

PGC Appraisal Group, LLC

Real Estate-Machinery & Equipment Appraisers

Appraisal Report

**of a:
Vacant Land**

Prepared for:

Capital Crossing
Puerto Rico, LLC
221 Ponce de Leon Avenue
San Juan, PR 0917
Att. Wilfredo F. Rey González

Effective Date:
September 11, 2023

Date of Report:
September 27, 2023



Located at:

PR-968, Km. 0.3, Mameyes Ward
Río Grande, Puerto Rico



Carlos G. Perez, MAI, ASA-MTS, 184CG, 756EPA
General Certified Appraiser
N-5 Luis Muñoz Marin Ave.
Santa Juana
Caguas, Puerto Rico
Tel. 787-745-3306

Introduction

September 27, 2023

Capital Crossing Puerto Rico, LLC
represented by Wilfredo F. Rey-González
Río Grande, Puerto Rico, 00919

RE: Appraisal Report of a vacant land located at:
PR-968, Km. 0.3, Mameyes Ward
Río Grande, Puerto Rico 00745

Dear Mr. Rey-González:

In accordance to your request, I am submitting a restricted appraisal report of the referenced vacant land. The subject property is located at PR-968, Km. 0.3, Mameyes Ward, Río Grande, Puerto Rico.

The purpose of this appraisal report is to perform an opinion of the **Market Value** in a **Fee Simple estate** of the subject property in its “as is” condition as of September 11, 2023. Fee Simple is defined as an absolute fee, free of limitations to any particular class of heirs or restrictions, but subject to limitations of eminent domain, escheat, police power and taxation.

According to the survey plan and documents submitted to me for review, the property consists of a vacant (lot/tract) of approximately 681,346.94 square meter, the equivalent to 173.3533 “cuerdas”. Its terrain possesses an irregular configuration and diverse topography, transitioning from predominantly semi-level expanses alongside PR-968 to ascending slopes and undulating contours towards the west.

While the PR Planning Board has designated the subject parcel within an agricultural zoning district (A-G), it's important to note that neighboring parcels with similar zoning classifications have, in the past, undergone transformation into more intensive land uses. These transformations have included developments such as low to medium density residential areas, vacant lot subdivisions, and residential properties, suggesting the potential for versatility in land utilization.

In terms of flood risk, the property enjoys a secure position beyond the boundaries of floodable areas, falling within Zone X as delineated on maps 72000C0420J and 72000C0785J, with an effective date of November 18, 2009. As of now, the property remains in a raw-land state, adorned with a partial cover of trees and shrubs, awaiting its future potential and purpose.

The subject parcel is situated in an area that has undergone substantial development, resulting in the provision of essential services to support existing uses. Within proximity, all standard utilities and infrastructure elements are readily accessible, including sanitary sewer systems, storm sewer systems, potable water supply, electric power, and telephone services. Access to the parcel is facilitated through well-maintained asphalt-covered roads.

However, it's important to note that the appraiser has not assessed the availability of capacity or the rights to connect to any additional public utilities beyond those mentioned, leaving such determinations pending.

An important part of any appraisal assignment is analysis of market conditions. The COVID-19 threat may be impacting market conditions worldwide and Puerto Rico is not the exception. However, it is not yet clear to what extent, if any, market conditions could be affected once again on the island. Factors that could complicate the market include fluctuations in the stock market and changes in mortgage interest rates, among other factors. Market analysis includes observing market reactions. This analysis becomes more complicated when market participants themselves are facing uncertainty as one as the currently happen. The real impact in property values, if any, should be noted when the pandemic ends, and the real estate market normalizes.

To form our opinion of market value, the three approaches to value were considered. Nevertheless, since the subject property is vacant land only the Sales Comparison Approach provides a credible and pertinent market value indication. The Cost Approach was discarded since only applied when existing structures at the site add value to the whole property which is not this case. Meanwhile, since there is not sufficient market data regarding vacant land leases having similar physical and location characteristics than the subject, the Income Approach neither applies.

The intended user of this evaluation is Capital Crossing Puerto Rico, LLC, represented by Mr. Wilfredo F. Rey-Gonzalez, our client. The intended use is to assist client in a establish an asking price. This evaluation was prepared for the sole and exclusive use of our client and its use or reliance on by anyone other than the client is prohibited.

After having visited the subject property and having made the necessary investigations and analyses, the following value opinion was concluded. This opinion is subject to the Certificate of the Appraiser and Assumptions and Limiting Conditions included in the appraisal report. This appraisal report has been prepared in compliance with the Uniform Standards of Professional Appraisal Practice. This is an Appraisal Report Format as described in the USPAP 2020-2021 edition. Extended through December 31, 2023.

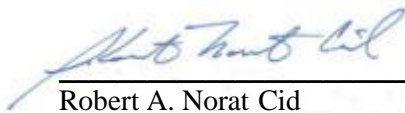
The subject's "Market Value in Fee Simple estate" value opinion as of to the effective date of September 13, 2023, is:

<i>Market Value:</i>	\$2,770,000.00
	TWO MILLION SEVEN HUNDRED SEVENTY THOUSAND DOLLARS

We hereby certify that We have no present or contemplated financial interest on the subject property and that our employment and compensation are in no way contingent upon the approval of a mortgage loan or any other matter. In addition, we have not performed a previous service, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

The supporting data and the results of my/our investigation and analysis, upon which the reported value is based, are contained in the accompanying appraisal report. This letter must remain attached to the report and related exhibits for the value opinion set forth to be considered valid.

Respectfully submitted,



Robert A. Norat Cid
1059 EPA
State: PR Exp. Date:06/17/2025



Carlos G. Pérez, MAI, ASA-MTS
General Certified Appraiser 184CG, 756EPA
State: PR Exp. Date:06/17/2025

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Summary of Salient Facts and Conclusions

Location	PR-968, Km. 0.3, Mameyes Ward Río Grande, Puerto Rico
Property Type	The subject consists of a vacant land having an approximate total land area of 681,346.94 square meters the equivalent to 173.3533 “cuerdas”. Its terrain possesses an irregular configuration and diverse topography, transitioning from predominantly semi-level expanses alongside PR-968 to ascending slopes and undulating contours towards the west.
Lot Characteristics	
Lot Area	681,346.94 Sq. Mts. equal to 173.3533 “cuerdas”
Lot Position	Middle lot
Zoning Code	A-G "Agrícola General"
Topography	Semi-level areas, uphill slopes and rolling contours
Report Option	Appraisal Report Format
Owner of Records	According to the title search submitted, the owner of record is Bautista REO PR Corp.
Purpose of the Appraisal	The purpose of this assignment is to develop and provide for the subject property, analysis and Market Value information for the Fee Simple estate in an appraisal report on its “As Is” condition.
Intended Use/User	The intended use of this appraisal is to assist Capital Crossing Puerto Rico, LLC, represented in this case by Mr. Wilfredo Rey-Gonzalez. This appraisal report will assist the client in a establish an asking price.
Property Rights Appraised	Fee Simple estate
Date of Valuation	September 11, 2023
Date of the Report	September 25, 2023
Census Tract	1301.01
County Code Number	Code 119
Metropolitan Statistical Area	41980
Geographical Coordinates	18.37781203 N: -65.77038740 W (2023 Google Earth)
Tax Code Number	091-097-006-12
Flood Zone Classification	As per FEMA Maps 72000C0420J and 72000C0785J 72000C1210J of the Commonwealth of Puerto Rico, the subject site has been placed under a Zone "X" - No Shade-No Risk. Map revised on November 18, 2009.
Highest and Best Use	
As if vacant	Hold for future development when economic conditions improve

Summary of Salient Facts and Conclusions (cont.)

Relevant Valuation Facts	<ul style="list-style-type: none"> • The Income Approach and Cost Approach were not presented since typically they do not apply when evaluating vacant lands. • Current market conditions. • The lack of investors buying vacant lands for the construction of new developments.
Extraordinary Assumption	None
Hypothetical Condition	None
Value Indications via:	
The Cost Approach	N/A
Sales Comparison Approach	\$2,770,000.00
The Income Approach	N/A
"As Is" Market Value Conclusions in Fee Simple estate As of September 11, 2023	
Market Value Opinion	\$2,770,000.00

Identification of the Appraisal Problem & Scope of Work

Statement of the Problem

Report Option

As per the Uniform Standards of Professional Appraisal Practice (USPAP), Standard Rule 1 and 2, this is an Appraisal Report Format. Appraisal was prepared in accordance with the requirements of title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989, as amended (12 U.S.C. 3331 et seq.) and any implementing regulations.

Purpose of the Appraisal

The purpose of this assignment is to develop and provide the subject property, analysis and Market Value information in Fee Simple estate in an appraisal report on its "As Is" condition as of September 11, 2023.

Intended Use and User of the Appraisal

The intended use of this appraisal is to assist Capital Crossing Puerto Rico, LLC, represented in this case by Mr. Wilfredo F. Rey-Gonzalez. This appraisal report will assist the client in a establish an asking price. This appraisal report was prepared for the sole and exclusive use of our client and its use or reliance on by anyone other than the client is prohibited.

Property Rights Appraised

The property rights appraised in this report is the Fee Simple estate. Fee Simple is defined as an absolute fee, free of limitations to any particular class of heirs or restrictions, but subject to limitations of eminent domain, escheat, police power and taxation

Effective Date of the Appraisal and Date of the Appraisal Report

The effective date of this appraisal is as of September 11, 2023, based on the economic conditions and expectations prevailing as of this date. The date of the report is September 25, 2023, the date of the transmittal of this document.

Estimated Marketing Time¹ and Exposure Time²

Marketing time of subject property in "as is" condition is estimated between 24 to 36 months. Meanwhile, according to data gathered regarding the days that competitive properties have been offered on the market before they were sold, interviewing realtors and market participants, they agreed, that the exposure time for properties similar to the subject property is between 24 to 36 months if the value range would be between \$15,000 to \$18,000 per "cuerda".

Definitions

Market Value

The following definition of market value is used by agencies that regulate federally insured financial institutions in the United States: The most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

The previous market value definition was taken from Dictionary of Real Estate Appraisal 6th edition.

"As is" Market Value

"As is" Market Value is defined in the Appraisal Institute, Dictionary of Real Estate Appraisal, 6th edition as follows:

The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date. (Interagency Appraisal and Evaluation Guidelines) Note that the use of the "as is" phrase is specific to appraisal regulations pursuant to FIRREA applying to

¹ The Marketing time (period) is defined in the Dictionary of Real Estate Appraisal, Fifth Edition page 121, published by the Appraisal Institute as an opinion of the time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal.

² The exposure time is defined in the USPAP 2020-2021, published by The Appraisal Foundation as: the estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of sale at market value on the effective date of the appraisal.

appraisals prepared for regulated lenders in the United States. The concept of an “as is” value is not included in the Standards of Valuation Practice of the Appraisal Institute, Uniform Standards of Professional Appraisal Practice, or International Valuation Standards.

Extraordinary Assumption

This definition was updated in USPAP 2020-2021 as follows: An assignment-specific assumption, as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser’s opinions or conclusions.

Comment:

Uncertain information might include physical, legal, or economic characteristics of the subject property; or conditions external to the property, such as market conditions or trends; or the integrity of data used in an analysis. (USPAP, 2020-2021 ed.)

Hypothetical Condition

Is defined in “The Dictionary of Real Estate Appraisal”, Sixth edition, as follows:

1. A condition that is presumed to be true when it is known to be false.(SVP)
2. A condition directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.

Comment:

Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. (USPAP, 2020-2021 ed.)

Inspection

Inspection is defined in “The Dictionary of Real Estate Appraisal”, Sixth edition, as follows: Personal observation of the exterior or interior of the real estate that is the subject of an assignment performed to identify the property characteristics that are relevant to the assignment, such as amenities, general physical condition, and functional utility. Note that this is not the inspection process performed by a licensed or certified building inspector.

Scope of Work of this Appraisal

This report is being prepared to develop an opinion of the Market Value in “As Is” condition of the subject property. In order to prepare the appraisal report the following steps were taken.

Property Identification

- In this appraisal assignment, Mr. Robert Norat Cid and Mr. Carlos G. Perez Carrion visited and observed from the street, the site subject of this report on September 11, 2023, in order to gather information about the physical characteristics of the subject lot that are relevant to the valuation problem. The boundaries were identified by the subject’s owner of its representative.
- We requested and obtained all pertinent information of the subject property from the lender or client. This information includes but is not limited to the engagement letter, legal deed of the property, property tax information, property insurance premium, construction plans if applicable and any other information to produce credible assignment results.
- We relied on the title report/ legal deed/ Survey Plot Plan submitted to us by the client for information regarding easement, covenants, restrictions and other encumbrances. We did not research the presence of such items independently.

Property Observation

- Mr. Robert Norat observed and photographed several angles of the subject site. Since the subject is a larger parcel, a Mavic DJI Drone was also used to take aerial photos of the subject tract. The boundaries were identified with aerial photos and analyzing the survey plan.
- The neighborhood was also visited, and the available aerial maps were consulted to see available amenities, access to major roads, infrastructure, zoning regulations, floodable concerns, legal issues and market trends.

Type and Extent of the Data Researched

- Sales of similar properties that have occurred over the past 3 years were researched in the southeastern part of the island.
- To obtain information regarding comparable sales office files, fellow appraisers, the Treasury department Office of Economic studies, Municipal Revenue Collection Center (C.R.I.M. by its Spanish acronym), www.comperiapr.com, PR Public Registry-Karibe, and other sources were consulted. Comparable sales and listings selected are described in the different approaches to value developed in this report.
- OGPe (Oficina de Gerencia de Permisos), CRIM (Centro de Recaudaciones de Impuestos Municipales), JP (Junta de Planificación), and others pertinent state and/or municipal agencies were also consulted or visited. In addition, governmental agencies data systems

or websites were consulted to obtain the necessary information that could be useful to develop credible assignment results.

- Appropriate research was conducted pertaining to current market conditions relating to the specific market demand for the subject property.

Type and Extent of Analysis Applied

- The value opinions presented in this report are based upon review and analysis of the market conditions affecting real property value, including land values and sales data and the attributes of competitive properties.
- In order to determine the highest and best use of real estate, I completed a survey of the market, and examined the feasibility of alternative uses. This appraisal problem did not warrant an intensive highest and best use study. Given the nature of the subject real estate, my conclusion of highest and best use was based on logic and observed evidence.
- The three valuation methods were considered to form the market value opinion. In this specific case only the Sales Comparison Approach was used. The Cost Approach was considered however, since it only applies when at the site exist structures which add value to the whole property, it was not developed in this assignment. In the Income Approach scenario, since there is not sufficient market data regarding vacant land lease having similar physical and location characteristics than the subject, the Income Approach neither apply.
- For the Sales Comparison Approach, sales of comparable properties were researched. The comparable sales were then analyzed and compared to the subject. After qualitative adjustment to the properties for their differences with the subject, their value indicators were reconciled into a single value estimate for the subject property. The sales selected were considered competitive properties or the best data for the evaluation of the subject property. These sales reflect what buyers are willing to pay for properties similar to the subject.
- The opinion of value conclusion for the subject real estate involves a reconciliation of the previous indications of value which are regarded to meaningfully contribute to this appraisal assignment.

All pertinent data related to the solution of the appraisal problem has been collected, confirmed and reported to the best undersigned capacity. This appraisal is intended to follow the Uniform Standard of Professional Practice of the Appraisal Foundation and the Supplemental Standards Mandated by the Appraisal Institute. No significant data has been withheld and this report is limited only by the Assumptions and Limiting Conditions.

Presentation of Data

Identification of the Property

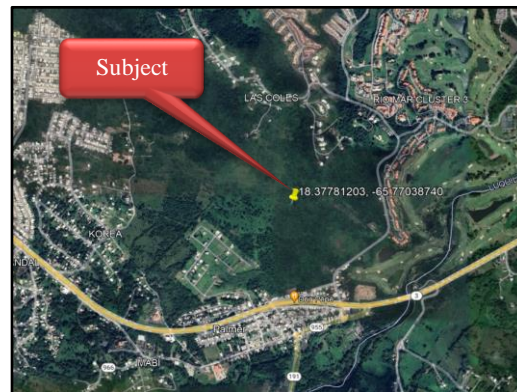
Based on the survey plan and the documents provided for my review, the property in question encompasses a vacant tract spanning approximately 681,346.94 square meters, equivalent to 173.3533 "cuerdas." Its topography is characterized by an irregular configuration, transitioning from predominantly semi-level terrain along PR-968 to ascending slopes and undulating contours towards the western boundary.

The Puerto Rico Planning Board has classified the subject parcel within an agricultural zoning district (A-G). It's worth highlighting that adjacent parcels with similar zoning designations have undergone significant transformations in the past. These transformations have resulted in a variety of land uses, including low to medium density residential developments, vacant lot subdivisions, and residential properties, indicating the potential for versatile land utilization.

Regarding flood risk, the property is situated in a secure position, well outside the boundaries of flood-prone areas. Specifically, it falls within Zone X as indicated on maps 72000C0420J and 72000C0785J, with an effective date of November 18, 2009. Currently, the property remains in a pristine, undeveloped state, characterized by a partial covering of trees and shrubs, awaiting its future potential and purpose.



View of Subject Property



Aerial View of the Subject Property

Legal Description and Registry Data

In accordance with the Judicial Sale deeds, the acquired property consists of two parcels, one covering 148.80 "cuerdas" and the other comprising 38.88 "cuerdas." However, in response to our client's request, the property size considered in this appraisal report is based on the dimensions provided in the survey plan they have submitted to us. The following image is a Survey Plan submitted to us. Please refer to the addenda of the report for additional information related to the subject property.

Registry Data

The subject property is recorded at Book No. 269, Page No.133, on Tract No. 1433 of the Fajardo Property Registry, First Section.

Sales History of subject property and Current Status

The Uniform Standards of Professional Appraisal Practice Standard Rule 1-5 indicates that in developing a real property appraisal, an appraiser must:

- a) Analyze all agreements of sale, options, or listings of the subject property current as of the effective date of the appraisal.
- b) Analyze all sales of the subject property that occurred three (3) years prior to the effective date of the appraisal;

After researching the documents submitted and interview with subject's owner, revealed that the subject parcel was previously under the ownership of Los Faros Development Corp. However, based on recent information, the subject is under ownership of Bautista REO PR Corp, which foreclosed on the previous owner on December 01, 2021. Research of the applicable public records, private data services and an interview with clients revealed that the subject property is not under a current agreement or option. Results of this appraisal report will assist the intended user in establishing an asking price for the subject tract.

No additional information regarding the status of the property is necessary.

Site Analysis

The subject property is a vacant land having an area of 681,346.94 square meters the equivalent to 173.3533 "cuerdas". It is located at PR-968, Km. 0.3, Mameyes Ward, Río Grande, Puerto Rico. As of the effective date of this appraisal, no structure was built there. The following table summarizes the site characteristics observed at the visit date and data collected from governmental and public agencies.

Site Characteristics	
Area: (Conservation Easement)	681,346.94 Sq. Mt. equals to 173.3533 "cuerdas"
Census Tract:	1301.01
County Code:	Code 119
MSA Code:	41980
Topography:	Semi-level areas, uphill slopes and rolling contours
Lot position:	Middle lot
Current subject's land use:	Vacant, in need of repairs
Abutting land use:	Mixed residential/commercial
Drainage:	Appears Adequate
Frontage:	The subject has good frontage to the State Road PR-968: ~370.0 mts.
Access:	State Road PR-968.
Street Visibility:	Adequate
Utilities:	Electric Power, potable water, and sewage are public. Telephone lines, cable TV, Internet provided by private entities.
Off-site improvements:	Asphalt paved public road with one lane in each direction. No, curbs, gutters, or sidewalks are available. Some utilities are overhead, others are underground.
Public Services:	Fire and police protection, garbage collection, postal delivery, street maintenance
Zoning:	A-G "Agrícola General" (See attached map) (See "Reglamento Conjunto" for further details.
PUT Classification	SRC "Suelo Rustico Común"
Flood Zone:	Zone "X" - No Shade-No Risk(See attached map)
Flood Map Panel:	72000C1210J
Flood Map Revision Date:	11/18/2009

Site Characteristics(cont.)

Soil Conditions:	No subsoil study on the site has been examined by the appraiser. The observation of the site did not reveal environmental signs of subsoil problems in parts of the site. No responsibility is assumed for hidden conditions that might exist.
Environmental Issues:	The absence of any kind of contamination or hazardous substance is assumed. No responsibility is assumed for hidden conditions that might exist.
Encumbrance/Easements/Restrictions:	No land restrictions, or possible condemnation proceedings were evident at the site. Only typical utilities easements that do not affect the marketability of the subject property were observed on the visited date. A title search and land surveyor is recommended to clarify if exists, any encroachment at the site.

Tax Data and Assessed Valuation

The following table summarizes the assessed valuation data obtained from the CRIM Documents submitted to us by the intended user of this report.

Tax Code Number	Land Value	Building Value	Machinery Value	Assessed Value	Annual Burden
091-097-006-12	\$25,223.00	\$ 0.00	\$ 0.00	\$25,223.00	\$2,605.54

In Puerto Rico all properties are assigned a tax number for taxing purposes. With this number, the property can be located and identified in the maps prepared by the Government of Puerto Rico. The assessment of the properties was made based on the value levels of 1957-58 periods. Each municipality has a taxing percentage, and taxes are paid by semester with a 10% discount if paid during the 30 days from the issuing of the invoice. The current tax rate for the Río Grande Municipality is 10.33%. The tax rates are periodically revised.

No responsibility is assumed in reference to pending tax liabilities, if any, for the subject property. All taxes are assumed to be current. The subject property is appraised though free and clear of any tax liability. The previous data is assumed to be correct. However, we do not represent ourselves as experts in tax matters and assume no liability in this respect. Confirmation of current tax conditions should be verified with pertinent tax authorities.

Tax Code (CRIM) Map



Zoning

A-G (Agricultural General) Zoning:

Purpose: The A-G zoning classification is primarily intended for agricultural use and related activities. Its purpose is to protect and preserve areas for farming, horticulture, and related agricultural practices.

Land Use: Under A-G zoning, the dominant land use is agriculture, which includes the cultivation of crops, orchards, and other agricultural activities. This zoning may also permit limited residential uses, typically to accommodate farm owners or workers. However, non-agricultural commercial and industrial activities are generally restricted in A-G zones.

Density: Residential development within A-G zones is typically characterized by lower population density. This zoning aims to maintain open spaces and green areas for agricultural purposes, which contributes to a rural or semi-rural setting.

Building Standards: A-G zoning often imposes specific building and land use standards to ensure that agricultural activities can coexist with residential uses while maintaining the rural character of the area. These standards may include minimum lot sizes, setbacks, and limitations on building heights.

Conservation: In some cases, A-G zoning may include provisions for the conservation of natural resources, such as wetlands, forests, and water bodies, to promote sustainable agricultural practices and protect the environment.

The parameters of A-G (Agricultural General) zoning in Puerto Rico may include the following general land use and development guidelines. These parameters can vary by municipality and are subject to change over time, so it's crucial to consult the specific zoning ordinances and regulations of the municipality where the property is located for the most up-to-date information. Here are some common parameters associated with A-G zoning:

Agricultural Land Use: A-G zoning is primarily intended for agricultural purposes. The zoning may specify that a significant portion of the land must be used for farming, horticulture, or other agricultural activities.

Residential Use: Some A-G zones may allow for limited residential use, typically to accommodate farm owners or workers. Residential development in A-G zones may have specific density requirements, such as minimum lot sizes.

Commercial and Industrial Restrictions: Non-agricultural commercial and industrial activities are often restricted or prohibited in A-G zones to preserve the rural and agricultural character of the area.

Setbacks: Zoning regulations typically include setback requirements, specifying the minimum distance that structures must be set back from property lines, roads, and other structures. Setback requirements in A-G (Agricultural General) zoning zones in Puerto Rico, like in many other places, can vary depending on local ordinances and specific regulations established by the municipality. Setback requirements are typically designed to ensure safety, maintain property aesthetics, and manage land use in accordance with the zoning designation. Below are some general principles that might apply to setbacks in A-G zoning, but it's important to verify these with the specific municipality's zoning code:

Front Setbacks: Front setbacks determine the minimum distance a building or structure must be set back from the front property line or the edge of the road. In A-G zoning, front setbacks are often applied to maintain a consistent streetscape and preserve the rural character of the area. Common front setback distances might range from 20 to 50 feet or more, depending on local regulations.

Rear Setbacks: Rear setbacks establish the minimum distance between the rear property line and any structures on the property. These setbacks are often used to create space for yards, gardens, and agricultural activities. Rear setbacks can vary but may range from 10 to 30 feet or more.

Side Setbacks: Side setbacks determine the minimum distance between the sides of a building or structure and the property lines on either side. The purpose is to provide space between neighboring properties and structures, reducing issues like crowding and fire hazards. Typical side setbacks might range from 10 to 20 feet or more.

Special Setback Requirements: Some A-G zoning areas may have special setback requirements for specific features or circumstances. For example, there may be setback regulations related to water bodies, wetlands, or environmentally sensitive areas. These setbacks aim to protect natural resources.

Accessory Structures: Setback requirements may vary for accessory structures such as barns, sheds, or greenhouses compared to primary residential structures. Accessory structures may have smaller setback distances.

Variations: Property owners who wish to build within setback areas that do not meet the zoning code's requirements may apply for a variance from the local zoning board. Variations allow for flexibility in setback requirements in certain situations.

It's essential to consult the specific zoning code and regulations of the municipality where the property is located to determine the precise setback requirements for A-G zoning in that area. Additionally, zoning regulations can change over time, so it's advisable to confirm the current setback requirements with the local planning or zoning department.

Building Heights: There may be limitations on building heights to maintain the low-profile character of the area and prevent structures from obstructing agricultural operations. Building height regulations in A-G (Agricultural General) zoning zones in Puerto Rico, like in many other places, can vary depending on the specific municipality's zoning ordinances and land use regulations. These regulations are designed to ensure that buildings within A-G zones maintain a low-profile character in keeping with the rural and agricultural nature of the area. Here are some general principles regarding building heights in A-G zoning, but it's essential to verify these with the specific municipality's zoning code:

Low Building Heights: A-G zoning typically restricts building heights to relatively low levels to preserve the visual aesthetics of the rural landscape and avoid obstructing agricultural activities. Building height limits in A-G zones are often lower than those in urban or commercial zones.

One or Two Stories: In many A-G zoning areas, the maximum allowed building height may be limited to one or two stories (often defined in feet or meters). This limitation helps maintain the area's rural character and minimizes the visual impact of structures.

Agricultural Structures: Building height regulations in A-G zones may differentiate between residential structures and agricultural structures. Agricultural buildings, such as barns or silos, may have different height limits than residential buildings.

Accessory Structures: Regulations regarding the height of accessory structures (e.g., sheds, greenhouses) may differ from those of primary residential structures. Accessory structures may have lower height limits.

Variations: Property owners who wish to exceed the prescribed building height limits may apply for a variance from the local zoning board. Variations provide flexibility in building height requirements under specific circumstances.

It's essential to consult the specific zoning code and regulations of the municipality where the property is located to determine the precise building height requirements for A-G zoning in that area

Open Space Preservation: Some A-G zones may have provisions for the preservation of open spaces, natural features, and green areas, including wetlands, forests, and water bodies.

Agricultural Practices: Regulations may address agricultural practices, including the use of pesticides, fertilizers, and animal husbandry, to ensure they are conducted in an environmentally responsible manner.

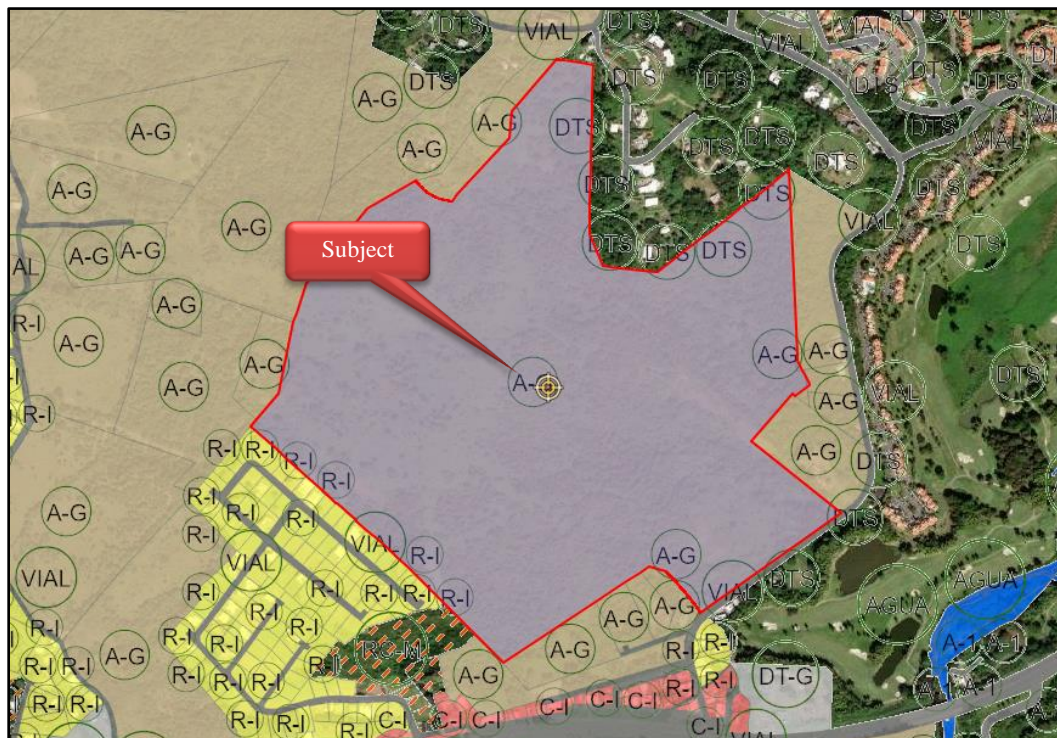
Conservation Measures: To promote sustainability and protect the environment, A-G zoning may include conservation measures related to soil erosion control, water quality protection, and the preservation of sensitive ecosystems.

Infrastructure Requirements: Zoning ordinances may specify infrastructure requirements such as road access, sewage disposal, and water supply to support both agricultural and residential uses.

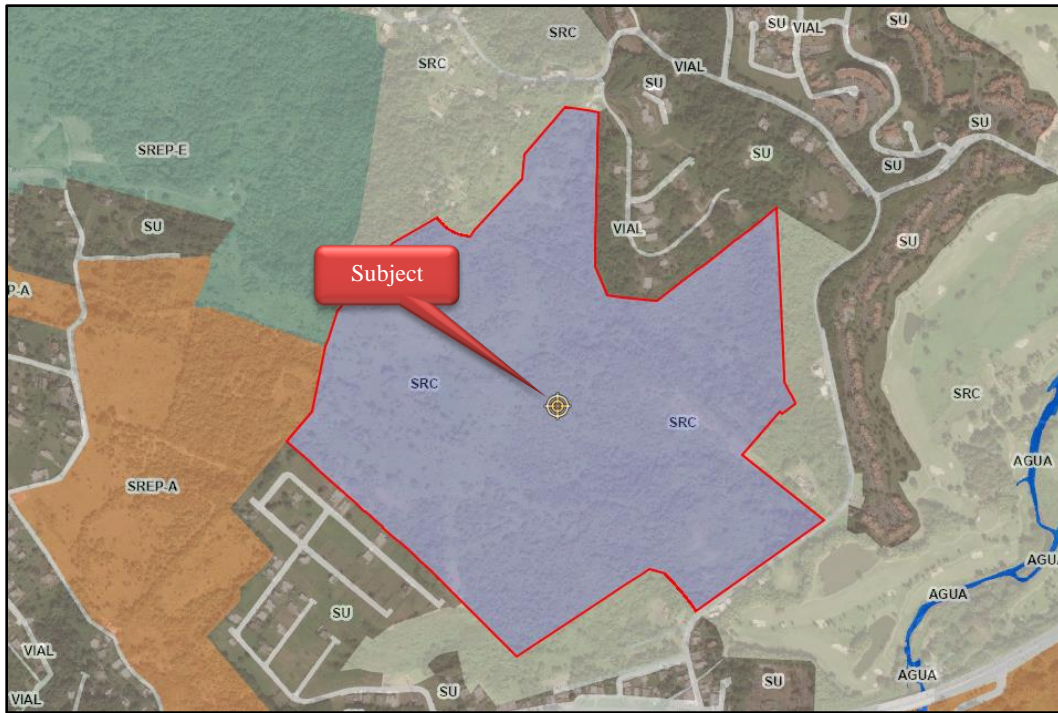
Permitting and Compliance: Property owners and developers in A-G zones are typically required to obtain permits and comply with zoning regulations. This may include obtaining agricultural permits for farming activities.

To understand the specific parameters of A-G zoning in a particular area of Puerto Rico, it is essential to consult the local municipal zoning ordinances and planning department. These regulations may have been updated or modified, so it's crucial to obtain the most current information directly from the local authorities.

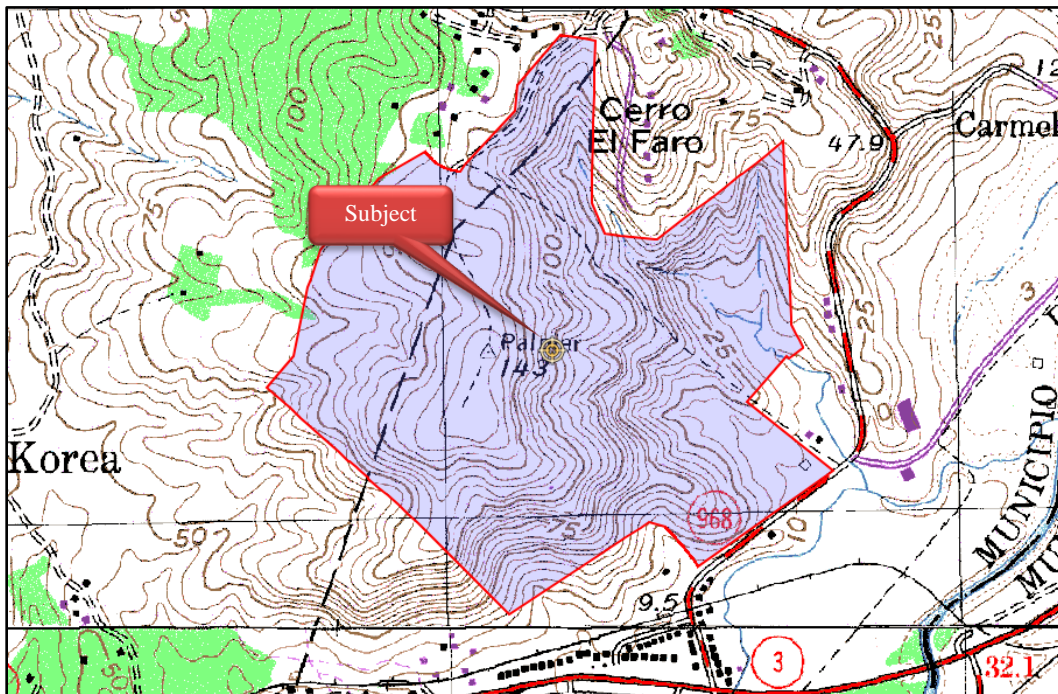
Zoning Map



PUT Map



Topography Map



Flood Map



Additional Site Comments

In terms of its legal classification, the subject site is currently zoned as A-G (General Agricultural) according to the zoning map boundaries of the Municipality of Río Grande. However, despite having an agricultural zoning classification, other similarly zoned parcels in the general area have been acquired in the past for more intensive uses such as low to medium density residential developments and vacant lot subdivisions.

It could be reasonably assumed that a possible rezoning under parameters for a residential use may be granted or obtained in the future. The most likely buyer should view the property as a vacant land parcel with future development potential.

The subject's proximity to tourist developments in the region creates positive considerations for urban development potential. However, the overall market deterioration conditions that have affected the island in recent years have hindered urban growth patterns in the area. As a result, urban growth in the neighborhood remains stagnant. The economic outlook for the neighborhood is uncertain at this time. Any potential future changes should be directly proportional to the overall economic conditions reflected in the local tourism industry, as it has historically been the economic driver of the region. Significant urban growth in the subject's neighborhood is not anticipated in the near future.

Puerto Rico Economy Activity Index

Extracted from EDB-EAI Overview – December 2022

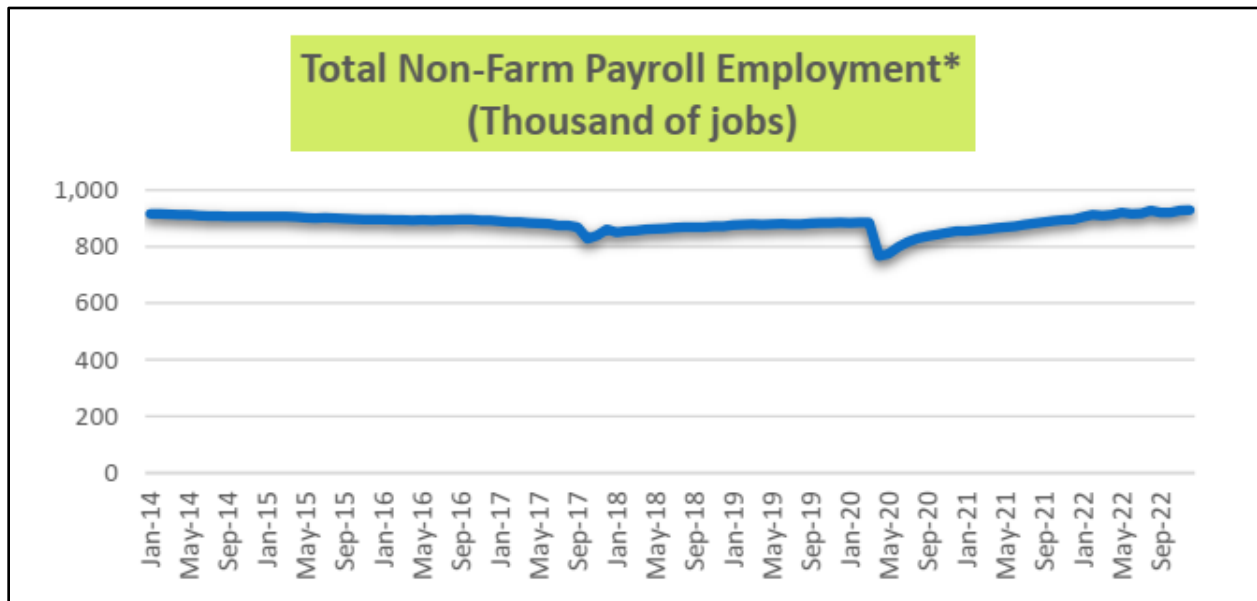
(Prepared by the Office of Economic Studies of Economic Development bank of Puerto Rico)

The EDB-EAI, s. a., registered 123.1, 123.1 and 125.1 points in October, November and December, or a 0.6% and 1.0% reductions and a 0.6% upturn when compared to October, November and December 2021, respectively. During fiscal year 2021, the EDB-EAI, s. a., decreased by 0.8% when compared to fiscal year 2020, but advanced by 4.5% during fiscal year 2022. Moreover, a preliminary increment of 1.8% was registered during calendar year 2022, after an increase of 4.7% during calendar year 2021. Likewise, it reached a 0.2% preliminary growth for the first semester of fiscal year 2022 (July - December).

Total non-farm payroll employment, s. a., averaged 928,800 jobs in December; which represents an uptick of 0.2% in a m-o-m basis, and annual increase of 3.7%.

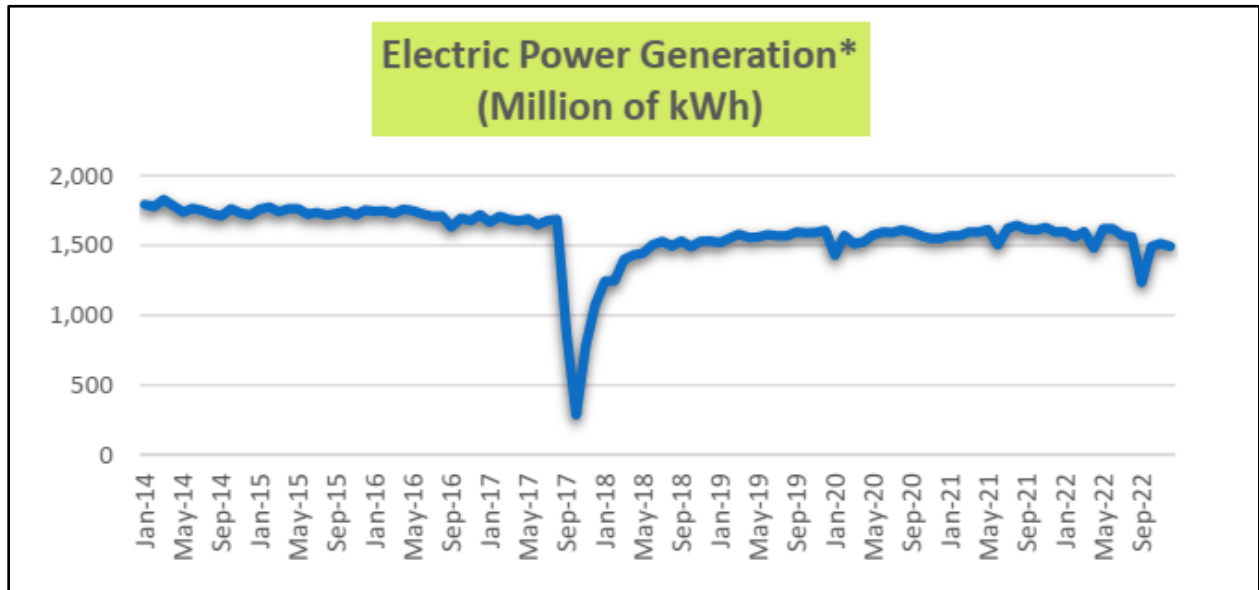
Electric power generation, s. a., for December 2022, totaled 1,493.6 million kWh, a 1.3% reduction in a m-o-m basis, and an annual fall of 6.4%. The preliminary partial estimate for gasoline consumption*, s. a., in December 2022 totaled 70.0 million gallons, 6.2% below the 74.7 million of gallons estimated for November 2022 and a drop of 5.1% when compared to the same month from the previous year.

Cement sales, s. a., totaled 1,306.3 million of 94lb. bags for December 2022, with an upsurge of 12.8% in a m-o-m basis, and an 8.2% growth when compared to December 2021.

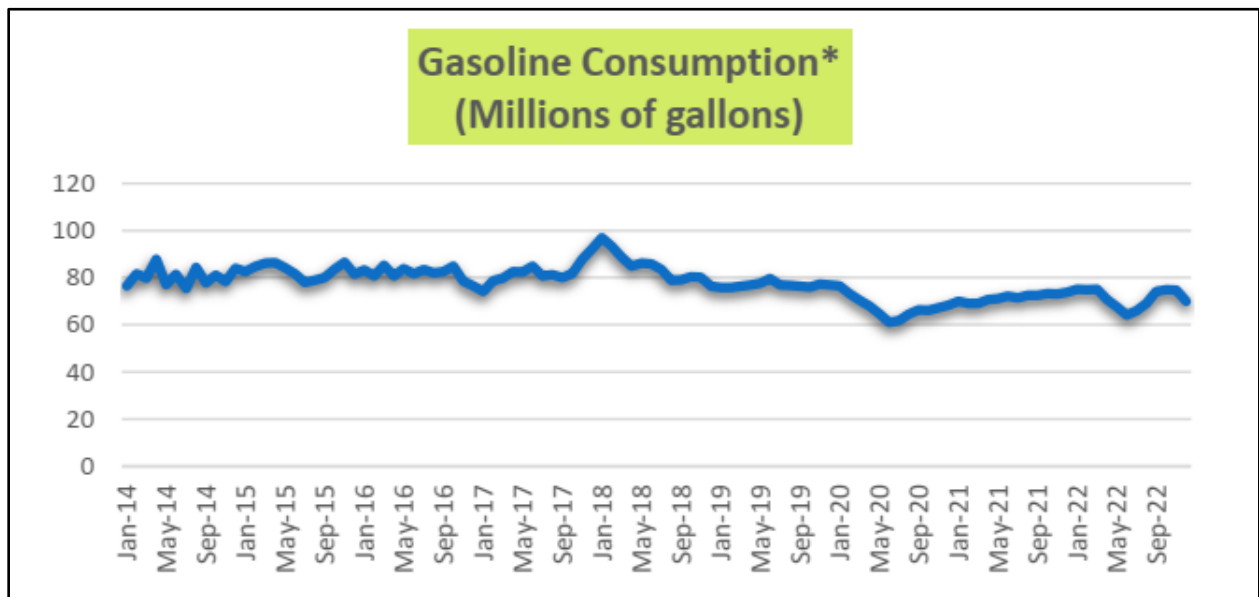


Total non-farm payroll employment, s. a., averaged 928,800 employees in December 2022. This represents a nominal growth of 0.2% when compared against the previous month. However, it improved by 3.7% in a y-o-y basis.

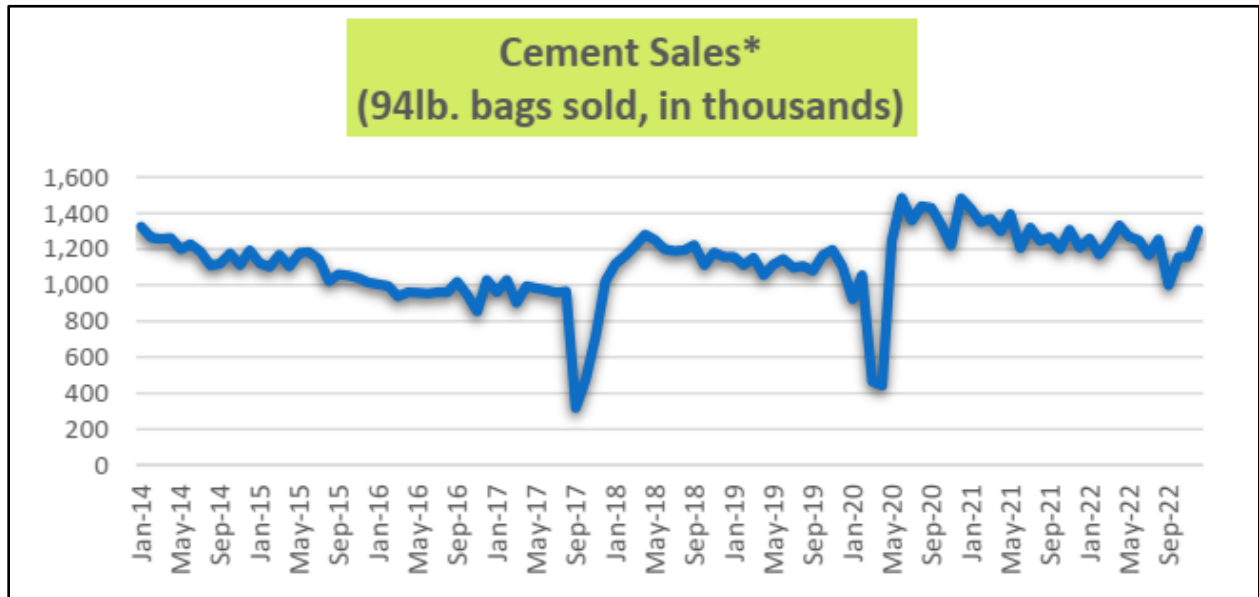
Electric power generation**, s. a., for December 2022, totaled 1,493.6 million kWh; a 1.3% loss in a m-o-m basis, and an annual fall of 6.4%.



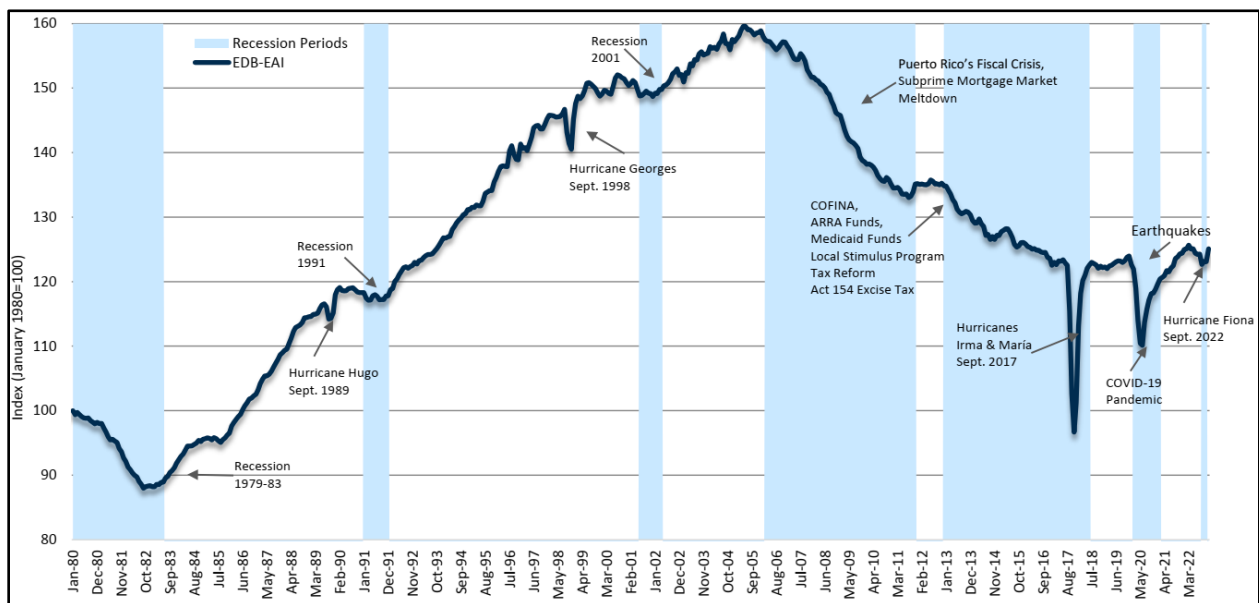
The preliminary partial estimate of gasoline consumption**, s. a., for December 2022 was 70.0 million gallons, 6.2% below the 74.7 million gallons estimated for November 2022, while the annual change dropped by 5.1%.



Cement sales, s. a., totaled 1,306.3 million of 94 lb. bags; a jump of 12.8% in a m-o-m basis for December 2022. Also, the annual change increased by 8.2%.



The complete series of the EAI concurs with the economic cycles of the Puerto Rico’s economy. It starts in January 1980 and exhibits the recession of FY1979 to FY1983, the subsequent recuperation period, the mild recession of FY1991 with its expansion phase, and the recession of 2001. It also shows the downward path of the Index since the beginning of the 2006 recession with a recuperation episode in 2012, after which the EAI resumed its descendent trend in 2013. The collapse experienced after hurricanes Irma and Maria struck the Island in September 2017, and the subsequent effect of the recovery efforts are also displayed. The last drop corresponds to the January 7th, 2020, earthquakes and its related aftershocks, compounded by the burdens that the COVID-19 global pandemic stresses on the economic activity. Now Puerto Rico's economy is entering a recovery period that is at pre-Hurricane Irma and Maria levels.



Conclusions

- A preliminary estimate of the EDB-EAI was calculated for the last quarter of 2022. The Index's gasoline consumption component was partially estimated for October, November and December of 2022, because key inputs required to compound the monthly gasoline consumption are unavailable as of today.
- The EDB-EAI reached 123.1, 123.1 and 125.1 points during October, November and December 2022, an increase of 0.4% for October, unchanged during November and a 1.6% increase for December, in a m-o-m basis. On a y-o-y basis, the Index fell by 0.6% and 1.0% during October and November, and up ticked by 0.6% in December.
- The Index declined by 0.8% during fiscal year 2021 (July – June) but grew by 4.5% for fiscal year 2022. Calendar year 2021 closed with an increase of 4.7%. However, for calendar year 2022, it increased preliminary by 1.8%. Likewise, it reached a preliminary 0.2% growth for first semester of fiscal year 2023 (July - December). All the percent changes are the result of a y-o-y comparison.
- The EDB-EAI y-o-y percent change increased for 20 consecutive months, concurrently with the recovery efforts that followed hurricanes Irma and Maria, and went up until March of 2020, when the stricter containment measures to halt the spread of the COVID-19 pandemic were put into effect.
- Hence, the EDB-EAI exhibited thirteen consecutive months with annual decreases since March 2020, although the trend changed as of March 2021, trailing henceforth an improvement in the economic activity for eighteen months straight, up until September 2022 when it down ticked as the impact of Hurricane Fiona registered in various of the Island's economic data reports, including the ones regarding the IAE's components.
- During December 2022, two of the Index's four s. a. components registered monthly declines: the gasoline consumption partial estimate (6.2%) and electric energy generation (1.3%). Meanwhile, non-farm payroll employment increased by 0.2% and cement sales by 12.8%.
- When compared against the same month from the previous year (December 2021), non-farm payroll employment improved by 3.7% and cement sales by 8.2%, while the gasoline consumption partial estimate and electric energy generation dropped by 5.1% and 6.4%, respectively.
- The next EDB-EAI report for January and February 2023 will be released early April, with a special comment section regarding the annual Payroll Employment Benchmark Revision, since the BLS revises the non-farm payroll employment for the previous 21 months (from April 2021 to December 2022) and does not publish state employment data during February.

Rio Grande Area – Market Analysis

General Characteristics

The municipality of Rio Grande is located in the northeast zone of the island of Puerto Rico, approximately 19 miles east from the San Juan Metropolitan area. Principal access is by the State Road No.3 that runs from the Rio Piedras sector of San Juan Municipality to the east zone of the island. Rio Grande has an area of approximately 90 square miles, which implies a population density of approximately 610 per square mile. This municipality is bound by the North with the Atlantic Ocean, by the South with Ceiba, Las Piedras and Naguabo municipalities, by the East with the municipalities of Fajardo and Luquillo and by the West with Canóvanas and Loiza municipalities. The Puerto Rico International Airport is located on this municipality as well as other tourist areas as hotels and beaches.



Distancia desde San Juan : 19 mi. aprox.
 Tiempo estimado : 00 hrs. 20 mins.
 Direcciones : San Juan Autopista # 26 Este
 Carolina Carr. # 3 Este

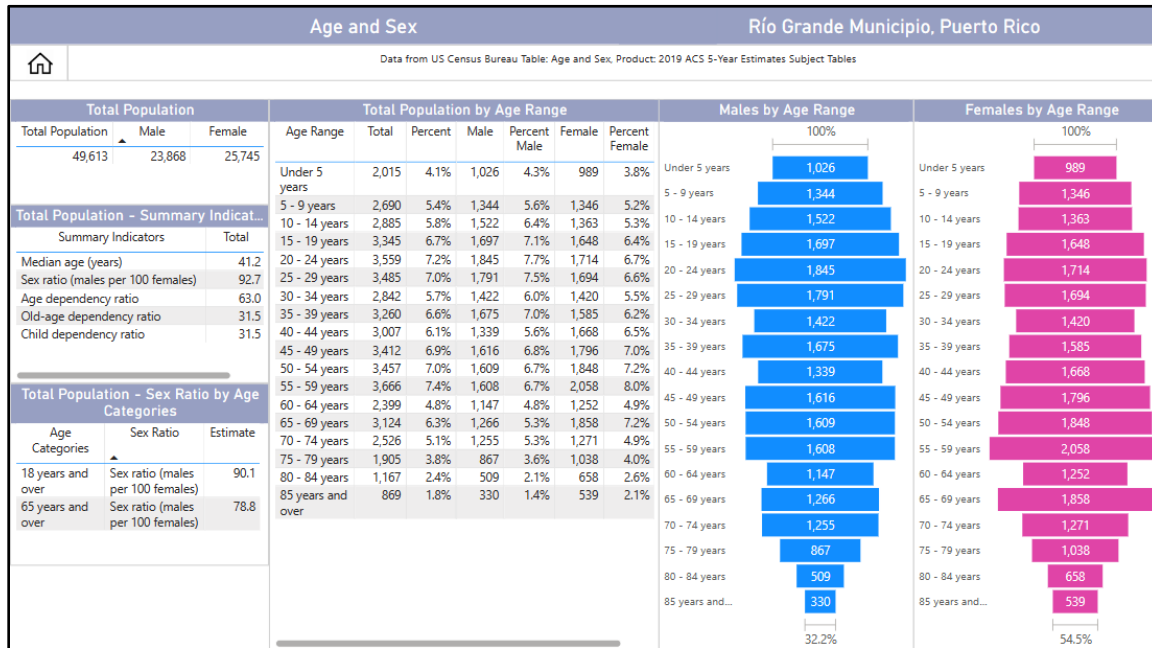
Technically speaking, several wards make up this municipality, namely Cienaga Alta, Ciegana Baja, Guzman Arriba, Guzman Abajo, Jimenez, Herrera, Mameyes and Zarzal. Among the municipality attractions, El Yunque Rain Forest is located on this municipality as well as other tourist areas such as hotels, golf courses and beaches. In the economic terms Rio Grande has some manufacturing industries and several retail businesses.



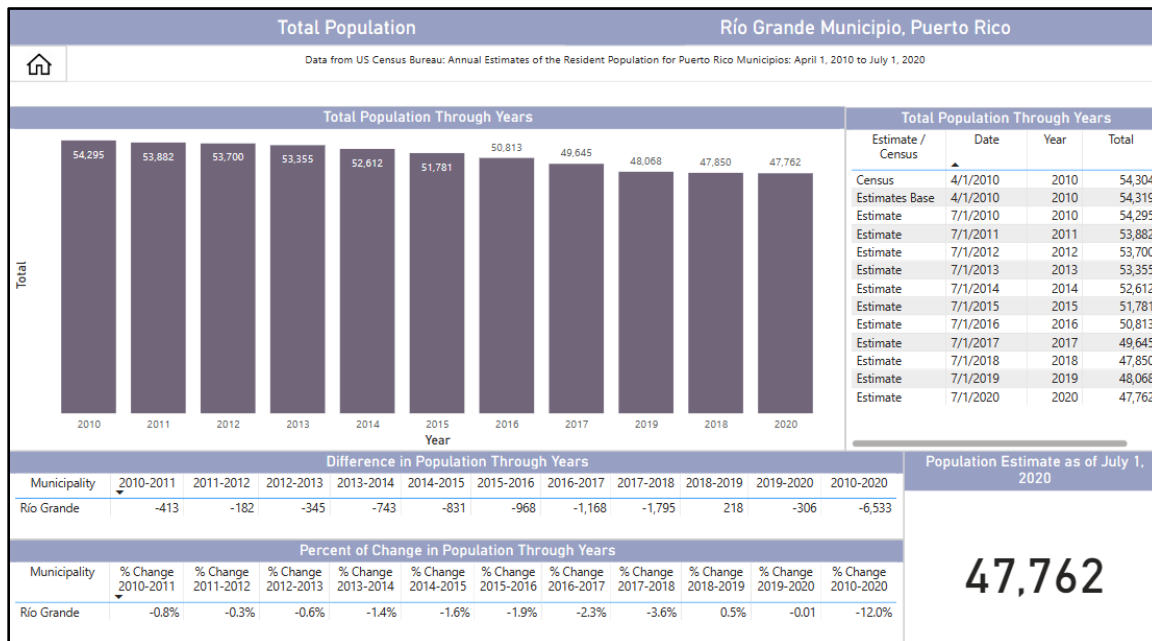
Socio Economic Characteristics

The following table summarized the distribution of the population in the Rio Grande Area taking from the last data available, which is the actual numbers of the US Bureau of Census as from 2020, the last data available.

RIO GRANDE AREA POPULATION YEAR 2020



Source: www.jp.pr.gov/censo



Source: www.jp.pr.gov/censo

According to previous tables, the San Juan Area the estimated population for the mentioned years is 47,762. This figure reveals a reduction of 12.03% when is compare to the growing figures from 2010.

From the previous table, it can be seen that the median age for all of the Rio Grande Area ranges is 41.2 years in this period. Persons this age are typically in their first ten years in the work force (if they attended college) and are marrying and having children.

Family Income

Median Household Income, Median Housing Value, Total Housing Units

The following table shows the median household income for the Rio Grande Area, from the latest figures available.

RIO GRANDE MUNICIPALITY- YEAR 2019 HOUSING, FAMILIES AND LIVING ARRANGEMENTS

QuickFacts as of July 1, 2019		Río Grande Municipio, Puerto Rico	
Data from the US Census Bureau Product: QuickFacts July 1, 2019			
Population		Population Characteristics - Foreign Born Persons	
Fact	Population	Fact	Percent
Population estimates, July 1, 2019, (V2019)	48,025	Foreign born persons, percent, 2015-2019	1.3%
Population, Census, April 1, 2010	54,304		
Population estimates base, April 1, 2010, (V2019)	54,319		
Population Percent Change		Housing - Owner-occupied Housing Unit Rate	
Fact	Percent	Fact	Rate
Population, percent change - April 1, 2010 (estimates base) to July 1, 2019, (V2019)	-11.6%	Owner-occupied housing unit rate, 2015-2019	75.3%
Age and Sex		Housing Median \$	
Fact	Percent	Fact	Total \$
Persons under 5 years, percent	3.4%	Median value of owner-occupied housing units, 2015-2019	\$113,800
Persons under 18 years, percent	17.6%	Median selected monthly owner costs -with a mortgage, 2015-2019	\$881
Persons 65 years and over, percent	20.7%	Median selected monthly owner costs -without a mortgage, 2015-2019	\$151
Female persons, percent	52.1%	Median gross rent, 2015-2019	\$527
Population Characteristics - Veterans Population		Families & Living Arrangements -Households	
Fact	Population	Fact	Households
Veterans, 2015-2019	1,139	Households, 2015-2019	15,635
		Families & Living Arrangements - Persons per Household	
		Fact	Total
		Persons per household, 2015-2019	3.13
		Families & Living Arrangements	
		Fact	Percent
		Living in same house 1 year ago, percent of persons age 1 year+, 2015-2019	92.6%
		Language other than English spoken at home, percent of persons age 5 years+, 2015-2019	95.6%
		Computer and Internet Use	
		Fact	Percent
		Households with a computer, percent, 2015-2019	75.9%
		Households with a broadband Internet subscription, percent, 2015-2019	69.8%
		Education	
		Fact	Percent
		High school graduate or higher, percent of persons age 25 years+, 2015-2019	78.1%
		Bachelor's degree or higher, percent of persons age 25 years+, 2015-2019	22.8%

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The Median Housing Value of owner-occupied housing units is \$113,800, which is considered similar to the average of all the municipalities in the Island. Total Households approximates to 15,635.

Income in the Past 12 Months (In 2019 Inflation-Adjusted Dollars)				San Juan Municipio, Puerto Rico				
Data from US Census Bureau Table: Income in the Past 12 Months (In 2019 Inflation-Adjusted Dollars); Survey/Program: American Community Survey; TableID: S1901; Product: 2019 ACS 5-Year Estimates Subjects Tables								
Population by Household Type				Percent of Income Range in the Past 12 Months by Household Type				
Population of Households	Population of Families	Population of Married-couple families	Population of Nonfamily households	Income Range	Households %	Families %	Married-couple families %	Nonfamily households %
142,699	81,117	38,507	61,582	Less than \$10,000	28.4%	22.8%	7.5%	37.2%
				\$10,000 to \$14,999	9.8%	7.7%	5.1%	12.9%
				\$15,000 to \$24,999	14.6%	13.8%	13.0%	16.5%
				\$25,000 to \$34,999	10.8%	11.3%	11.1%	10.1%
				\$35,000 to \$49,999	10.9%	11.6%	13.5%	9.1%
				\$50,000 to \$74,999	10.6%	13.6%	17.7%	6.1%
				\$75,000 to \$99,999	5.6%	6.8%	9.9%	3.7%
				\$100,000 to \$149,999	4.7%	6.1%	10.3%	2.6%
				\$150,000 to \$199,999	2.0%	2.8%	5.3%	0.9%
				\$200,000 or more	2.4%	3.5%	6.6%	0.9%
Median Income in the Past 12 Months by Household Type								
Median Income Households	Median Income Families	Median Income Married-couples families	Median Income Nonfamily households					
\$22,710	\$29,746	\$49,874	\$14,978					
Mean Income in the Past 12 Months by Household Type								
Mean Income Households	Mean Income Families	Mean Income Married-couples families	Mean Income Nonfamily					
\$43,589	\$53,838	\$80,922	\$28,393					

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The previous table shows that the Median Household Income is \$22,669. Compare to the rest of the island, Rio Grande Area has one of the highest income, which translates into a higher per capita disposable income.

Employment

The data contained in the following table, summarized from information by the U.S. Bureau of the Census, show Rio Grande Area’s largest sources of employment as from 2019, the last data available.

RIO GRANDE AREA SOURCES OF EMPLOYMENT YEAR 2019

County Business Patterns by Legal Form of Organization and Employment Size Class				San Juan Municipio, Puerto Rico				
Data from US Census Bureau Table: All Sectors: County Business Patterns, Zip Code Business Patterns, by Legal Form of Organization and Employment Size Class for the U.S., States, and Selected Geographies: 2019; Survey/Program: Economic Surveys; TableID: CB1900CBP; Year: 2019; Dataset: CBP2019								
2019 Total for All Sectors - All Establishments				2019 All Establishments Total by NAICS Code Description				
Number of establishments	Number of employees	Annual payroll (\$1,000)	First-quarter payroll (\$1,000)	Meaning of NAICS code	Number of establishments	Number of employees	Annual payroll (\$1,000)	First-quarter payroll (\$1,000)
11156	195925	\$6,314,019	\$1,620,857	Accommodation and food services	2216	23795	\$447,175	\$113,647
				Administrative and support and waste management and remediation services	1286	29834	\$656,652	\$167,408
				Arts, entertainment, and recreation	294	1270	\$35,072	\$7,109
				Construction	811	7576	\$208,925	\$47,699
				Educational services	451	13645	\$342,833	\$81,656
				Finance and insurance	1392	19317	\$1,039,276	\$301,223
				Health care and social assistance	3113	19728	\$592,740	\$146,873
				Industries not classified	235	233	\$11,112	\$1,185
				Information	502	9765	\$487,363	\$144,176
				Management of companies and enterprises	88	3024	\$202,588	\$71,428
				Manufacturing	424	3942	\$143,751	\$30,933
				Other services (except public administration)	1625	5769	\$131,384	\$31,111
				Professional, scientific, and technical services	4112	16516	\$791,950	\$179,865
				Real estate and rental and leasing	1037	4685	\$134,405	\$33,326
				Retail trade	3129	23955	\$567,633	\$136,697
				Transportation and warehousing	366	4320	\$156,092	\$37,543
				Utilities	18	42	\$1,908	\$260
				Wholesale trade	1184	8509	\$363,160	\$88,718
2019 Totals for All Sectors by Employment Size of Establishment								
Employment size of establishments	Number of establishments							
Establishments with 1,000 employees or more	14							
Establishments with 10 to 19 employees	1336							
Establishments with 100 to 249 employees	193							
Establishments with 20 to 49 employees	974							
Establishments with 250 to 499 employees	75							
Establishments with 5 to 9 employees	2014							
Establishments with 50 to 99 employees	320							
Establishments with 500 to 999 employees	26							
Establishments with less than 5 employees	6204							

Source: www.jp.pr.gov

From the previous table it can be seen how the largest employment sources in the Rio Grande Municipality for the five year survey (2019) estimate is the Accommodation and food service with a 1,662 employees, followed by Retail Trade with 1,539 employees, Health care and social assistance with 274 employees. These employment categories require the availability of office and commercial spaces. Therefore, if this trend continues in the Rio Grande Area, the demand for spaces of this type could increase.

Summary

In summary, the data from previous tables reveals that the Rio Grande Area experienced a 12.03% reduction in its estimated population compared to 2010. In the Rio Grande Area, the median age is 41.2 years, indicating a population typically in their early career years and family-building stage. The Median Housing Value is \$113,800, similar to the island's average, with approximately 15,635 total households. The Median Household Income in the Rio Grande Area is \$22,669, one of the highest on the island, leading to a higher per capita disposable income. Furthermore, the largest employment sectors in the Rio Grande Municipality in 2019 were Accommodation and food service (1,662 employees), Retail Trade (1,539 employees), and Health care and social assistance (274 employees), all of which may drive demand for office and commercial spaces, potentially leading to increased demand if this trend persists.

Based on the provided data, several conclusions can be made:

Housing Development: Given that the median housing value in the Rio Grande Area is in line with the island's average, and the population is in the family-building stage, it could be an opportunity for real estate developers to consider affordable housing projects to meet the demand for family homes.

Commercial Spaces: Since the Accommodation and food service as well as Retail Trade sectors are the largest employers in the area, there may be a growing need for commercial and office spaces. Investing in the construction of shopping centers or office buildings could be a profitable strategy.

Infrastructure Investments: Considering that the Rio Grande Area has one of the highest median household incomes on the island, indicating stronger purchasing power in the community, investments in infrastructure such as road improvements and public utilities could attract even more businesses and residents to the area.

Monitoring Economic Trends: Since the economy can fluctuate, it's important to continue monitoring economic trends in the Rio Grande Area. While current data is positive, it's essential to be prepared to adapt to changes in demand and market conditions.

Overall, these recommendations are based on the potential for growth and economic development in the Rio Grande Area. However, conducting market studies and feasibility analyses is crucial before making significant investment or development decisions.

Neighborhood Analysis

Location, Surrounding and Neighborhood trends



The subject property is situated within the Mameyes Ward of the Rio Grande Municipality. This neighborhood exhibits a diverse and somewhat random pattern of land use, with commercial, light industrial, and residential properties dominating the landscape. The majority of the buildings in the area are more than 25 years old, constructed primarily of reinforced concrete and concrete block structures, typically in average condition. The neighborhood hosts a wide array of small businesses catering primarily to residents, contributing to its vibrant community atmosphere.

Residents in Mameyes Ward benefit from the same quality and range of public utilities and services as other competitive neighborhoods. This includes access to telephone lines, electric power, and potable water. The municipality ensures regular garbage and trash collection, while also providing essential services like road maintenance, fire and police protection, and postal services. Public transportation in the area is adequate, primarily reliant on taxicabs, private cars, and car owners.

One of the neighborhood's strengths lies in its non-conflicting land use, effectively combining residential, light industrial, and some commercial activities. Zoning regulations appear to be well-established and enforced, contributing to the overall orderly development of the area. Additionally, the subject property enjoys easy accessibility, thanks in part to its proximity to PR-3 and Expressway-66, which enhance its connectivity to the broader region.

Notably, the subject property is situated to the south of the Wyndham Grand Rio Mar Puerto Rico, a prominent tourist attraction that draws visitors from across the island. This proximity to a well-known tourist destination adds to the neighborhood's appeal and potential for economic activity.

Transportation

Main road proximity	:	PR-3 bounds subject property south. PR-66; +/- 3.5 miles east
Public Transportation	:	Public cars and private taxis are available in the Rio Grande Town Core located approximately 2 miles east from subject.

Overview of Market Characteristic

The physical boundaries of the neighborhood region are as follows:

Market Area Boundary Limits	
North	by the Rio Grande Loiza
South	by the Quemados Ward of San Lorenzo
East	by San Lorenzo traditional commercial area
West	By Caguas Municipality

Market Area Analysis

Area & Property Use Characteristics

Location	<input type="radio"/> Urban	<input checked="" type="radio"/> Suburban	<input type="radio"/> Rural	Population Trend	<input type="radio"/> Up	<input checked="" type="radio"/> Stbl	<input type="radio"/> Dn
Build Up	<input type="radio"/> Over 75%	<input checked="" type="radio"/> 25% to 75%	<input type="radio"/> Under 25%	Employment Trend	<input type="radio"/> Up	<input checked="" type="radio"/> Stbl	<input type="radio"/> Dn
Growth Rate	<input type="radio"/> Fully Dev.	<input type="radio"/> Rapid	<input type="radio"/> Steady	Personal Income Level	<input type="radio"/> Up	<input checked="" type="radio"/> Stbl	<input type="radio"/> Dn
Property Values	<input type="radio"/> Increasing	<input checked="" type="radio"/> Stable	<input type="radio"/> Declining	Retail Sales	<input type="radio"/> Up	<input checked="" type="radio"/> Stbl	<input type="radio"/> Dn
Demand/Supply	<input type="radio"/> Shortage	<input checked="" type="radio"/> In balance	<input type="radio"/> Over Supply	New Construction	<input type="radio"/> Up	<input type="radio"/> Stbl	<input checked="" type="radio"/> Dn
Vacancy Trend	<input type="radio"/> Increasing	<input checked="" type="radio"/> Stable	<input type="radio"/> Declining	Rental Demand	<input type="radio"/> Up	<input checked="" type="radio"/> Stbl	<input type="radio"/> Dn
Change in Economic Base	<input type="radio"/> Likely	<input checked="" type="radio"/> Unlikely	<input type="radio"/> Taking Place				

Land Use Trends

Present Land Use	Supply/Demand		
	Under	In Bal.	Over
60% 1 Family	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
10% Retail	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
10% Multifamily	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
5% Office	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
5% Industrial	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
10% Vacant	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
100%			

- 1 Family
- Retail
- Multifamily
- Office
- Industrial
- Vacant

Predominant Occupancy	<input checked="" type="radio"/> Owner	<input type="radio"/> Tenant	<input type="radio"/> Vacant
Change in Land Use	<input type="radio"/> Likely	<input checked="" type="radio"/> Not Likely	<input type="radio"/> Taking Place

(From _____ to _____)

Overall Comments

The area is experiencing a relative stability in land use, with no significant changes occurring recently. The properties in this locality exhibit a mixed ownership pattern, with some being owner-occupied while others are rented or partially rented. Currently, there is a noticeable presence of properties available for sale, indicating a potential oversupply in the market. In the event that the subject property is listed for sale, it is advisable to price it competitively, potentially below the average asking price, to streamline marketing efforts and attract potential buyers.

Despite the prevailing economic recession on the island, property values in the area appear to be showing signs of stabilization. This suggests that the local real estate market is finding a degree of resilience amid economic challenges.

Market participants in this neighborhood may include local investors looking to establish commercial or light industrial enterprises, as well as speculative investors seeking to generate rental income from the property. Further due to the availability of vacant lands in the area residential land developers could be other participant in the market area. The decision to invest in or sell a property in this context should be carefully considered, taking into account the current market dynamics and the specific goals of the potential investors.

Analysis of Data and Conclusions

Highest and Best Use Analysis

Highest and Best Use, as defined in the Dictionary of Real estate Appraiser, Fifth Edition, page 93, published by the Appraisal Institute is: “The reasonably, probable and legal use of a vacant land or an improved property that is physically possible, appropriately supported, financially feasible, and that results in the highest value”. The four criteria the highest and best use must meet are: legal permissibility, physical possibility, financial feasibility and maximum productivity. There are three major types of land uses; these are residential, commercial and industrial. The distinguishing factor in the development of land value is its immobility. Therefore, its location is the concept, which determines its use and potential productivity.

Highest and Best Use of Land as If Vacant

Legally Permissible

The subject site is currently zoned as A-G (General Agricultural) according to the zoning map limits of the Rio Grande Municipality. It's important to note that despite its current agricultural zoning classification, similar parcels in the surrounding area have been acquired in the past for the purpose of more intensive land uses, including low to medium-density residential developments and vacant lot subdivisions. This suggests a potential for rezoning the subject property under parameters that allow for residential or tourist residential use, therefore rezoning could reasonably be assumed to be granted or obtained in the future. It is legally permissible to pursue a future residential development on the subject property as long as the appropriate permits and approvals are obtained from the relevant authorities.

In summary, although the subject property is currently zoned for agricultural use, there is a precedent for rezoning similar parcels in the area for more residential development. As long as the necessary permits and approvals are secured, future residential development on the subject property is legally feasible.

Physically Possible

The subject property encompasses approximately 681,346.94 square meters, equivalent to 173.3533 "cuerdas." Its terrain is characterized by an irregular configuration and diverse topography, transitioning from mostly semi-level expanses adjacent to PR-968 to ascending slopes and undulating contours towards the west.

Regarding flood risk, the property is situated in a secure position, well beyond the boundaries of floodable areas. It falls within Zone X as delineated on maps 72000C0420J and 72000C0785J, with an effective date of November 18, 2009. Currently, the property remains in a raw-land state, adorned with a partial cover of trees and shrubs, awaiting its future potential and purpose.

The property benefits from an advantageous location, offering immediate and convenient access to major roads in the area. It has access to all necessary municipal public utilities, which are available at a reasonable distance. Therefore, upon initial examination, both from a legal and physical standpoint, the highest and best use of the subject parcel is considered to be an agricultural-related use that aligns with its current parameters. However, there is also potential for a low to medium-density residential development, which would require specific government approvals to proceed.

Three possible scenarios were analyzed as an options for development in the subject site. First, evaluating the tract's zoning classification, initially suggests agricultural utilization. However, this option warrants dismissal due to certain external factors, particularly the proximity to hotels and tourist areas and other external infrastructure. The expected returns from an agricultural venture may not yield a sufficiently profitable outcome for prospective agricultural investors. Therefore, despite its current A-G zoning classification, agricultural use is deemed impractical in financial outlook perspective.

The second scenario analyzed is the development of the land for medium to high-density residential purposes. Nonetheless, due to the current high construction costs prevailing in the market, that development of the land for could be considered as high risk at this time since these elevated construction expenses would necessitate correspondingly high asking prices for residential units following development. Unfortunately, the demand for luxury and high-profile residences is presently limited. Consequently, this alternative must also be set aside, at least in the foreseeable future.

Lastly, a low-density residential development emerges as a more practical option given the current state of the real estate market. It may be advisable for a potential investor to develop the property partially as a low-density residential area at this juncture. Subsequently, a strategic approach would involve a pause in the ongoing economic inflation waiting for a favorable upturn in the market to consider the subject land development. Such conditions would then warrant consideration of the site's redevelopment for a more productivity purpose that can generate greatest returns on investment. This strategy aligns with the dynamic nature of the real estate market, enabling the investor to adapt to changing circumstances and maximize potential profits.

Financially Feasible

A financial feasibility analysis based on the provided information suggests that developing the site and constructing a new facility in the current economic conditions of Puerto Rico may indeed present significant challenges and may not be economically feasible for a developer due to the following:

As mentioned earlier, the property's irregular configuration, diverse topography, and potential need for government approvals for residential development can lead to higher construction costs. These costs may include site preparation, infrastructure development, compliance with zoning and regulatory requirements, and potential legal expenses related to ongoing legal considerations.

The economic conditions in Puerto Rico, characterized by market stagnation and uncertainty, and the current economy inflation affecting the world at this time, can impact the local demand for new facilities and developments due to higher costs associated to land development. Lower demand and increased competition among sellers can put downward pressure on property prices, affecting potential profit margins for developers. As mentioned before, a developer would need to conduct a detailed profitability analysis. This analysis should compare the estimated total construction costs, including all associated expenses, with the expected revenue from the sale or rental of the developed facility. Further, the presence of ongoing legal considerations, potential delays in government approvals, and the uncertainty of market conditions add risk to the project. Developers must consider these risks when assessing feasibility. High levels of risk can further diminish the attractiveness of the project from a financial perspective.

Developers should also consider their access to financing and available capital. Securing financing for a project with uncertain profitability can be challenging and may result in higher borrowing costs.

In conclusion, based on the information provided and the economic conditions in Puerto Rico, there are significant challenges and risks associated with developing the site and constructing a new facility. The construction costs, market conditions, legal considerations, and risk factors suggest that the development of the subject site may not be economically feasible at this time. It is understandable that, given the current economic conditions in Puerto Rico and the challenges associated with construction costs, the conclusion to hold any project at the site until Puerto Rico's economy become more stable before considering site development is a prudent decision.

Maximum Productivity

By waiting for the economy to stabilize, construction costs may become more predictable, and the risks associated with real estate development investment can be more effectively mitigated. Furthermore, a stronger economy could drive demand for new facilities and developments, potentially enhancing profitability prospects.

It is essential to stay vigilant about economic and market conditions in Puerto Rico and be prepared to seize opportunities when circumstances become more favorable. Meanwhile, ongoing monitoring of the economic situation and periodic feasibility analyses can help make informed decisions in the future.

In summary, although residential seems to be the more productivity use at the site, it is our opinion that hold the site development until Puerto Rico's economy to stabilize and construction costs to become more favorable is a prudent strategy in the current conditions.

Introduction to the Valuation Process

There are three basic approaches that may be used by the appraisers in the estimation of market value. These three approaches provide data from the market from three different areas when all are available. These three approaches are the Cost Approach, Direct Sales Comparison Approach, and the Income Approach.

In the cost approach, the value of a property is derived by adding the estimated value of the land to the current cost of construction a reproduction or replacements for the improvements and then subtracting the amount of depreciation (i.e., deterioration and obsolescence) in the structures from all cases. Entrepreneurial profit may be included in the value indication. This approach is particularly useful in valuing new or nearly new improvements and properties that are not frequently exchanged in the market.

The Sales Comparison Approach is most useful when a number of similar properties have been sold or are currently for sale in the subject property's market. Using this approach, an appraiser produces a value indication by comparing the subject property with similar properties, called comparable sales. The sale prices of the properties that are judge to be most comparable tend to indicate a range in which the value indication for the subject property will fall. The appraisers estimate the degree of similarity or difference between the subject property and the comparable sales by considering the following elements of comparison among others:

- Real property rights conveyed
- Financing terms
- Condition of sale
- Market condition(time)
- Location
- Physical Characteristics
- Use
- Non realty components of value

The Income Approach as used for investment properties, in this approach, the present value of the future benefits of property ownership is measured.

Normally, these three approaches will each indicate a different value but should fall within a reasonable range. After all the factors in each of the three approaches have been carefully weighted, the three indicators of value derive from each one are reconciled into a final value conclusion. On our assignment, just the Sales Comparison Approach applies.

Since the subject is a vacant land to estimate the market value opinion, the appraiser have considered only the Sales comparison Approach. The Income Approach and the Cost Approach to value were not considered but not developed because the subject property is a vacant land.

Site Valuation

The sales comparison approach is the most common technique for site valuation and is the preferred method when comparable sales are available. For this method, sales of similar sites are analyzed, compare and their prices adjusted to provide a value indication for the site being appraised. In the lack of adequate comparable sales to evaluate the subject property the extraction method is frequently used.

The following pages contain the comparable site sales used to evaluate the subject, and the analysis by which the market value of the subject's land was estimated.

Comparable Land Sales Survey.

Comparable Land Sales: Adjustment Grid							
	Subject	Comp 1	Comp 2	Comp 3			
Location	PR-968, Km. 0.3, Mameyes Ward	Parcels A and C State Road PR-3, Santa Rita Sector, Quebrada Vueltas Ward(Hacienda Josefa), Fajardo, PR	37 Lots State Road PR-3, Santa Rita Sector, Quebrada Vueltas Ward(Hacienda Josefa), Fajardo, PR	Paseo Costa del Sur, SR-3, El Coqui Sector, Aguirre Ward, Salinas, PR			
Tax Code Number	091-097-006-12	178-000-004-01	150-000-009-48	418-000-002-14			
Geographical Coordinates		N:18.3160 W:-65.6486	N:18.3198 W:-65.6472	N:17.9766 W:-66.2348			
Effective Date of Appraisal	September 11, 2023						
Buyer	N/A	JUF Resort Owner LLC	JUF Resort Owner LLC	ETC Us 1 Landco LLC			
Seller	N/A	GDB Debt Recovery Authority	Hacienda Gabriela Inc.	Lopez Enterprises Contractor LLP			
Notary	N/A	Xavier Torres Soto	Alexandra Reyes Sanchez	Nanette Laguna Gonzalez			
Legal Data	N/A	T:21080/Fajardo	T:8367/Fajardo	T:135			
Data Source	N/A	Field Inspection	Field Inspection	Field Inspection			
Sale Price	N/A	\$4,500,000	\$5,500,000	\$3,500,000			
Lot Area ("cuerda")	173.350	211.56	210.89	325.37			
Price per "cuerda"		\$21,271.03	\$26,080.14	\$10,756.85			
Terms and Condition	N/A	Typical	Typical	Typical			
Zoning Code	A-G "Agrícola General"	A-P, R-I,CR and C-I	A-P	A-P			
Flood Classification	Zone "X" - No Shade-No Risk	Partially Zone "A" and Zone "X"	"AE" -Shade- High Risk	Partially Zone "A" and Zone "X"			
Date of Sale	N/A	22-Dec-22	3-Feb-23	31-Jan-23			

Comparable Land Sales Photos



Comp 1



Comp 1



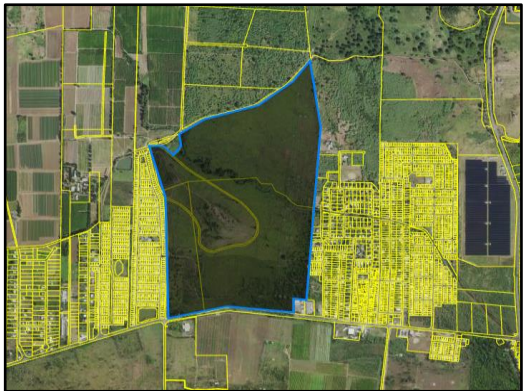
Comp 2



Comp 2

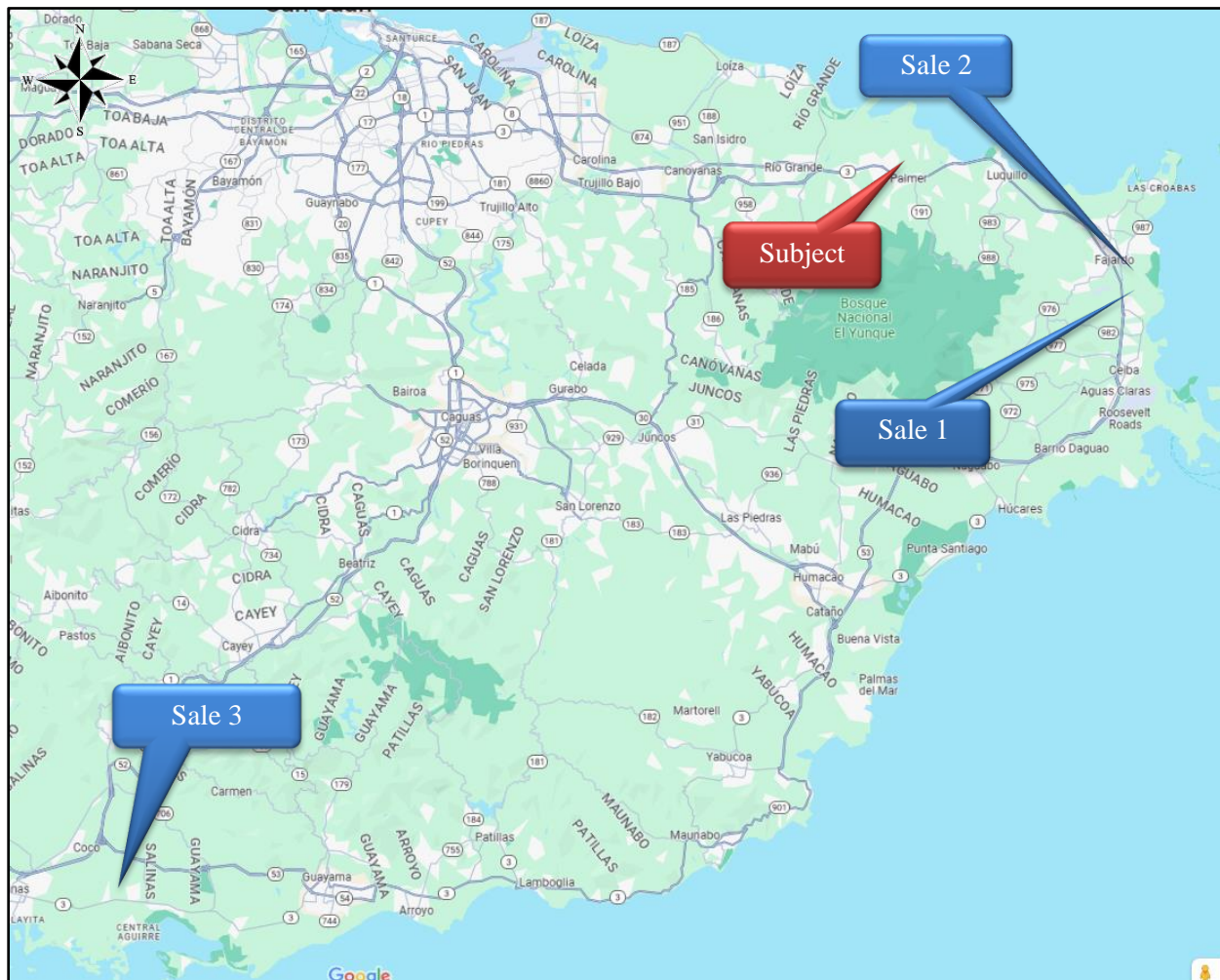


Comp 3



Comp 3

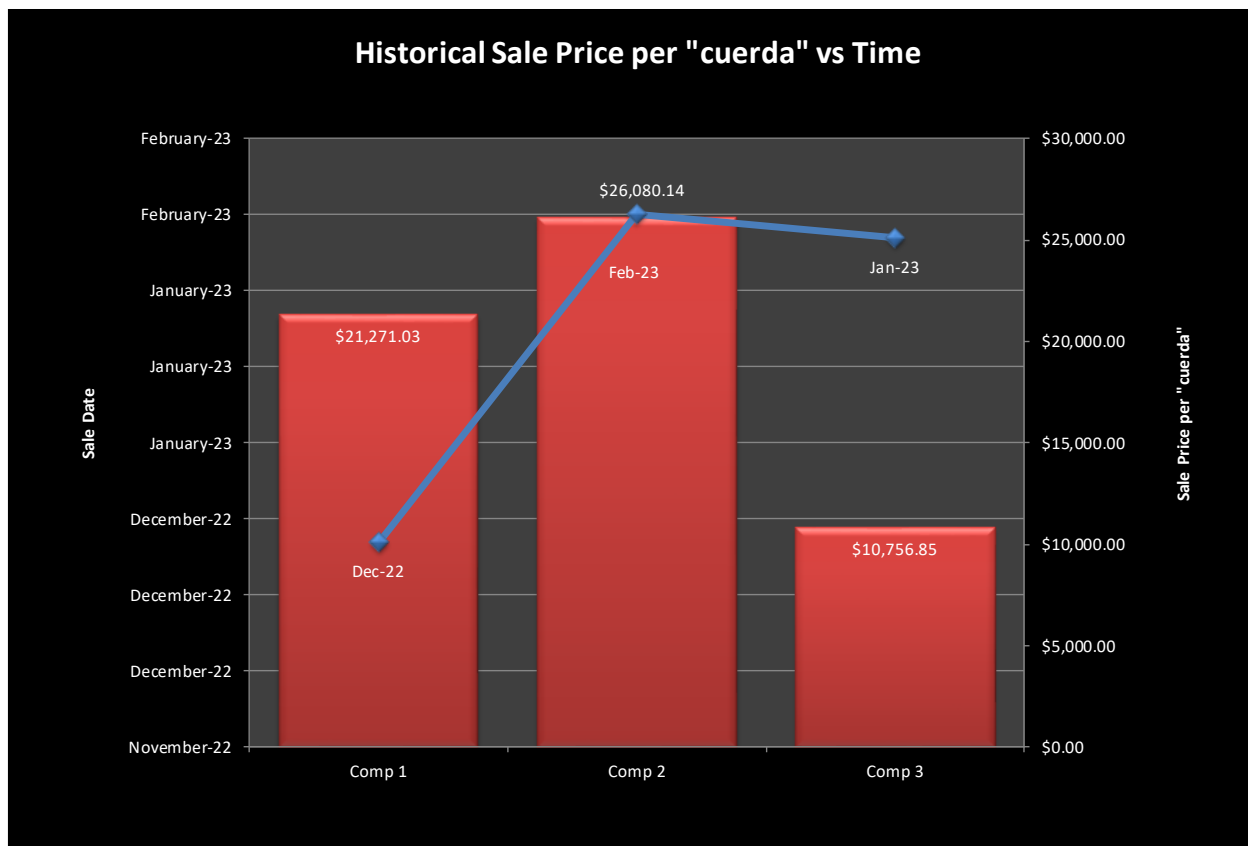
Land Sales Location Map



Analysis of Comparable Land Sales

The comparable sales analysis focuses on similarities and differences that affect the value of properties. Quantitative and qualitative techniques are considered to evaluate the elements of comparison. When a quantitative adjustment may be extracted from the market it should be considered in the analysis. The application of a quantitative adjustment will depend on the number of comparable that show a possible pattern. When there is not enough information to support a pattern for a quantitative adjustment, the qualitative techniques are applied. On our market analysis no pattern could be extracted in order to apply quantitative adjustment to the different elements of comparison. Therefore, the qualitative techniques will create a more reliable result and will be the technique employed on the analysis.

The unit of comparison accepted for this type of property is the price per “cuerda”. Three comparable sales are presented. Comparable sales selected were from other competitive locations, which enjoy similar economic characteristics. The three comparable historical unit sales prices are related in the inserted chart.



The selected comparable sales sample shows a range of value from \$10,756.85 to \$26,080.14 per “cuerda” with an average of \$19,369.34 as shown on the chart above.

Adjustment of the Comparable Sales

It is a basic characteristic of real estate that no two properties are exactly alike. To estimate the value of the subject, the comparable sales listed must be adjusted for their differences with the subject.

The adjustment process requires that the sales first be adjusted for transactional characteristics such as property rights conveyed, then for financing terms, then for conditions of sale, and then for market conditions. After these adjustments are applied, the sales can then be adjusted for properties differences in location and physical characteristics.

Property Rights Transferred Adjustment

All three sales involved the transfer of the fee simple estate of the properties. For this reason, none of them required an adjustment for property rights conveyed.

Financing Terms Adjustment

According to the information provided, all sales had typical market terms, which mean that they were paid cash to the seller with financing coming from third parties at market rates. For the reasons stated above, it is concluded that none of the sales required an adjustment for financing terms.

Conditions of Sale Adjustment

This adjustment calls for analysis and up or down adjustments to the sales where either the seller or buyers were motivated by undue stimulus. Even though the first sale was an REO property (Real Estate Owned, property owned by a bank or financial institution), the purchase price does not reflect a decrease in value. On the contrary, this sale includes a significant markup, as the buyer paid \$500,000 above the asking price because they own adjacent properties. This demonstrates a clear strategic interest on the part of the buyer in consolidating adjoining properties, which significantly increased the perceived value of the REO property and led to a transaction above the initially requested price.

Market Conditions Adjustment

At the time of the appraisal, the real estate market is in an apparent stability despite the local recession and the worldwide events as the Covid-19 pandemic and Russia/Ukraine war. Further interviewed market participants and real estate brokers dealing with larger parcel properties like the subject disclosed that this specific market has shown signs of recovery, however, decisions for land development are placing on hold due to current economy inflation and higher construction costs. However, the Comparable Sales selected have been closed in the last three years or less, affected by the same market conditions. So, no market condition adjustment was deemed necessary to apply to them.

The following table summarizes the transactional adjustment process.

Transactional Adjustments						
	Subject	Comp 1	Comp 2	Comp 3		
Property Rights Purchased	Fee Simple	Fee Simple	\$0.00 Fee Simple	\$0.00 Fee Simple	\$0.00 Fee Simple	\$0.00
<i>Intermediate Adj. Price</i>		\$4,500,000	\$5,500,000	\$3,500,000		
Financing Terms	N/A	Typical	\$0.00 Typical	\$0.00 Typical	\$0.00 Typical	\$0.00
<i>Intermediate Adj. Price</i>		\$4,500,000	\$5,500,000	\$3,500,000		
Conditions of Sale	N/A	Arms Length	\$0.00 Arms Length	\$0.00 Arms Length	\$0.00 Arms Length	\$0.00
<i>Intermediate Adj. Price</i>		\$4,500,000	\$5,500,000	\$3,500,000		
Intermediate Adj. Price per "cuerda"		\$21,271.03	\$26,080.14	\$10,756.85		
Market Condition (Years ago Δ%)		0.0	0.00% 0.0	0.00% 0.0	0.00% 0.0	0.00%
Adjusted Unit Price / "cuerda"		\$21,271.03	\$26,080.14	\$10,756.85		

Property Adjustment

Location Adjustment

The property is located in a good residential area of the city of Rio Grande, close to a popular tourist area. Comparable Sales 1 and 2 are situated in a similar location exposed to tourist activity compared to the subject property's location. Therefore, they were considered similar in terms of location. On the contrary, Comparable 3 are located in a residential area with less tourist appeal when compared to the subject property. Therefore, it was considered inferior in terms of location and adjustments were made accordingly.

Plottage Adjustment

This characteristic is recognized as the effect on value created when two or more sites are combined to produce greater utility. As mentioned before, even though the first sale was an REO property (Real Estate Owned, property owned by a bank or financial institution), the purchase price does not reflect a decrease in value. On the contrary, this sale includes a significant markup, as the buyer paid \$500,000 above the asking price because they own adjacent properties. This demonstrates a clear strategic interest on the part of the buyer in consolidating adjoining properties, which significantly increased the perceived value of the REO property and led to a transaction above the initially requested price. Therefore, comparable sale No. 1 reflects a plottage value condition since, this comparable is considered superior in this characteristic. The other comparable sales do not reflect plottage value and are similar to the subject.

Highest and Best Use Adjustment

As mentioned earlier, the subject property is a vacant lot measuring 173.35 "cuerdas," with an irregular shape and varied topography, located in an A-G zoning area in the Mameyes neighborhood of Rio Grande. When analyzing the highest and best use, Comparable 1 has an area within a commercial zoning, making it considered superior, as this area with frontage on PR-3 highway allows for more intensive use. On the other hand, Comparable 2 was also considered slightly superior because even though it was purchased as a single property, at the time of the sale, it was subdivided into 37 lots.

Flood Adjustment

The subject property is located outside of a flood risk zone. Comparable Sale 2 is partially located inside of flood hazard zone as such it was considered slightly inferior than subject in this aspect. No other comp Sale was qualitatively adjusted.

Lot Size Adjustment

Typically, in the subject market due to economic of scale as larger the area the lower unit price, as such, lot size is inversely proportional of the unit price paid. As larger the site area the lower the unit price paid. In this case Sale 1 and Sale 2 were considered slightly inferior in this aspect, while Sale 3 was considered inferior.

Topography Adjustment

Topography characteristic in a land is an element having significant consideration since depending on it, may increase or decrease earthwork and site preparation costs in order to prepare the sites for future construction project. It is a characteristic that may have an impact on property value. In this case, the subject has an irregular configuration and diverse topography, transitioning from mostly semi-level expanses adjacent to PR-968 to ascending slopes and undulating contours towards the west. All comparable sales have mostly level topography and as such they were considered superior in this aspect.

The following table summarizes the adjustment process discussed before.

Property Adjustments							
	Subject	Comp 1		Comp 2		Comp 3	
Adjusted Unit Price / "cuerda"		\$21,271.03		\$26,080.14		\$10,756.85	
Location	Average	Average	Similar	Average	Similar	Worst	Inferior
Plottage Value	No	Yes	Superior ++	No	Similar	No	Similar
H&BU	Residential	Mix Com/Resic Partially Zone	Superior	Residential Lotifications	Slightly Sup.	Residential Partially Zone	Similar
Flood	X	"A" and Zone "X"	Similar	"AE" -Shade- Higl	Slightly Inf.	"A" and Zone "X"	Similar
Topography	Semi-level areas, uphill slopes and rolling contours	Mostly Level	Superior	Mostly Level	Superior	Mostly Level	Superior
Size ("cuerda")	173.350	211.56	Slightly Inf.	210.89	Slightly Inf.	325.37	Inferior
	Overall Comparability	Superior		Superior		Inferior	
	Indication	Below \$21,300.00/per "cuerda"		Below \$26,100.00/per "cuerda"		Over \$10,800/ per "cuerda"	

Land Market Value Analysis

The shown table summarizes the overall comparability of the comp sales selected; and how relate with the subject property.

Comparable Land Sale Summary					
Sale	Sale Price	Date of Sale	"cuerdas"	Price / "cuerdas"	Overall Comp.
Comp 1	\$4,500,000	12/22/2022	211.555	\$21,271.03	Superior
Comp 2	\$5,500,000	2/3/2023	210.888	\$26,080.14	Superior
Comp 3	\$3,500,000	1/31/2023	325.374	\$10,756.85	Inferior
Avg.				\$19,369.34	

Bracketing the Subject Property		
Sale	Price/"cuerda"	Overall Comp.
2	\$26,080.14	Superior
1	\$21,271.03	Superior
Subject (\$16,000.00 / "cuerda")		
3	\$10,756.85	Inferior

The market sample listed in the sales comparison grid provides a close range of historical sale prices, from \$10,756.85 to \$26,080.14 per ‘cuerda’. Two sales are from the residential neighborhood of Fajardo and one from Salinas. The subject property was considered to be in the middle point between Sale 1 and Sale 3. Sale 1 was considered superior in terms of topography and Highest and Best Use; therefore, it reflects superior overall comparability. On the other hand, Sale 3 was considered inferior in location and size, therefore it reflects an inferior overall comparability when compared to the subject property. Therefore, given equal weight to both comparable, the above market analysis provides an indication of value of \$16,000 per “cuerda”.

Therefore, final land value conclusion as though vacant was calculated as follows:

Land Value Indication by Comparison Approach	
Land Area ("cuerda")	173.35
Unit Value (\$/'cuerda")	\$16,000.00
Equals	\$2,773,600.00
Rounded to:	\$2,770,000.00
TWO MILLION SEVEN HUNDRED SEVENTY THOUSAND DOLLARS	

Reconciliation and Final Value Opinion

For the evaluation of the subject property, we found more relevant the Sales Comparison Approach. No reliable data was found to develop the Income Approach or the Cost Approach in our market research; therefore, they were considered but not presented.

The main reason for discarding the Cost Approach is that it only applies when there exists improvement to add value at the site, which is not our case. Meanwhile, for the Income Approach, no similar property rented exists to obtain a potential income of the property, therefore no reliable data was considered to develop this approach.

Thus, the only approach to value developed was the Sales Comparison Approach (SCA). Consequently, the SCA provides a good indication of value for vacant lands when adequate and similar market data is available for review by the appraiser. The value per “cuerda” is the market indicator used in this analysis. After the proper search in all data sources, three (3) similar comparable sales of vacant lands were found with similar and competitive characteristics as the subject, giving us a reliable market value sense.

Final Value Opinion

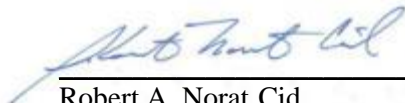
Market Value, Fee Simple estate


The approaches to value used in this report have yielded the following value indications.

Cost Approach	:	N/A
Sales Comparison Approach (Land)	:	\$2,770,000.00
Income Approach	:	N/A

Accordingly, the final “as is” Market Value opinion, in a Fee Simple estate, of the referenced vacant land as of the effective date of the report is:

Market Value: **\$2,770,000.00**
TWO MILLION SEVEN HUNDRED SEVENTY THOUSAND DOLLARS


 Robert A. Norat Cid
 1059 EPA
 State: PR Exp. Date:06/17/2025


 Carlos G. Pérez, MAI, ASA-MTS
 General Certified Appraiser 184CG, 756EPA
 State: PR Exp. Date:06/17/2025

Addendum

Certificate of The Appraiser

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

- The statements of facts 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 is our personal, impartial and unbiased professional analyses, opinions and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- I have not performed a previous service, as an appraiser or in any other capacity, regarding the property that is the subject of this report 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 this report or to the parties involved in this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- I certify that I have the ability to properly identify the problem to be addressed, moreover I have the knowledge and experience to complete the assignment required competently.
- My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- Mr. Robert Norat made a personal inspection of the exterior and interior of the property that is the subject of this report. I have made a personal inspection of the subject property.
- My compensation for completing this assignment 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 value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of the appraisal.
- Mr. Robert Norat Cid provided significant real property appraisal assistance to the person signing this certification.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in compliance with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute and the American Society of Appraisers.
- The appraisal was prepared in accordance with the requirements of title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989, as amended (12 U.S.C. 3331 et seq.) and any implementing regulations, our client requirements and the applicable laws of the Commonwealth of Puerto Rico.

- 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, I Carlos G. Perez has completed the continuing education program for Designated Members of the Appraisal Institute.
- The American Society of Appraisers has a mandatory recertification program for all of its designated members. The listed members (designated by the initials ASA) are in compliance with the requirements of that program.
- The undersign appraiser(s) responsible for preparing the above referenced appraisal report hereby certify that the report was completed and the opinion of value developed in accordance with USPAP standards; and at no time did any employee, director, officer, or agent of the lender or any third party acting as joint venture partner, independent contractor, appraisal company appraisal management company or partnering on behalf of the lender, influence or attempt to influence the development, reporting, result or review of the report. The appraiser(s) further certify, I (we) are currently licensed and/or certified by the state in which the property to be appraised is located, and that there have been no sanctions against me (us) for any reason that would impair my ability to perform appraisals. The undersigned certifies the appraisal report is in compliance with the Appraisal Independence provisions.



Carlos G. Pérez, MAI, ASA-MTS
General Certified Appraiser 184CG, 756EPA

Certificate of The Appraiser

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

- The statements of facts 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 is our personal, impartial and unbiased professional analyses, opinions and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- I have not performed a previous service, as an appraiser or in any other capacity, regarding the property that is the subject of this report 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 this report or to the parties involved in this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- I certify that I have the ability to properly identify the problem to be addressed, moreover I have the knowledge and experience to complete the assignment required competently.
- My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- I made a personal inspection of the exterior and interior of the property that is the subject of this report.
- My compensation for completing this assignment 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 value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of the appraisal.
- No one provided significant real property appraisal assistance to the person signing this certification.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in compliance with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- The appraisal was prepared in accordance with the requirements of title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989, as amended (12 U.S.C. 3331 et seq.) and any implementing regulations, our client requirements and the applicable laws of the Commonwealth of Puerto Rico.

- 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, I Robert A. Norat Cid has completed the Standards and Ethics Education Requirement of the Appraisal Institute for Associate Members.
- The undersign appraiser(s) responsible for preparing the above referenced appraisal report hereby certify that the report was completed and the opinion of value developed in accordance with USPAP standards; and at no time did any employee, director, officer, or agent of the lender or any third party acting as joint venture partner, independent contractor, appraisal company appraisal management company or partnering on behalf of the lender, influence or attempt to influence the development, reporting, result or review of the report. The appraiser(s) further certify, I (we) are currently licensed and/or certified by the state in which the property to be appraised is located, and that there have been no sanctions against me (us) for any reason that would impair my ability to perform appraisals. The undersigned certifies the appraisal report is in compliance with the Appraisal Independence provisions.



Robert Norat Cid
Professional Real Estate Appraiser, 1059EPA

General Limiting Conditions

1. The appraisers will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The appraisers assume that the title is good and marketable and, therefore, will not render any opinions about the title. The property is appraised on the basis of it being under responsible ownership.
2. The appraisers have provided a sketch in the appraisal report to show approximate dimensions of the improvements and the sketch is included only to assist the reader of the report in visualizing the property and understanding the appraisers' determination of its size.
3. The appraisers have examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and have noted in the appraisal report whether the subject site is located in an identified Special Flood Hazard Area. Because the appraisers are not surveyors, they make no guarantees, express or implied, regarding this determination.
4. The appraisers will not give testimony or appear in court because they made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand.
5. The appraisers have noted in the appraisal report any adverse conditions (such as needed repairs, depreciation, the presence of hazardous wastes, toxic substances, etc.) observed during the visit of the subject property or that they became aware of during the normal research involved in performing the appraisal. Unless otherwise stated in the appraisal report, the appraisers have no knowledge of any hidden or unapparent conditions of the property or adverse environmental conditions (including the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable, and have assumed that there are no such conditions and make no guarantees or warranties, express or implied, regarding the condition of the property. The appraisers will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraisers are not experts in the field of environmental hazards, the appraisal report must not be considered as an environmental assessment of the property.
6. The appraisers obtained the information, estimates, and opinions that were expressed in the appraisal report from sources that they consider to be reliable and believe them to be true and correct. The appraisers do not assume responsibility for the accuracy of such items that were furnished by other parties.
7. The appraisers will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice.

8. The appraisers must provide their prior written consent before the lender/client specified in the appraisal report can distribute the appraisal report (including conclusions about the property value, the appraiser's identity and professional designations, and references to any professional appraisal organizations or the firm with which the appraiser is associated) to anyone other than the borrower; the mortgagee or its successors and assigns; the mortgage insurer; consultants; professional appraisal organizations; any state or federally approved financial institution; or any department, agency, or instrumentality of the United States or any state or the District of Columbia; except that the lender/client may distribute the property description section of the report only to data collection or reporting service(s) without having to obtain the appraisers' prior written consent. The appraisers' written consent and approval must also be obtained before the appraisal can be conveyed by anyone to the public through advertising, public relations, news, sales, or other media.
9. The liability of the appraiser, employee and subcontractors is limited to the client only. There is no accountability, obligation, or liability to any third party. If this report is placed in the hands of anyone other than the client, the client shall make such party aware of all limiting conditions and assumptions of the assignment and related discussion. The appraiser is in no way responsible for any cost incurred to discover or correct any deficiencies of the property. Furthermore, it is agreed that the client will indemnify Carlos G. Perez, GCA, EPA, for any damages, costs, expenses, and attorney's fees resulting from any cause of action by any interested party, other than the client, concerning the appraisal report.
10. Possession of this report, or copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraisers, and in any event, only with proper written qualification and only in its entirety.

General Assumptions

1. The legal description or area used in this report is assumed to be correct.
2. No survey of the property has been made by the appraiser and no responsibility is assumed in connection with such matters. Sketches in this report are included only to assist the reader in visualizing the property.
3. No responsibility is assumed to matters of a legal nature affecting title to the property nor is an opinion to title rendered. The title is assumed to be good and merchantable.
4. Information furnished by others is assumed to be true, correct and reliable. A reasonable effort has been made to verify such information. However, no responsibility for its accuracy is assumed by the appraisers.
5. All mortgages, liens, encumbrances, leases and servitude have been disregarded unless so specified within the report. The property is appraised as though under responsible ownership and management.
6. It is assumed that there are not hidden or unapparent conditions of the property, subsoil or structures, which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering, which may be required to discover them.
7. It is assumed that there is full compliance with all-applicable federal including the compliance with the American Disability Act, state and local environmental regulations and laws unless non-compliance is stated, defined and considered in the appraisal report.
8. It is assumed that all applicable zoning and use regulations and restrictions have been complied with unless a non-conformity has been stated, defined and considered in the appraisal report.
9. It is assumed that all required licenses, consents or other legislative or administrative authority from any local, state or national governmental or private entity or organization have been used or can be obtained or renewed for any use on which the value estimated contained in this report is based.
10. It is assumed that the utilization of the land is within the boundaries or property lines of the property described and that there is no encroachment or trespassing unless noted within the report.
11. In this appraisal assignment, the existence of potentially hazardous material used in the construction or maintenance of the building, such as presence urea-formaldehyde foam insulation and or the existence of toxic waste and other can have a significant negative impact upon the value of unimproved and improved properties. The existence of hazardous materials, which may or may not be present on the property, was not observed by us; nor do we have any knowledge of the existence of such materials on or in the property. The appraiser however is not qualified to detect such substances. The existence of urea formaldehyde insulation or other potentially hazardous waste material may have an effect on the value of the property. I urge the client to retain an expert in this field if desired.
12. The market value estimate, assume a marketing period of one year to eighteen months. This is based on typical marketing times for similar properties, discussions with agents / broker and the current and projected economic climate.

References Books and Information Sources

Books

- 1- Appraisal Institute. *The Appraisal of Real Estate, Fourteen Edition*
- 2- Appraisal Institute. *The Dictionary of Real Estate Appraisal, Fifth Edition*
- 3- Appraisal Institute. *Market Analysis for Real Estate, Concepts and Applications in Valuation and Highest and Best Use*, by Mr. Stephen F. Fanning, MAI
- 4- Henry R. Harrison. *Appraising Residences & Income Properties*
- 5- *Uniform Standard of Professional Appraisal Practice (USPAP 2016-2017)*

Publications

- 1- Marshall & Swift; *Marshall Valuation Service*, Monthly Service
- 2- American Fact Finder
- 3- Puerto Rico Labor and Human Resources Department
- 4- www.RealtyRates.com, *Periodic Publication*
- 5- United States Department of Agriculture (USDA) Soil Survey

Internet Sources

- 1- <http://www.bancopopular.com/progreso> Banco Popular de Puerto Rico, *Progreso Económico*
- 2- Google Earth 2023
- 3- <http://www.jp.gobierno.pr>
- 4- <http://www.justicia.gobierno.pr>
- 5- <http://encarta.msn.com> “*Puerto Rico*”, Microsoft Encarta Online Encyclopedia
- 6- <http://en.wikipedia.org>
- 7- <http://factfinder.census.gov>
- 8- <http://msc.fema.gov>
- 9- <http://www.ffiec.gov>

Additional Documents



N-5 Luis Muñoz Marín Ave., Santa Juana Dev., Caguas, Puerto Rico Tel. 787-745-3306

August 28, 2023

Wilfredo F. Rey González
Capital Crossing Puerto Rico, LLC

RE: Proposal for professional appraisal services for a land located at:

- SR 968 Km 0.3 Mameyes Ward, Rio Grande PR – Land of approx. 148 “cuerdas”

As per your request, I am submitting this proposal for an appraisal service on the above property.

The purpose of this appraisal is to estimate the market value of the mentioned property. The property appraised would be in the **fee simple interest**. The intended user of this appraisal report is Mr. Oscar Rivera. The appraisal report will be prepared for the sole and exclusive use or reliance on by anyone other than the client is prohibited.

PGC Appraisal Group, LLC acknowledges certain information and documentation received or reviewed in connection with this engagement is proprietary and confidential, including, without limitation, non public financial and business information and related documents. By signing this letter, PGC Appraisal Group, LLC confirms and agrees to not disclose, distribute, publish, or release to any third party any of the confidential information it receives or reviews in connection with this engagement without the written consent of the client. The appraisers will not give testimony or appear in court because they made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand.

The value opinion will be performed using the three recognize approaches to value; the cost, market and income approaches. In the event of one of this approach is not applicable the reason to exclude will be properly explained. The appraisal will be developed in the Narrative Appraisal Format and will comply with the Uniform Standards of Professional Appraisal Practice (USPAP). PGC Appraisal Group, LLC will provide one (1) electronic copy in PDF Format of the report.

The estimated completion date of the appraisal is **4 weeks** after visiting the site, inspecting the property, and receiving all of the required information. (See list below). The site inspection date will be defined in the report as the “valuation date”. **We can only complete the appraisal by the estimated time if we receive from you in a timely manner any relevant information needed for the preparation of the report.**

In order to complete this appraisal, the following information will be needed from the client:

- 1- Legal description
- 2- CRIM document
- 3- If we need additional information will be required in the process

Professional fees for the mentioned services will be:

Our fee for this appraisal will be:

Appraisal Fee	\$4,807.70
IVU 4%	\$192,30
Total	\$5,000.00

We will proceed with the preparation of the referenced appraisal upon receipt of a signed copy of this letter. If the above conditions are acceptable, please acknowledge this agreement by signing and returning a signed copy to our office.

Respectfully yours;
PGC Appraisal Group, LLC.

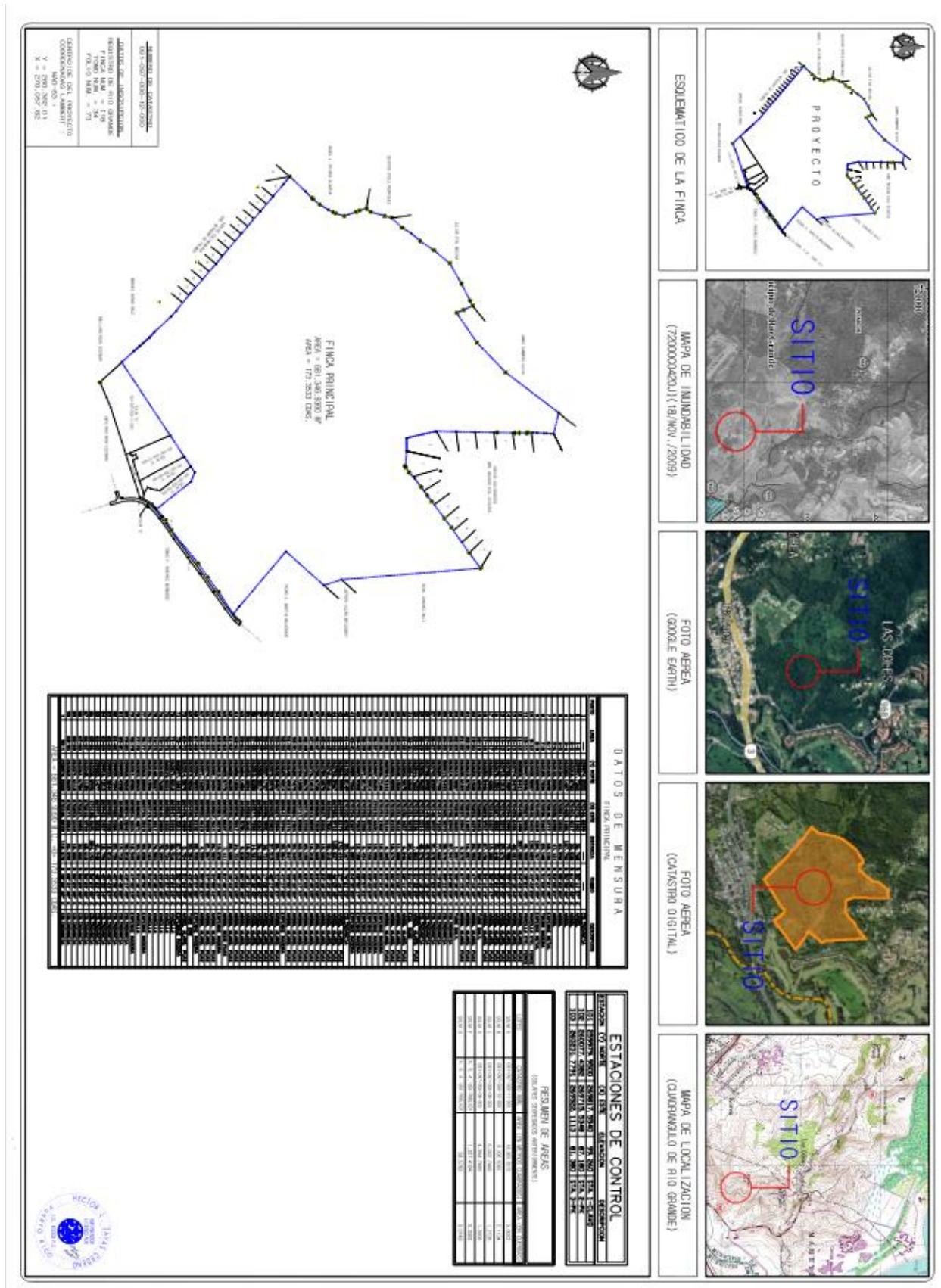


Carlos G. Pérez, MAI, ASA-MTSM
184CG, 756EPA
General Certified Appraiser

Acknowledge and Agreed to this Wilfredo Rey



Signature



Photograph Addendum



Aerial View with Drone



Aerial View with Drone



Aerial View with Drone



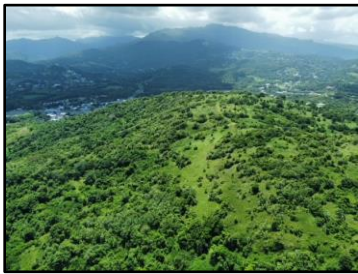
Aerial View with Drone



Aerial View with Drone



Aerial View with Drone



Aerial View with Drone



Aerial View with Drone



Aerial View with Drone



Aerial View with Drone



Aerial View with Drone



Aerial View with Drone



Aerial View with Drone



PR-968 Scene



PR-968 Scene

Appraiser's Qualifications

Carlos G. Pérez Carrión; MAI, ASA-MTS

228 Avila Street Ciudad Jardin Bairoa Caguas, PR 00727-1365 (787) 745-3306
 Email: carlos030@gmail.com; pgcappraisal@gmail.com

**Real Estate, Disaster, Machinery and Equipment Appraiser, Real Estate Broker
 Project Manager, Certified Drone Pilot, Home Inspector**

- Residential Appraisal • Commercial Appraisal • Disaster Appraisal • Machinery & Equipment Appraisal • Aircraft Appraisal • Industrial Appraisal • Inventory Appraisal • Consulting • Property Analyst • Home Inspection • Project Management • Market Analysis & Research • Commercial & Residential Properties Brokerage

Civil Engineer with a lifetime commitment to the real estate and appraisal industry. Expertise in various areas within the field, searching for expanding market knowledge in damage assessment and loss control within the insurance field. Field Expert for legal cases.

Credential Highlights

- General Certified Appraiser 184CG Evaluador Profesional Autorizado 756EPA FHA Appraiser, PRCG184
- MGIC Approved Appraiser for Puerto Rico
- Civil Engineer, EIT #15652
- Certified Professional Inspector of the Association of Certified Home Inspectors - NACHI16082919
- Real Estate Broker C-20652
- FAA – Part 107- Unmanned Aircraft System - Certified Remote Pilot No. 4184679
- Accredited Senior Appraiser of the American Society of Appraisers (ASA-MTS))(M&E Discipline) - Worldwide Recognized Machinery and Equipment Appraisers Professional Organization
- Member of Appraisal Institute MAI - Worldwide recognized Real Estate Appraisers Professional Organization

Career Experience

PGC Appraisal Group, LLC Caguas, PR 2007 - Present
Independent Fee Real Estate, Machinery and Equipment Appraiser

Certified Appraiser & Advisor

Appraise real property and personal property to determine its value for purchase, sales, investment, mortgage, or loan purposes.

- Compute final estimation of property values, taking into account such factors as depreciation, replacement costs, value comparisons of similar properties, and income potential.
- Prepare written reports that estimate property values, outline methods by which the estimations were made, and meet appraisal standards.
- Collect and analyze relevant data to identify real estate market trends.
- Inspect properties to evaluate construction, condition, special features, and functional design, and to take property measurements.
- Examine income records and operating costs of income properties.
- Develop machinery and equipment appraisals for lending institutions to help prepare asset - based on loan and for private clients.

Disaster Appraisal - Appraise properties impacted by Hurricane Irma and Hurricane Maria. Assessed damages, value and completed documentation to process claims.

Private Companies - Angora Properties, Caguas, Puerto Rico; Banco Popular de Puerto Rico; Banco Santander de Puerto Rico; Banco Cooperativo de Puerto Rico; Banesco, San Juan, PR; Cooperativa de Ahorro y Crédito de Arecibo (Coopaca); Cooperativa de Ahorro y Crédito Las Piedras; Cooperativa de la Asociación de Maestros de Puerto Rico(EDUCOOP); FEMBI Mortgage; First Bank; First Mortgage; Scotiabank; Oriental Bank; PR Farm Credit, ACA; Texaco of Puerto Rico; Verizon-PRT; Postal COOP; CRS Consulting Group; Multiple Privates Office's Lawyers; Million Air – Isla Grande Airport, San Juan, PR; M & N Aviation-Isla Verde International Airport, San Juan

Private & Confidential

Carlos G. Pérez Carrión; MAI, ASA-MTS

228 Avila Street Ciudad Jardin Bairoa Caguas, PR 00727-1365 (787) 745-3306
 Email: carlos030@gmail.com; pgcappraisal@gmail.com

Public Agencies - Banco de Desarrollo Económico de Puerto Rico; Departamento de Transportación y Obras Públicas de Puerto Rico; Compañía de Fomento Industrial (PRIDCO); Directoría de Desarrollo Comunitario (Programa de Comunidades Especiales de PR); Municipio de Aibonito; Municipio de Arecibo; Municipio de Barceloneta, Autoridad de Acueductos y Alcantarillados; Superior Court of Justice

Career Track Record

Nestor Algarin & Associates, San Juan, PR(2000 – 2006)
 Professional Appraiser

Construction Management and Consultant Group, San Juan, PR (1999 – 2000)
 Professional Appraiser

Ruben Hernandez and Associates, San Juan, PR (1994 – 1999)
 Professional Appraiser

Puerto Rico Highway Authority San Juan, PR(1995 - 1998)
 Project Manager - Resident Engineer

Projects:

- Widening PR-30, New Access to the Industrial Park Las Piedras, PR.
- Wetland Mitigation Project of the Fajardo to Guayama Expressway, Humacao, Puerto Rico
- PR-53, Fajardo to Guayama Expressway, Rio Blanco to Naguabo Phase, Naguabo, Puerto Rico
- PR-902 & PR-904, Emergency Projects due to the Hortense Hurricane

Educational Background

Polytechnic University, San Juan, PR
Bachelor of Science Degree in Civil Engineering

Appraisal Institute
 American Society of Appraisers
 Instituto de Evaluadores de Puerto Rico

Continued Education / Professional Development

Various continued education courses. See Addendum.

Professional Affiliations

MAI- Member of Appraisal Institute-Worldwide recognized Real Estate Appraisers Professional Organization
 AM-Accredited Member of American Society of Appraisers-Worldwide Recognized Machinery and Equipment Appraisers Organization
 NACHI-Certified Professional Inspector of the International Association of Certified Home Inspectors.
 Affiliate of the "Instituto de Evaluadores de PR"
 Member of "Camara de Comercio de Puerto Rico"
 Member of "Colegio de Ingenieros y Agrimensores de Puerto Rico"
 Member of "Civil Engineers Institute of the CIAPR"
 Member of "Phi Epsilon Chi Fraternity"

Additional Information Available



DEPARTAMENTO DE
ESTADO

Gobierno de Puerto Rico
Government of Puerto Rico

DEPARTAMENTO DE ESTADO
Department of State

Secretaría Auxiliar de Servicios y Juntas Examinadoras
Office of the Assistant Secretary of State for Services and Examining Boards

La Junta Examinadora de Evaluadores Profesionales de Bienes Raíces
The Examining Board of Real Estate Appraisers

por la presente certifica que
hereby certifies that

Carlos G Pérez Carrión

por haber cumplido todos los requisitos de Ley, ha sido inscrito en el Registro de esta Junta como
having met all the requirements of law, has been registered as:

Evaluador Profesional Certificación General

Certified General Professional Appraiser

En testimonio de lo cual se expide este certificado para autorizar el ejercicio de dicha profesión bajo el sello de la Junta Examinadora.
In testimony whereof, this certificate is issued to authorize the practice of this profession, under the seal of the Examining Board.

En San Juan, Puerto Rico, hoy 21 de mayo de 2021
In San Juan, Puerto Rico, on May 21, 2021.

Número de Licencia: 184CG
License Number: 184CG

Efectividad: 18 de junio de 2021 al 17 de junio de 2025
Valid: June 18, 2021 to June 17, 2025

Vencimiento: 17 de junio de 2025
Expires: June 17, 2025



José D. Robles Kerber
Presidente
Board President

Marianne E. Cortina Aldebol
Secretaría Auxiliar
Assistant Secretary



DEPARTAMENTO DE
ESTADO

Gobierno de Puerto Rico
Government of Puerto Rico

DEPARTAMENTO DE ESTADO
Department of State

Secretaría Auxiliar de Servicios y Juntas Examinadoras
Office of the Assistant Secretary of State for Services and Examining Boards

La Junta Examinadora de Evaluadores Profesionales de Bienes Raíces
The Examining Board of Real Estate Appraisers

por la presente certifica que
herely certifies that

Carlos G Pérez Carrión

por haber cumplido todos los requisitos de Ley, ha sido inscrito en el Registro de esta Junta como
having met all the requirements of law, has been registered as:

Evaluador Profesional Autorizado Licencia Estatal

State License Professional Appraiser

(Para evaluar todo tipo de propiedad, Gobierno Estatal y/o Municipal donde no exista un Interés Federal)

En testimonio de lo cual se expide este certificado para autorizar el ejercicio de dicha profesión bajo el sello de la Junta Examinadora.
In testimony whereof, this certificate is issued to authorize the practice of this profession, under the seal of the Examining Board.

En San Juan, Puerto Rico, hoy 21 de mayo de 2021
In San Juan, Puerto Rico, on May 21, 2021.

Número de Licencia: 756EPA
License Number: 756EPA

Efectividad: 18 de junio de 2021 al 17 de junio de 2025
Valid: June 18, 2021 to June 17, 2025

Vencimiento: 17 de junio de 2025
Expires: June 17, 2025



José D. Robles Kerber
Presidente
Board President

Marianne E. Cortina Aldebol
Secretaria Auxiliar
Assistant Secretary



Professionals Providing Real Estate Solutions

This Certifies That

Carlos G. Perez

has been admitted to membership as an

MAI Member

in the Appraisal Institute and is entitled to all the rights and privileges of membership subject only to the limiting conditions set forth from time to time in the Bylaws and Regulations of the Appraisal Institute.

In Witness Whereof, the Board of Directors of the Appraisal Institute has authorized this certificate to be signed in its behalf by the President, and the Corporate Seal to be hereunto affixed on this *11th* day of *January 2016*

A handwritten signature in black ink, appearing to read "Scott Blum".

President

This certificate is the property of the Appraisal Institute and must be returned to the Chief Executive Officer upon termination of membership.

American Society of Appraisers



The Society's Board of Examiners Certifies That

Carlos G. Perez

Is hereby awarded the designation

Accredited Senior Appraiser

Machinery & Technical Specialties / Machinery & Equipment

*and is entitled to use the designation in accordance with
the society's bylaws and administration rules.*


*Signed, Sealed and Attested
This 23rd day of December 2019*

International Secretary/Treasurer

*This certificate is the property of the American Society of Appraisers and
must be returned to the International Office upon membership termination.*



International President



Marshall & Swift
Product License Verification

This Certificate Verifies That

Carlos Perez Carrion


Valued Customer Since: 2001

Certification # 1265725
PR 184CG
PR 756EPA


Is Hereby Licensed to Use These Marshall & Swift Products Until the Expiration Date Listed.

Marshall & Swift Product License(s)	Valid Thru	Marshall & Swift Certification(s)	Valid Thru	Credit Hours
Marshall & Swift Valuation Service	Nov 01, 2016	Commercial Cost Approach Certification	---	---

Steve Brewer, Senior Vice-President



Edward L. Martinez, IDECC CDEI, GVS



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Caribbean Flight Training Center

Isla Grande Airport, San Juan, Puerto Rico

This is to certify that

Carlos G. Perez

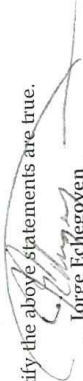
has successfully completed all stages, tests, and course requirements and has graduated from the Federal Aviation Administration approved **Private Pilot Ground Course** conducted by

Federico Santana.

The student has completed the cross-country training specified in FAR Part 141.

- Private Pilot Certification Course - Appendix B, Paragraphs 4 and 5
- Instrument Rating Course - Appendix C, Paragraph 4 (c)(1)(ii)
- Commercial Pilot Certification Course - Appendix D, Paragraphs 4 and 5
- Other: _____

I certify the above statements are true.



Jorge Folegoyen
Chief Flight Instructor

F8B5568K
School Certificate Number

3/17/2010
Date

Mortgage Guaranty Insurance Corporation

April 19, 2005

Mr. Carlos G. Perez
General Certified Appraiser
228 Avila Street
Ciudad Jardin Bairoa
Caguas, PR 00727

Dear Mr. Perez:

MGIC is pleased to notify you that you have been accepted as an approved MGIC appraiser for residential properties located in the Puerto Rico market. As an approved appraiser, MGIC will accept your appraisals in support of mortgage insurance applications provided (1) the appraisal is signed by you either in your capacity as the original appraiser or review appraiser, (2) you accept full responsibility for the content of the appraisal, and (3) the appraisal meets MGIC's underwriting guidelines and quality control standards.

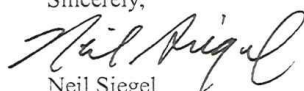
MGIC reserves the right to review from time to time your status as an approved appraiser based on MGIC's perception of the quality of the appraisals performed by you.

In accepting you as an approved appraiser, MGIC reviewed the additional sample appraisals you submitted. Although these samples were generally acceptable, as a third party reviewer we suggest several areas of attention with references to the appraisals submitted.

- 1 In the Sales Comparison Analysis, it is essential that any adjustments for differences between the subject property and comparable sales be reflective of the actions of current buyers in the market place. In one appraisal, it was noted that an adjustment was made for only a 10-sq. ft. difference in living area. I truly question if a typical buyer in the market place would have recognized this small difference in total living area. Further, it is suggested that more specific descriptions be used rather than the terms "similar", "inferior" or "superior". This is especially true when adjustments are made.
- 2 On all appraisals, it is recommended that comparable sales be no older than 6 months, whenever possible. This is key in evaluating the overall risk

MGIC looks forward to working with you in the future. Should you have any questions concerning this letter, please feel free to contact me directly.

Sincerely,



Neil Siegel
Senior Market Analysis

cc: Saudhi Escudero

MGIC Plaza, P.O. Box 488, Milwaukee, Wisconsin 53201-0488, WATS (800) 558-9900
Field Operations (414) 347-6731 Underwriting 347-6757 Claims 347-6524 Customer Service 347-6500