

HISTORY

Guam, an unincorporated Territory of the United States, was originally settled by the Chamorros several thousand years before the Spanish conquered Guam in the late 17th century. The United States claimed Guam after the Spanish-American War in 1898 and except for the Japanese occupation during World War II, Guam has been governed by American laws since the Treaty of Paris (1898). The Organic Act governs the relations between Guam and the United States and provides for full American citizenship for all the people of Guam. In short, it is a U.S. community in the Western Pacific. We are protected by the Constitution of the United States; the U.S. dollar is our basic currency; and the Internal Revenue Code is our income tax law.

GOVERNMENT

The political relationship established by the Organic Act of 1950 is presently being evaluated by the people of Guam. In 1982 the people voted for a Commonwealth status. A Commonwealth Act has been drafted that reflects the people's desire to retain strong political ties with the United States while striving for greater self-government and latitude in economic areas. The people of Guam vote for their governor, a unicameral 15-seat legislature, municipal mayors as well as a non-voting delegate in the United States House of Representatives. There is a local court, the Superior Court of Guam and a federal district court that has jurisdiction over federal matters.



Market Report Guam

A. Overview of Guam

B. Demographic Information & Map

C. Real Estate Report

GUAM OVERVIEW

Guam truly lends itself to being a natural gateway and crossroad to countries of the Pacific Basin and the United States. Its location facilitates access to and from major Asian markets by being only 3 to 4 ½ hours flying time to Japan, Korea, Okinawa, Taiwan, Hong Kong, China and the Philippines and is within two time zones of these same cities. Furthermore, being west of the International Dateline allows businesses on Guam a head start on their counterparts and competitors in both Asia and the U.S. mainland.

LABOR

Employment figures for services and trade reflect the economic base. Private sector employment is at the lead and employment figures record 62,530 as of March 1999 with approximately 70% of the total employed in the private sector and the 30% in local government and federal jobs. There is consensus among the leaders of Guam that the development of local labor through imaginative use of programs in cooperation with business will lead ultimately to a highly skilled work force, well able to meet the needs of today and tomorrow.

HEALTHCARE

Guam offers some significant health care advantages to Americans living in Asia. The medical board of physicians on Guam has set standards for practitioners which are similar to those in California. All doctors must be U.S. trained and board eligible to practice on Guam. Primary and secondary care is available at clinics throughout the island and at the Guam Memorial Hospital, which serves as the anchor of health care on Guam. The U.S. Navy also has a hospital on the island which offers care for active duty and retired military personnel.

DEMOGRAPHIC INFORMATION & MAP

Location	Guam is situated between Hawaii and the Philippines at 13 °28" north latitude, 144 °44" east longitude, and in the Western Pacific, serves as the gateway to Micronesia and a crossroad to the Far East.
Land Area	Guam's land mass is approximately 212 square miles (549 square kilometers).
Climate	Guam's climate is tropical with temperatures ranging from 74 to 92 degrees Fahrenheit (23-33 degrees Celsius). Average annual rainfall is 85 to 100 inches with average humidity at 72 to 86 percent. There are only two seasons: rainy season from June through November; and dry season from December through May.
Population	The projected population of Guam in 2000 was approximately 154,805 people, including U.S. active duty military personnel and their dependents. The average annual growth rate is 2.2 percent.
Language	English and Chamorro are the official languages.
Labor Force	The total employment in Guam as of December 2005 was 57,990 persons in the following sector breakdown: Private Sector 43,230 Territorial Government 11,540 Federal Government 3,220

The unemployment rate in March 2004 was 7.7 percent. The minimum hourly wage is \$5.15 and the U.S. Fair Labor Standards Act applies to Guam.

Inflation	The rate of inflation on Guam in September 2004 was 6.5 percent. <i>(Note: The Guam Consumer Price Index market basket of goods and services was updated in 1996 from the previous basket which reflected 1978 buying patterns.)</i>
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REAL ESTATE REPORT

1. GCIC (temporary space)
2. Warehouse (PacAir)
3. Warehouse (MidPac)
4. Warehouse (Kmart Adjacency)

General Market Information (4Q09)

	Low	High	Effective Avg.	Vacancy	Invest Yield
Downtown Office					
New Construction (AAA)	N/A	N/A	N/A	N/A	N/A
Class A (Prime)	N/A	N/A	N/A	N/A	N/A
Class B (Secondary)	\$ 26.00	\$ 42.00	\$ 28.20	18.0%	N/A

Suburban Office					
New Construction (AAA)	N/A	N/A	N/A	N/A	N/A
Class A (Prime)	N/A	N/A	N/A	N/A	N/A
Class B (Secondary)	\$ 14.00	\$ 36.00	\$ 19.75	23.0%	N/A

Industrial					
Bulk Warehouse	\$ 7.80	\$ 18.00	\$ 12.35	12.0%	N/A
Manufacturing	\$ 7.80	\$ 18.00	\$ 12.35	12.0%	N/A
High Tech / R&D	N/A	N/A	N/A	N/A	N/A

Retail					
Downtown	\$ 33.00	\$ 108.00	\$ 72.00	16.0%	N/A
Neighborhood Service Centers	\$ 13.00	\$ 60.00	\$ 31.00	N/A	N/A
Community Power Center	\$ 9.60	\$ 15.00	\$ 11.25	N/A	N/A
Regional Malls	\$ 36.00	\$ 72.00	\$ 54.00	N/A	N/A

Development Land	Low (Price/Acre)	High (Price/Acre)
Office in CBD	N/A	N/A
Land in Office Parks	N/A	N/A
Land in Industrial Parks	N/A	N/A
Office/Industrial Land - Non-park	\$ 753,000	\$ 1,077,000
Retail/Commercial Land	\$ 2,018,000	\$ 2,023,000
Residential	\$ 108,000	\$ 680,000

General Information on Occupancy costs:

In addition to the base rent rates, Common Area Maintenance (CAM) charges and taxes may be added to the total cost of occupancy by the landlord and this varies from landlord to landlord. With warehouses, unless it is located in a bigger commercial center, there normally is no CAM charge added. Some owners will pass on the GRT (Gross Receipts Tax) of 4% to the tenant. This is a Guam tax on income/revenues. In general, rents range from approximately \$.50 to \$1.50 per square foot, depending on the quality and location of the building.

EDUCATION

A full American-style public school system is available to all citizens and residents of the Territory. Education receives particular emphasis as 40% of the government's budget is education-related. Guam has some of the highest requirements for teaching credentials in the United States. There are 25 public and 15 private elementary schools; 7 public and 12 private middle schools; 5 public and 9 private high schools; and 3 Department of Defense schools on Guam. The University of Guam and the Guam Community College provide post-secondary degrees in a number of disciplines and Masters programs are available in several fields. As with Guam's high schools, both institutions are fully accredited by the Western Association of Schools and Colleges.

HOUSING

The rental market on Guam continues to harden. Renters still have a good selection of apartments, condominiums and houses, but rental rates are increasing. Most residential leases are for one to three years. A security deposit of one month's rent is standard, but there is no "key" money required. Mid-level rentals range from \$900 - \$1300 for a two-bedroom house and \$1400 - \$2000 for a three-bedroom house. Condominiums and houses are available for sale in Fee Simple. There are certain restrictions to foreign individuals purchasing properties and corporations registered on Guam can purchase properties freely. Purchases are usually handled at title and escrow companies with title insurance available to protect buyers. Price for a three-bedroom condominium (mid-level unit) averages from \$170,000 with three-bedroom houses selling from \$170,000 - \$225,000, depending on square footage.

Alternative #1: GCIC (Temporary Office Space)

The GCIC building represents a potential facility that has several offices available and a flexible landlord that is willing to discuss a short term lease arrangement. The following are the current available spaces and their respective rental rates that meet your immediate space requirement:

Sizes shown on the attachment as:

Suite 202: +/- 1,099sf - \$2,749.38/mo rent and CAE inclusive

Suite A9: +/- 800sf - \$2,120/mo rent and CAE inclusive

The Additional 300sf would be \$795/mo





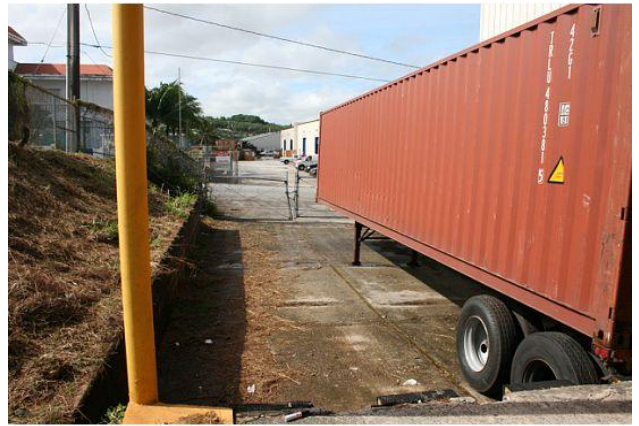
Alternative #2: Warehouse (PacAir)

There are no neighbors nearby on neighboring lots and this is a free standing building so it is assumed we can insulate and soundproof the key areas.

Features of this location:

- A. 9600 SF
- B. 2 bays equals
- C. Full back up generator included
- D. 3 phase power
- E. Ceiling 20-22 ft.
- F. Totally fenced
- G. 800 to 900 s.f. existing office
- H. 4 sliding doors
- I. 2 unisex restrooms
- J. Owner's rep says the floors are suitable for heavy use

Asking Price: \$0.85/SF/Month, 5 year lease available or longer, with 3% annual rent escalator



Alternative #2: Warehouse (PacAir) (cont'd)

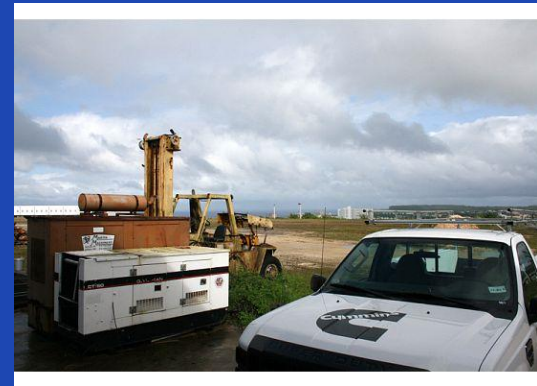


Alternative #3: Warehouse (MidPac)

This warehouse is located on Airport Road just above the industrial park. It is fairly isolated with limited neighbors. The footprint is 9600 SF and the total size is approximately 17,000 SF. Of three alternatives the MidPac warehouse best fits Kleinfelder's. Features of this location:

- A. Two story building with offices on both floors
- B. Ceiling height is 22 ft.
- C. Existing showroom
- D. 5 roll up doors
- E. Fenced in the back
- F. Full back up generator
- G. 3 phase power
- H. Suitable for heavy use
- I. The current tenant/owner is in heavy equipment sales and service.
- J. Owner is also willing to do some tenant improvements.
- K. Any partitions can be removed or altered to fit your needs

Asking Price: \$1.00/SF/month, 5 year lease or longer is available



Alternative #4: Warehouse (Kmart Adjacency)

This building is located behind Kmart.

Features of this location:

- A. 10,000 SF approximately
- B. 22ft ceiling height
- C. Fenced
- D. Offices upstairs on the mezzanine level
- E. (1)roll up door

There are a few downsides to this building:

- A. The access road needs to be improved
- B. There is an apartment building on the adjoining lot
- C. The main warehouse has a lower level or basement type space
- D. Could not confirm the weight capacity of the raised concrete floors
- E. It does have a sizeable yard

Asking Price: \$0.75/SF/Month, 10% increase at 3rd year, 5 year lease available.



Alternative #4: Warehouse (Kmart Adjacency) (cont'd)



About AsiaPac International

AsiaPac International Inc., is a wholly owned and operated US Corporation with offices covering over 75 major markets of Asia Pacific, Europe and Latin America.

AsiaPac manages all aspects of the acquisition, disposition and leasing of facilities as well as the construction of new plants and facilities on behalf of corporate clients worldwide.

As the only 100% "Tenant Oriented" International firm, we provide a unique platform that integrates a complete turnkey solution with the appropriate services necessary to meet our client's business needs.