Guam Visitors Bureau.

The graph shows that Japan still supplies Guam with the largest number of tourist each year and, even with a 3.9% drop in arrivals from 2012 to 2013, represented 66.9% of the market for 2013. The drop in Japanese arrivals from 2012 to 2013 had much to do with the changing Japanese demographics (more elderly Japanese than younger families who are more likely to travel) and a weakening of the Japanese economy that has made Guam a more expensive destination for Japanese. [21]
the year 2014 had also seen a 25.4% increase in tourist from Korea, Guam's second largest source market; a 45% increase in tourist from the People's Republic of China; and a 101.5% increase in arrivals from Russia.[22] In his 2015 Guam State of the Island Speech, Governor Calvo said that, *"The diversification and growth in various markets helped strengthen the island's visitor industry despite Japan's struggling economy."*[23]

The end of 2014 saw a total arrival to the island of 1,342,377 visitors: a nearly 6% increase from the previous year. Korea arrivals for calendar year 2014 grew by 25.4%, while the People's Republic of China rose by 45%, and the Russia Federation arrivals increased by 101.5%. Additionally, sea arrivals for CY 2014 increased by 115.7%. The diversification and growth in various markets helped strengthen the island's visitor industry despite Japan's struggling economy.

[20] Source: First Hawaiian Bank . Economic Forecast, 2014 Guam- CNMI Edition (2014)
[21] Source: Guam Business Magazine. Houston, We have Lift-off (Well, Maybe). (November, 2014)
[22] Source: Eddie Calvo, Guam Governor. Guam 2015 State of the Island Speech (January, 2015)
[23] Source: Ibid

CHART 1 • GUAM VISITOR ARRIVALS, 1990-2013

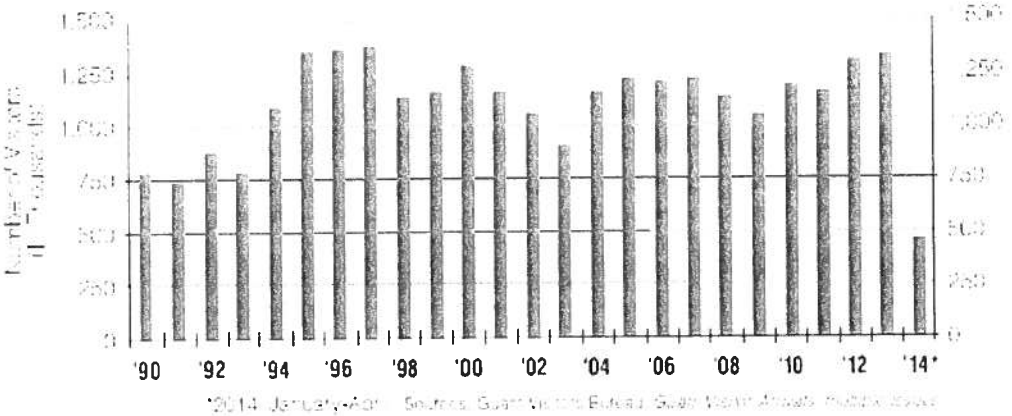


CHART 7 • GUAM HOTEL DATA, 2000-2013

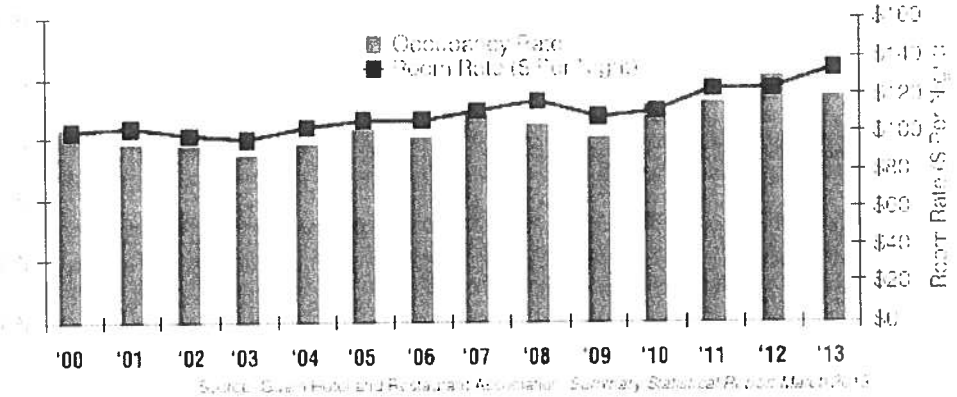


CHART 8 • ECONOMIC GROWTH IN GUAM'S TOURIST MARKETS

	U.S.	Japan	Korea	Taiwan	China	Hong Kong
2011			3.7	4.2	9.3	4.8
2012	2.6	1.4	2.0	1.5	7.7	1.5
2013	1.7	1.5	2.8	2.1	7.7	2.9
2014	2.6	1.3	3.7	2.7	7.5	3.5
2015*	3.0	1.3	3.8	3.2	7.4	3.6

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Total Arrivals	**1,334,497**	**1,308,035**	**2.0%**	**100.0%**

Source: Guam Customs Declaration Forms, Customs and Quarantine Agency. Processed by the Guam Visitors Bureau.

GUAM HOTEL & RESTAURANT ASSOCIATION

SUMMARY STATISTICAL REPORT SEPTEMBER 2014 (Released November 10, 2014)

Number of Hotels in GHRA	24	Number of Rooms under Construction		0	
Number of Existing Hotel Rooms	7,512	Capacity in Room Nights		216,660	
Number of Rooms under Renovation	85	Room-Employee Ratio		1.57 (Room to 1 Employee)	
		Rev Par	2014	$ 105.43	
		Rev Par	2013	$ 91.11	

	2013 YTD	2014 YTD	YTD CHANGE	Sep-13	Sep-14	CHANGE
NUMBER OF HOTELS REPORTING				13	14	1
Room Nights Available for Sale	1,564,473	1,644,754	5%	173,850	216,660	25%
Room Nights Sold	1,290,426	1,258,671	-2%	128,327	159,828	25%
HOTEL OCCUPANCY RATES						
Low Average	42%	48%	6pts.	27%	58%	31pts.
Mean Average	77%	78%	1 pt.	76%	83%	7pts.
Weighted Average	77%	77%	0 pts.	74%	74%	0 pts.
High Average	93%	93%	0 pts.	92%	91%	(1pt.)
HOTEL ROOM RATES						
Low Average	$51	$50	-2%	$48	$46	-4%
Mean Average	$121	$134	11%	$110	$133	21%
Weighted Average	$134	$150	12%	$123	$143	16%
High Average	$181	$201	11%	$166	$186	12%
GROSS RECEIPTS TAX PAID	$12,359,241	$13,643,574	10%	$1,190,058	$1,459,591	23%
ROOM OCCUPANCY TAX PAID	$16,746,376	$19,442,260	16%	$1,648,688	$2,331,560	41%
PAX ARRIVAL COUNT - JGTA	683,092	615,804	-10%	73,493	68,409	-7%
PAX ARRIVAL COUNT - KOREA	177,565	225,350	27%	19,686	23,657	20%
PAX ARRIVAL COUNT - TAIWAN	37,739	40,000	6%	4,949	3,408	-31%
PAX ARRIVAL COUNT - CHINA, P.R.C	8,422	11,739	39%	873	1,651	89%
PAX ARRIVAL COUNT - RUSSIA	4,781	14,988	213%	238	196	-18%
GVB TOTAL ARRIVAL COUNT	1,006,474	1,013,031	1%	106,635	112,523	4%

ANALYSIS: The month of September reflected an significant increase of 25% change in the number of room nights available for sale however an increase of 25% in the number of room nights sold compared to the same period last year 2013. The Weighted Average Occupancy Rate equaled at 0 points reflecting 74%. The Weighted Average Room Rate increased at 18% at $143.00. Preliminary arrival numbers from the Guam Visitors Bureau showed a slight 4% increase in total arrivals for the month of September. JGTA reflected a decrease of negative 7% while the Korea market beamed at a high rise at 20% and following the Taiwan market at a considerable decrease of 31% compared to 2013. The mainland China market reflects a 89% increase while the Russia market dropped down at a negative 18% for the month of September 2014 as compared to the same period 2013.

Weighted Average Occupancy = Sum of Room Nights Sold divided by total number of Room Nights Available for sale by reporting hotels
Weighted Average Room Rate = Sum of all Room Sales divided by sum of all Room Nights Sold by Reporting Hotels
Room Employee Ratio = (Hotel Rooms/Total Number of Employees from Reporting Hotels)
* *As of release date ten hotels have not reported information to the Guam Hotel & Restaurant Association*

Source: Guam Hotel & Restaurant Association. Statistical Report (September, 2014)

Japan

For the past several decades, Japan has been the single biggest source of tourist for Guam and the CNMI. Out of the 1,334,497 visitors to Guam in 2013, 893,118 of them were from Japan. However, that number was down from 929,229 visitors from the prior year[24].

The 2011 disasters (referred to as 3/11 by the Guam visitors Bureau), the down turn in the economy and the devaluation of currency, as well as the aging Japanese population, has all contributed to a marked drop in Japanese tourist visits both in Guam and around the world. The industry has seen double digit declines of tourist from Japan month over month since 2013[25]

Diversifying the tourism industry's target visitor make-up, and expanding the target market beyond Japan tourist, will help lower Guam's reliance on the Japanese economy. According to Governor Edward Calvo, Japanese tourist make up around 71% of all arrivals to Guam in 2013 (GVB, p. 3). This massive reliance on a single country exposes Guam's economy to Japan's economic hardship. Considering that tourism contributes $1.4 billion into the economy- and accounts for 31% of non-federal employment on the island- any down turn in Japan's economy will definitely have an impact on Guam's.

This fact has not evaded the Guam Visitor's Bureau. One of the goals stated in their Guam Tourism 2020 Strategic Plan (published in January, 2014) is to diversify the industry's visitor target market makeup. The goal is to "maintain a Japan market mix of at least 55- 60%" (GVB publication. Jan, 2014) [26].

According to the GVB, Japan will continue to be a major source of tourism for Guam, but efforts will continue to be made to advertise Guam to other markets.

Korea

Korea has always been a large source of tourist for Guam and has maintained a second place status to that of Japan. Guam Business Magazine wrote an article regarding the increase in Korean visitors[27]:

Looking out for Number two: Korean tourist market in the NMI and Guam on the Rise
January 19, 2015
(Guam Business Magazine)

With the Japanese market on a gradual decline in recent years, Guam and the NMI have been steadily expanding their efforts into secondary markets. Korea is the top secondary market for both destinations, and marketing efforts to draw Korean visitors have grown by leaps and bounds over the past several years.

According to Karl A. Pangelinan, outgoing general manager of Guam Visitors Bureau, Japan has suffered a significant downturn in its role as Guam's number one visitor market segment. "We've seen double-digit declines pretty steadily month over month since last year, and last year was a down year for us as well. We've been heavily reliant on the Japan market for a number of years, and Korea has been a decent second over the years, but it's now becoming a very strong second"

Pangelinan's assertions are backed by significant numbers, which show that Guam's Korean visitor numbers in fiscal 2014 have more than doubled since fiscal 2011, going from 144,844 to 293,437. Considering that the bureau's stretch goal was intended to be 350,000 by 2020, the numbers are far ahead of the curve.

"That's due in large part to airlift," he says. "We've been working closely with the airlines that service Korea,

[24] First Hawaiian Bank. Economic Forecast, 2014 Guam-CNMI Edition (2014)
[25] Guam Business Magazine. Looking out for Number two: Korean tourist market in the NMI and Guam on the Rise(January, 2015)
[26] Source: Guam Visitors Bureau. Guam Tourism 2020 Strategic Plan (January, 2014)

[27] Source: Guam Business Magazine. Looking out for Number two: Korean tourist market in the NMI and Guam on the Rise. (January, 2015)

and I think that by the end of December, we should have approximately half a million seats coming out of Korea. Now that we've done that, the onus is now on us to create additional demand for Guam to meet the supply. We need to meet that to keep the airlines healthy."
...
" ...The airlines have increased the flights and the number of overall seats, but not the accommodations," says Thomas Hur, assistant manager for the Mode Tour Guam office. He adds that airport congestion has also been one of the primary complaints by Korean visitors, with outbound visitors saying they "had to wait a long time, sometimes hours, to be cleared through immigration and customs..."

...Hur also agrees with the assessment, saying that Guam was marketed in Korea as a "fantasy island" for honeymooners in the 1990s because of traveling restrictions imposed by the Korean government. Since the restrictions have been lifted, the destination has now come to be marketed heavily as a more family - oriented location, with an emphasis on the island's shopping and water parks....

Hong Soon Im, President of Tagada Amusement Park, Miki Taxi Service, and Miki Advertising, agrees that safety is a major source of concern for visitors with families. A former GVB Korean Marketing Committee chairman, former president of the Korean tour Association of Guam, and member of the Governor's economic advisory council, Im has over 30 years of experience with the local hospitality industry.

The majority of Korean visitors are here with families," he says. "They like the island because it's an American territory and they feel safe here, but they feel more could be done. They've said that the streets need to be better lit in certain parts of Tumon, and that the sidewalks need to be widened in areas like Pleasure island because of how dangerous the traffic is."

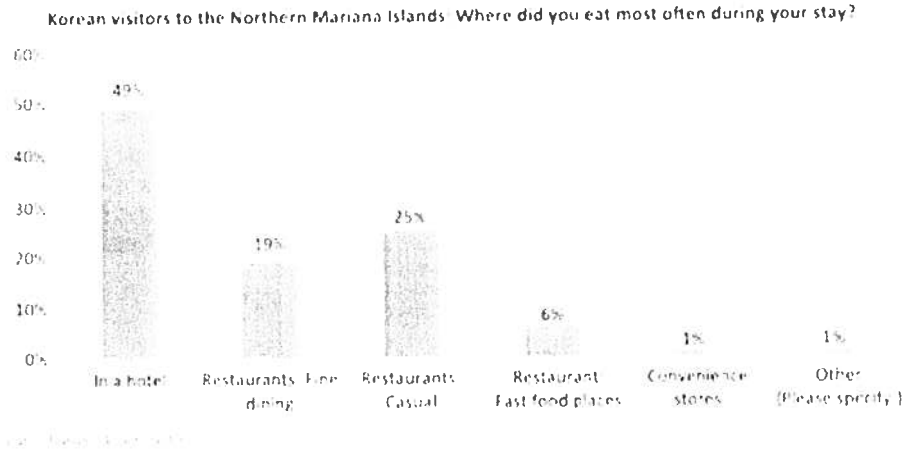
The article posted a "Korean Visitor Profile" break down list, describing the demographics and behavior of the common Korean visitor.[28]

Korean Visitor Profile

Average age: 34.8
Average stay: 3.64 days
56% are white-collar office workers, specialists or self-employed
78% are married
83% are traveling with family
73% are traveling with spouse
86% are traveling on a packaged tour
84% are first-time visitors
Average repeat visitor has been to Guam 2.38 times
Half of repeat visitors have been here within the last year
Mean average spent in prepaid expenses: $2,303.53 per party ($850.87 per person)
Mean average spent on island: $985.72 per party ($429.02 per person)

[28] Source: Ibid

The Marianas Visitors Authority also noted (in their chart below) that up to 49% of Korean tourist would eat their meals at the hotel they stay at. The second source of meals for them are at casual restaurants. Only 19% eat at fine dining establishments.



It must be noted that security and safety were very important considerations in the Koreans' choice for coming to Guam. This is understandable since many of them - 83% - travel with their families. This concern has also been voiced by visitors from other countries to Guam, such as the Japanese and Russians.[29] The rise in crime on Guam may prove to have a negative impact on the perception that potential tourists have of Guam. This, in turn, may have a long lasting negative impact on Guam's overall economy.

China

Guam received 14,542 visitors from the People's Republic of China in 2014. This represents a 30% increase in the number of arrivals from the 11,225 visitors of 2013. The increase is due to three main factors:

1. The increase in airline routes to Guam from mainland China.
2. The extension of US visas for Chinese visitors.
3. And the increased focus on marketing to Chinese tourist by the GVB

The increase in flights from main land China to Guam in the past few years eased the way for increased Chinese travel to the island. An agreement to extend tourist and business visas for 10 years (which started in 2014) is having a profound impact on the number of visitors arriving in Guam from mainland China as well. Former Visitors Bureau General Manager Karl Pangelinan was quoted in a November, 2014 Pacific Island Report as saying,

> *"The announcement from the federal government that it is extending short-term Chinese tourist and business visas from one year to 10 years is great news for Guam... While we will still push for a visa waiver, this visa extension will definitely help ease the travel process for visitors and provide more jobs and opportunities for our people."* (qtd. in *Dumat-ol Daleno, November, 2014)*

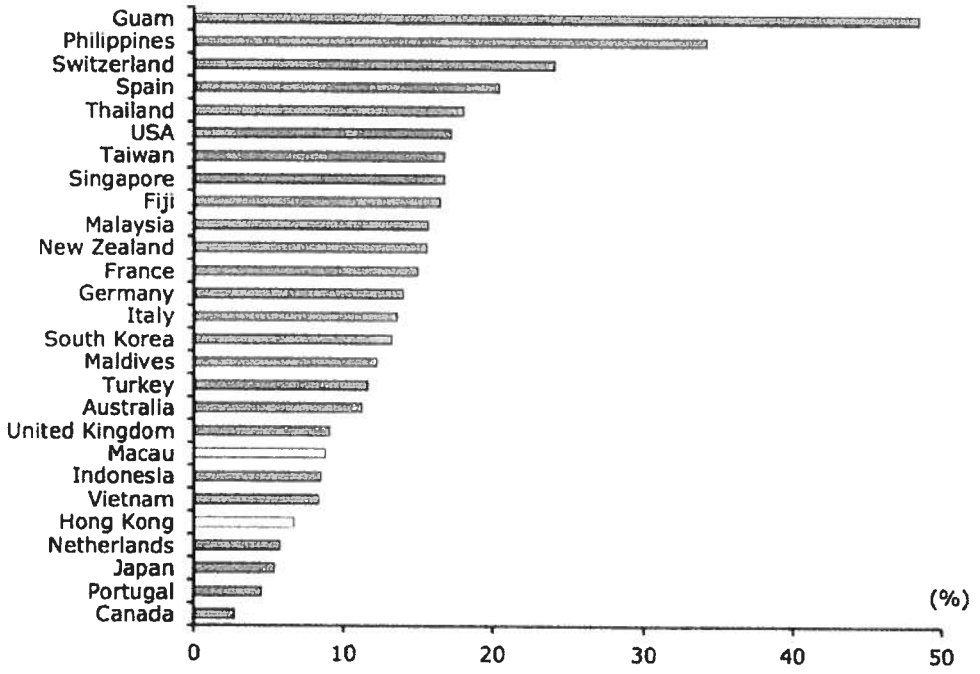
Quartz Magazine emphasized Guam's advantage over other destination potentials for Chinese tourist in their January, 2014 article *Chinese tourists are broadening their horizons: here today, Guam tomorrow:*

[29] Source: Marianas Variety Guam Edition. The Russian Tourist.(May, 2013)

"Chinese tourism overseas will double in the next six years to 200 million people a year, according to a recent report from analysts at CLSA, and a tiny US military outpost 900 miles north of the equator in the Western Pacific could be one of the biggest beneficiaries. The hilly 200-square-mile island of Guam, population about 160,000, could see 50% growth in Chinese tourists, analysts say, the most of any destination...

"Guam's military history might prove as much of a draw for the Chinese, who are clashing with Japan and other Asian neighbors over the rights to islands and territory in the South China Sea."(H. Timmons, 2014)[30]

China: Outbound tourism growth by destination (2013-20 Cagr)



Source: CLSA

Global Travel Industry News also considers Guam and Saipan to be in good positions to receive a good share of attention from the growing number of Chinese tourists:

eTN Global Travel Industry News
Why Chinese tourists travel to Hawaii, Guam or Saipan
July 31, 2014

United States Pacific Islands are new hot destinations for the lucrative Chinese outbound travel market. An interesting article translated from the Chinese media gives a take from the Chinese side of the story. It reads: Safety concerns, better travel options help lesser-known destinations gain an edge over once-popular locales.
Political uncertainties in some Southeast Asian nations are propelling Chinese tourists to such exotic destinations as Hawaii, Saipan and Guam in the Pacific and also helping boost local tourism industries in

[30] Quartz online magazine, Chinese tourists are broadening their horizons: here today, Guam tomorrow (January, 2014)

these regions, tourism sources said.
Jiang Yiyi, director of the China Tourism Academy's international tourism development division, said that the number of outbound tourists from China will cross 100million this year.
"It is obvious that newer destinations will benefit from the increased outflows," he said.
According to Jiang, nearly one-third of the Chinese tourists are self-guided travelers who prefer trips to exotic destinations like the Pacific Islands. Other destinations like Japan and South Korea also are gaining in popularity with Chinese tourists because of the continued political problems in some Southeast Asian nations.
"The Pacific Islands will be the main beneficiary of the increased tourist flows as many of the islands are new and unexplored destinations," she said.
....
"The visa policy of Saipan is even more convenient than some Southeast Asian countries," said Xie Ting, a 27-year-old office worker from Xi'an, Shaanxi province.
Xie spent her holiday in Saipan in May, though her original plan was to go to Phuket Island in Thailand. "I changed my plans, as I was worried that the local political events would affect my holiday," she said.
Charter flights operated by some carriers like China Southern Airlines Co Ltd, Sichuan Airlines Co Ltd and Asiana Airlines Inc provided multiple choices for Xie to arrive in Saipan, although there are no regular direct flights between China and the island.
Though there is considerable interest among Chinese tourists for trips to Pacific islands, many of these destinations still need to spruce up facilities.
There are 29 hotels with 8,451 rooms in Guam, an over-seas territory of the US, that is slowly becoming popular with Chinese tourists. High-end hotels account for 31.3 percent of the total, and there are no super-luxury hotels, according to the Guam Visitor Bureau.

An article written on the CLSA website (a Hong Kong based broker and investment group) in January, 2014 predicted increase growth of overseas Chinese tourist. The article also highlighted some results of its recently conducted survey of 1000 Chinese travelers in China. Some of their findings are as follows:

- 64% of respondents were interested in travelling overseas in the next 12 months and 67% intend to increase their travel budget.
- Chinese tourists are desiring new experiences : from sightseeing, to food, to hotels, to gaming and shopping.
- Chinese tourists are becoming increasingly savvy, independent and demand high quality experiences and service."
- Shopping remains an important component of the travel itinerary. Local specialties, skincare/makeup/perfume, and apparel are the most purchased items
- 80% of tourists buy these items from local specialty shops
- Close to 60% make purchases at downtown or airport duty free stores.
- 40% of CLSA survey respondents may book their own flights and hotels and make their own arrangements in the future.[31]

[31] Source: CLSA. Outbound Chinese tourists to double by 2020 propelling global growth in travel related sectors (January, 2014)

Russia

In January of 2012, The Department of Homeland Security gave visa-free entry discretion and authorization to the US Customs and Border Protection (CBP) to allow citizens of Russia to enter Guam and the CNMI. A press release on the U.S. Customs and Border Protection website stated the following:

> U.S. Customs and Border Protection website
> **Russian Citizens Now Eligible to Travel to Guam Visa-Free**
>
> Release Date:
> January 26, 2012
>
> WASHINGTON, D.C.—Effective January 15, citizens of Russia are eligible to travel to Guam without a visa. On November 15, 2011, the Secretary of the Department of Homeland Security (DHS) signed a decision that allows U.S. Customs and Border Protection (CBP) to exercise discretionary parole authority on a case-by-case basis to permit Russian nationals to travel to Guam visa-free.
> The new eligibility allows citizens of Russia to enter Guam visa-free and travel between Guam and the CNMI as nonimmigrant visitors for business or pleasure for a period of stay up to 45 days, provided the traveler meets certain conditions.
>
> .....
>
> Parole authorization is limited to Guam and the CNMI only and does not include the benefit of travel to another location within the United States.
>
> Previously, on October 21, 2009, DHS announced that citizens of the People's Republic of China and Russia would be permitted to travel to the Commonwealth of the Northern Mariana Islands (CNMI) visa-free, and those travelers would be paroled into the CNMI, based on the Secretary's discretionary parole authority, on a case-by-case basis. This benefit became effective November 28, 2009....

Neither program allows for citizens of either country to travel to any other part of the US without a visa[32]. This visa exception has been profitable to both Guam and the CNMI. Guam received 8,084 visitors from the Russian Federation in the year 2013. That was a 100% increase from the previous year's 4,040 tourist who visited the island in 2012.

The Marianas Variety, Guam edition, reported that Russian tourist average per person expenditure was $2,746.96, and that the average overall expenditure of Russian tourist was $5,516.10.[33]
The newspaper also noted that Guam "is marketed as a high-end family destination," and reported on the findings of a QMark Research exit poll survey of 602 Russian tourist conducted in 2013 for the Guam Visitor's Bureau.

Some of the findings of the Russia Visitor Tracker Exit Profile survey included the following:

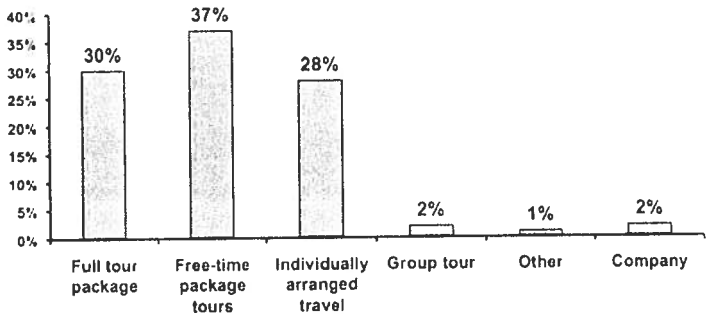
- 19% traveled with a friend
- 82% travel with family
- 51% of the children who arrived with their families were between the ages of 3 and 6
- 32% travel with children

[32] Source: U.S. Customs and Border Protection website. Russian Citizens Now Eligible to Travel to Guam Visa-Free (January, 2012)
[33] Source: Marianas Variety Guam Edition. The Russian Tourist.(May, 2013)

- 13% travel alone
- 18% were repeat visitors
- 55% of travelers were between 35 to 49 years old
- Median length of stay was 14 days

The following are charts taken from the Guam Visitors Bureau's Russian Visitor Tracker Exit Profile:

Travel Planning - Overall

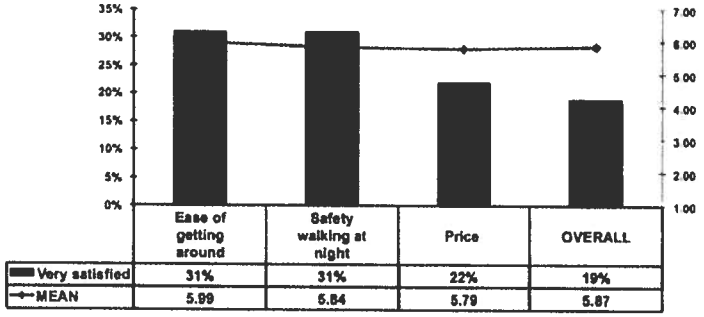


Motivation by Age & Gender

	TOTAL	AGE				GENDER	
						Male	

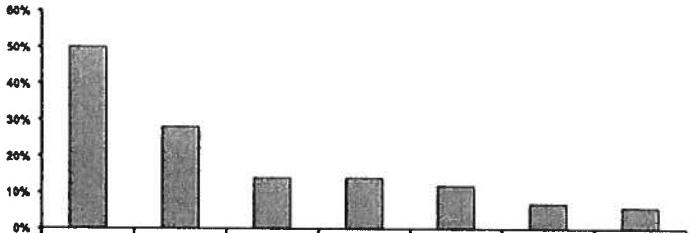
Satisfaction Scores Overall

7pt Rating Scale
7=Very Satisfied/1=Very Dissatisfied



	Ease of getting around	Safety walking at night	Price	OVERALL
Very satisfied	31%	31%	22%	19%
MEAN	5.99	5.84	5.79	5.67

What would it take to make Guam more enjoyable for families?



	Nothing	More time	More things to do	Cleaner scenic site	Fit Sched	Accom for extra stay	Other
Incentive	50%	28%	14%	14%	12%	7%	6%

The Marianas Variety also noted that the average Russian tourist "would prefer to spend time relaxing undisturbed on the beach or participating in the typical tour attractions at a leisurely pace."[34] Russians must travel to either Korea or Japan to get to Guam, as there are currently no direct flights between Russia and Guam.

Future Trends

With the current situation in Ukraine, and with the Russian government's vilification of the U.S., it is unlikely that we will see a large return of Russian visitors within the next two years. The Sanctions imposed on Russian by US and Western countries have hurt their economy substantially, and the Ruble had lost 46% of its value in 2014.[35] Inflation in Russia - as of February, 2015- was at 16.7%.[36]

However, political distrust and turmoil tend to change with politics and policies. We may yet see a return of the Russian tourist in large numbers in the future.

[34] Source: Marianas Variety Guam Edition. The Russian Tourist (May, 2013)
[35] Source: CNN Money online. Ruble jumps as Russia moves to support banks (Dec. 2014)
[36] Source: Trading Economics. Russia Inflation Rate. (March, 2015)

Exhibit 3

Abstract of Title

FIRM/BRANCH: INDIVIDUAL
ATTN: CHRIS MURPHY
REQ.#91124

TITLE GUARANTY OF GUAM, INC.
HERNAN CORTEZ AVENUE
TITLE GUARANTY BLDG., SUITE 320 HAGATNA, GUAM 96932
P.O. BOX 771 HAGATNA, GUAM 96932
Telephone: (671) 477-7147, 477-8618, 477-2330 and 472-5016/7
Fax: (671) 477-1071
Email: lmuna@tgguam.net; jsablan@tgguam.net;

PRELIMINARY REPORT
(No Liability Hereunder)

This report is issued in conjunction with an order for a title insurance policy. It is issued for the convenience of the title holder, his agent, counsel, purchaser or mortgagee. Coverage or liability will only arise upon the subsequent issuance of a title insurance policy.

Title Guaranty of Guam, Inc. hereby reports that title to the land described in Schedule "C" attached hereto is vested in:

The heirs or devisees of the Estate of VICENTE U. CONCEPCION, Deceased, their interest being subject to the administration of the estate of said decedent, MARIA CONCEPCION LUJAN, Married, JOSE REYES CONCEPCION, Married, DOLORES CONCEPCION TEDPAHOGO, Married, FRANCISCA CONCEPCION CRUZ, Married, VICENTE REYES CONCEPCION, Married, RAMON REYES CONCEPCION, Single, each having a One-Seventh Undivided Interest,
in **FEE SIMPLE.**

Subject only to matters set forth in Schedule "B" hereof. This report is to the hour of 8:00 a.m. on **SEPTEMBER 23, 2016.**

TITLE GUARANTY OF GUAM, INC.

By: _____
BERTHA C. EVANGELISTA
Authorized Signatory

ORIGINAL

REQ#91124

SCHEDULE B

Any policy we issue will have the following exceptions unless they are taken care of to our satisfaction:

1. Current Real Property Taxes not yet due and payable.

2. The inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable business license laws.

3. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.

4. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.

5. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.

6. Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the Public Records.

   (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records;
   (b) Proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.

7. Water rights, claims or title to water, whether or not the matters excepted are shown by the Public Records.

CONTINUED ON NEXT PAGE /

ORIGINAL

8. **The liability of the Company by reason of any challenge, or claim against, or invalidity of the title herein insured, arising out of, relating to, or as a consequence of any alleged, attempted, or actual violation of any of the provisions of Section 1204 Title 21 of the Guam Code Annotated ("Alien Ownership") or any of the provisions of 48 USCA Sections 1501-1506 ("Alien Ownership of Land"), together with the duty of the Company to defend the insured by reason of such a challenge or claim, are specifically excepted from the coverage of this policy.**

9. **REAL PROPERTY TAXES** for the years 2000, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013 are delinquent plus interest and penalty costs.
ASSESSEE: CONCEPCION, VICENTE U.
ACCOUNT NUMBER: 1520075028
LOT 10, INARAJAN

YEAR	BILL NUMBER	AMOUNT
2000	RP00032051	$232.70 (L)
2006	RP06135341	$465.40 (L)
2007	RP07135538	$465.40 (L)
2008	RP08136040	$465.40 (L)
2009	RP09136621	$465.40 (L)
2010	RP10137036	$465.40 (L)
2011	RP11138282	$465.40 (L)
2012	RP12000000	$465.40 (L)
2013	RP13038220	$465.40 (L)

10. As to our findings at Revenue and Taxation tax years 2014 and 2015 has been deactivated.

END OF SCHEDULE B

ORIGINAL

REQ.#91124

SCHEDULE C

The land referred to herein is described as follows:

LOT NUMBER 10, MUNICIPALITY OF INARAJAN, TERRITORY OF GUAM, ESTATE NUMBER 393, SUBURBAN, as described in that Cadastral Map, dated OCTOBER 12, 1953 at the Survey Divisions, Department of Land Management, Government of Guam, under Sepia Number **I-28.**

Registered Land, with the LAST REGISTERED OWNER being **JESUS REYES CONCEPCION, MARIA CONCEPCION LUJAN, JOSE REYES CONCEPCION, DOLORES CONCEPCION TEDPAHOGO, FRANCISCA CONCEPCION CRUZ, VICENTE REYES CONCEPCION, RAMON REYES CONCEPCION,** the OWNER OF RECORD being **The heirs or devisees of the Estate of VICENTE U. CONCEPCION, Deceased, their interest being subject to the administration of the estate of said decedent, MARIA CONCEPCION LUJAN, Married, JOSE REYES CONCEPCION, Married, DOLORES CONCEPCION TEDPAHOGO, Married, FRANCISCA CONCEPCION CRUZ, Married, VICENTE REYES CONCEPCION, Married, RAMON REYES CONCEPCION, Single, each having a One-Seventh Undivided Interest** and the LAST GUARANTEED CLAIM NUMBER being **3794.**

AREA: **72,462 +/- SQUARE METERS**

END OF SCHEDULE C

ORIGINAL

Exhibit 4

Qualifications of the Appraiser

Professional Qualifications: Vance L. Reklai, SRA

Professional Experience

Guam General Certified Appraiser - CA-14-031, Expiration Date: February 10, 2016

Appraisal experience includes vacant land single family residential, multi-family residential, and commercial.

Geographic areas covered include Guam and Republic of Palau.

Appraisal circumstances include financing, leasing, acquisition, foreclosure disposition, and insurable replacement value.

Clients include lenders (FDIC and non-domestic), attorneys and private property owners. Work product accepted by most lender within the region.

Work History

May 1999 to Present: Micronesian Appraisal Associates, Inc. President and Chief Appraiser Real estate appraisals and consultation.

October 2000 to 2013: Palau Appraisal Associates, Inc., Vice President. Real estate appraisals and consultation.

August 1998 to May 1999: Salomon Smith Barney, Investment consulting firm.

Organizations and Professional Affiliations

- Pacific Association of Professional Real Estate Appraisers
- Appraisal Institute, Residential Associate Member

Designation

- SRA, Appraisal Institute, Member Number 428821

Professional Education

The Appraisal Institute

- 2-4 Units Case Study: Residential R3, 1999
- Appraisal Methods, 2000
- Appraisal Standards, 2001
- Advance Residential Form and Report Writing, 2001
- Basic Income Capitalization, 2003
- Residential Market Analysis and Highest and Best Use, 2005
- Report Writing and Valuation Analysis, 2006
- Advance Application, 2007
- Advance Income Capitalization, 2009
- General Appraiser Market Analysis and Highest and Best Use, 2009
- Advanced Sales Comparison & Cost Approaches, 2009
- Uniform Appraisal Standards for Federal Land Acquisitions, 2010
- Online Cool Tools: New Technology for Real Estate Appraisers, 2012
- Online Advanced Internet Search Strategies, 2012
- Online Appraising From Blueprints and Specifications, 2012

McKissock

- 2014-2015 7-hour National USPAP Update Course, 2014
- Appraising FHA Today, 2014
- 2-4 Family Finesse, 2014
- Residential Appraisal Review, 2014

International Right of Way Association

- The Appraisal of Partial Acquisitions, 2000

University of Guam

- Real Estate Investment Analysis, 1998
- Real Estate Finance, 1999

Education

1992 to 1999: Bachelor of Business Administration in Finance and Economics University of Guam, Guam.