

APPRAISAL REPORT

ADMINISTRACIÓN DE TERRENOS
ESTADO LIBRE ASOCIADO DE PUERTO RICO



INSTITUTIONAL PROPERTY LOCATED AT FRAILES WARDS, GUAYNABO, PUERTO RICO

PREPARED

For: Agro. Luis Rivero Cubano
Executive Director
Puerto Rico Land Administration
#171 Chardon Avenue, Hato Rey, Puerto Rico

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Certified General Appraiser

Effective Date of Appraisal: September 11, 2014

Date of Report: October 30, 2014





October 30, 2014

Agro. Luis Rivero Cubano
Executive Director
Puerto Rico Land Administration

Re: Appraisal of 80.6615 'cuerdas', located at interior of Road PR-19
Los Frailes Ward, Guayanabo, PR
Property 8706 (D.T.O.P), "Hogar del Niño"

Dear Mr. Rivero Cubano;

In accordance with your request, I appraised 80.6615 "cuerdas" (317,031 square meters), Property 8706 (D. T. O. P), previously known as "Hogar del Niño", located at interior of Road PR-19, Los Frailes Ward, Guayanabo, PR. The purpose of this appraisal is to form an opinion of market value of the fee simple interest in the subject property as, September 11, 2014. This appraisal is intended to provide information for regarding the subject property for internal decision making.

I certify that I have no present or contemplated future interest in the property beyond this estimate of value. The appraiser has not performed any prior services regarding the subject within the previous three years of the appraisal date.

Your attention is directed to the Limiting Conditions and Assumptions section of this report (page 3). Acceptance of this report constitutes an agreement with these conditions and assumptions. In particular, I note the following:

Extraordinary Assumptions

According to the survey plat 23-M-88, prepared by Puerto Rico Land Administration Engineering Department, approximately 7.1095 'cuerdas' is currently occupied by the Puerto Rico Highways & Transportation Authority (PRHTA) for the metropolitan rapid-transit system 'Tren Urbano', from the total subject area of 87.7710 'cuerdas.' Thus, this appraisal report is for the remnant of 80.6615 'cuerdas'. This land area is assumed correct and used in this report.

Any variation from this extraordinary assumption, could affect the opinion of value reported.

Mr. Agro. Luis Rivero Cubano
RE: Property No. 8706 (D.T.O.P)
As September 11, 2014
Page 2

Based on the appraisal described in the accompanying report, subject to the Limiting Conditions and Assumptions, Extraordinary Assumptions and Hypothetical Conditions, I have made the following value conclusion(s):

Current As Is Market Value:

The "As Is" market value of the Fee Simple estate of the property as, September 11, 2014, is:

\$10,000,000
TEN MILLIONS DOLLARS

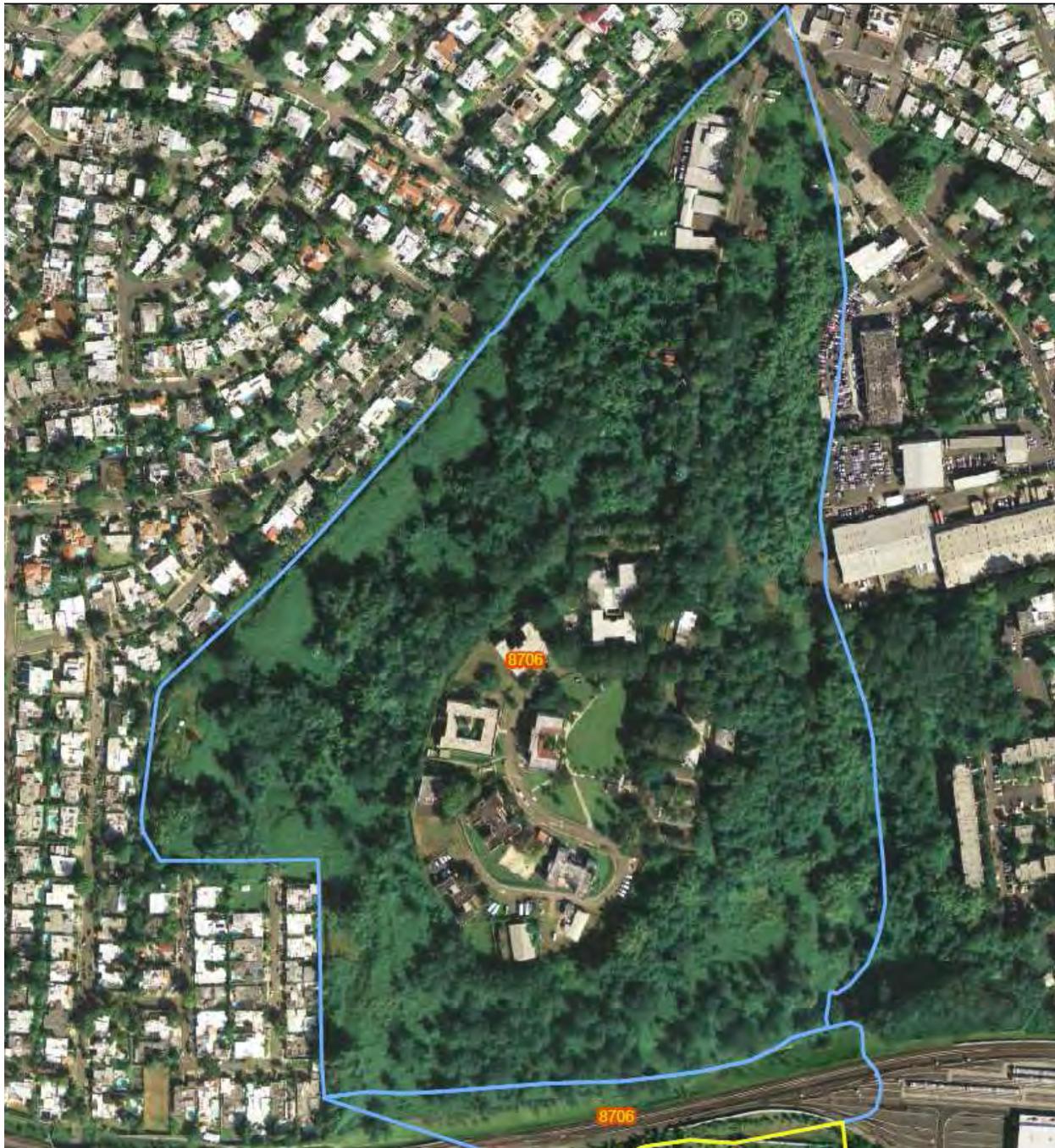
This letter and the accompanying appraisal report contain information considered relevant to the fee simple interest in the subject property, and the methods by which collected data have been analyzed in arriving at our value conclusions. This report has been prepared in compliance with the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation as conforms to appraisal regulations set forth under Title XI of The Financial Institutions Reform Recovery and Enforcement Act of 1989 (FIRREA).

Respectfully submitted,


Wilfredo Cruz Lanausse
Certified General Appraiser
Certification No. 250CG
Puerto Rico License No. 1016

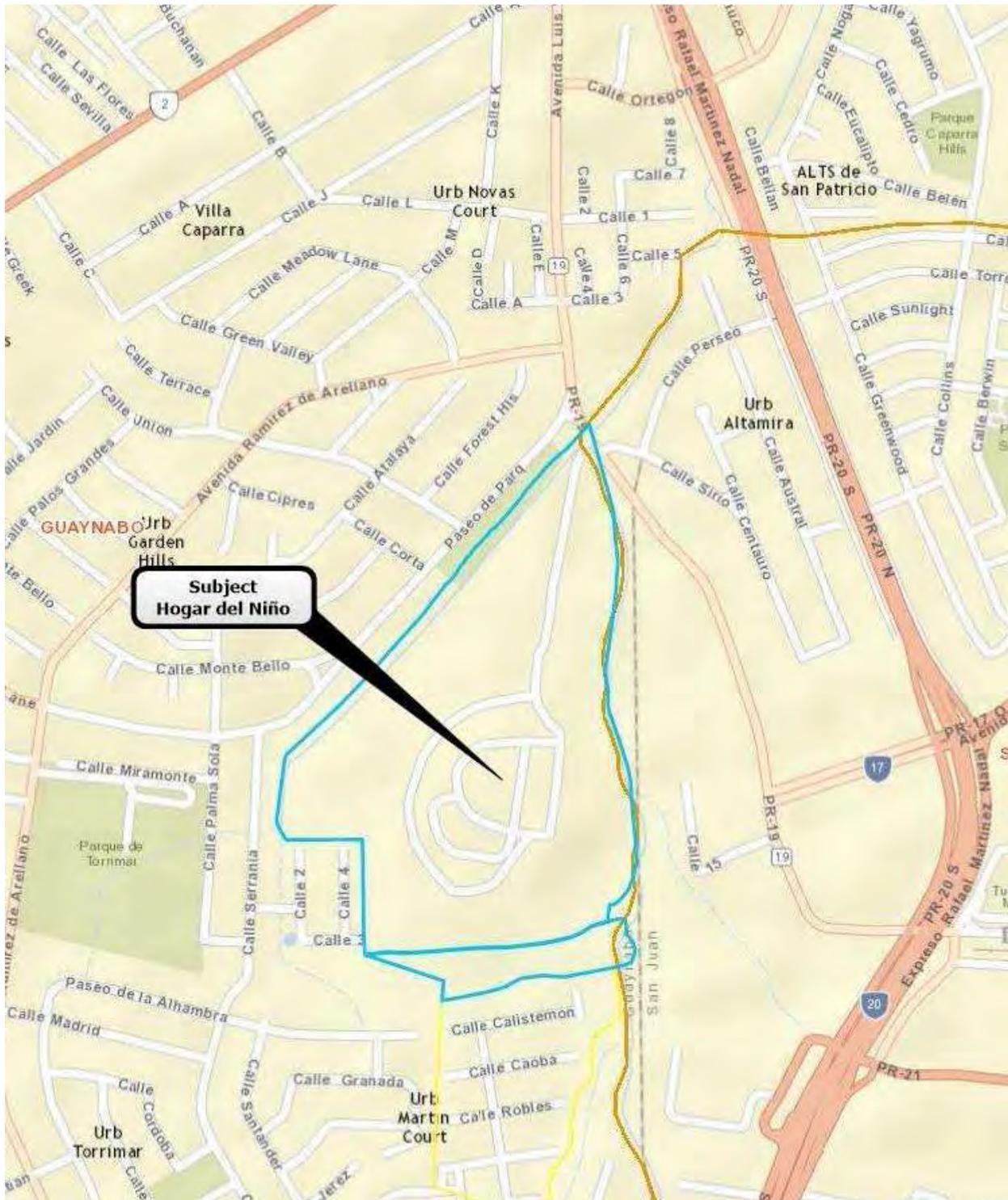
SUBJECT PROPERTY

Building Aerial View



HOGAR DEL NIÑO

Subject Location Map



HOGAR DEL NIÑO

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SUMMARY OF SALIENT FACTS AND CONCLUSIONS

PROPERTY APPRAISED:	Property 8706 (D. T. O. P), previously known as “Hogar del Niño”, located at interior of Road PR-19, Los Frailes Ward, Guaynabo, PR.
GLOBAL POSITIONING:	The subject is further identified by GPS coordinates 18.3939369°N, -66.110376°W
CADASTRAL NUMBER:	086-043-008-30-000, 086-032-008-30-850, 086-032-008-31-000
PROPERTY TYPE:	Institutional use properties,
PROPERTY RIGHTS:	“As is”; market value of the fee simple estate based on a marketing period of 24 months.
SITE:	The subject site has basically irregular (triangle) shape with almost level topography, and apparently adequate drainage, comprising a total area of 80.6615 “cuerdas”, equivalent to 317,031 square meters. The parcel is served by all municipal utilities of Guaynabo and facilities typical of urban areas. The site is zoned R5.
IMPROVEMENTS	The site is improved with 12 institutional buildings and various auxiliary structures.
FLOOD HAZARD:	According Flood Hazard Map Panel, No. 72000C0365J dated 18NOV2009; the subject property is mostly located within Zone X. This zone identifies areas of outside flood hazard. The subject property have some areas within AE zone along the Margarita and Marquez creeks. This zone identifies areas of inside flood hazard.
HAZARDOUS SUBSTANCES:	None observed, due to our lack of expertise in the environmental field, our valuation assumes that the property is "clean." I am assuming no contamination affects the subject site in this particular assignment.
CLIENT:	Puerto Rico Land Administration
OCCUPANCY:	The subject is occupied by the Puerto Rico Correction and Rehabilitation Department, and by the Puerto Rico Vocational Rehabilitation Administration.
REAL ESTATE ASSESSMENT AND TAXES:	CRIM number 086-043-008-30-000, 086-032-008-30-850, 086-032-008-31-000

LAND USE CONTROLS: **Zoning:** The subject Parcel is located within R-5 (High Density residential district), according the Guaynabo municipality map 26, dated May 2, 2010. The surroundings are commercial or industrial uses to the subject east boundary, along Road PR-19 and middle to high income residential use to the north, south and west boundaries.

NUISANCES AND HAZARDS: None observed or revealed by the owner client. Our valuation assumes that the property is "clean."

ASSUMPTIONS AND LIMITING CONDITIONS: Refer to items incorporated herein.

MARKETING TIME: 2 years
MT AT CONCLUSIONS: 2 years
EXPOSURE TIME: 3 years

HIGHEST AND BEST USE

AS IF VACANT: To hold for future middle income high density residential development with some area to commercial use.

AS IMPROVED: The existing improvements only contribute as an interim use value and not to the overall value of the property.

Value Indication by the Cost Approach	Not Develop		
Value Indication by the Sales Comparison Appro:	\$10,000,000	'as is'	
Value Indication by the Income Approach	Not Develop		
Market Value Conclusion	\$10,000,000	'as is'	Based on 2 years marketing time

EFFECTIVE DATE: September 11, 2014

DATE OF INSPECTIONS: September 5 to 11, 2014

DATE OF REPORT: October 30, 2014

IDENTIFICATION OF TYPE OF REPORT: This is an appraisal report prepared under Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice (USPAP, 2014-2015 edition).

EXTRAORDINARY ASSUMPTIONS: An extraordinary assumption is something that is assumed to be true, but it is not certain. If it turns out to be untrue, the value conclusion would be impacted. There are none contemplated in this report.

According to the survey plat 23-M-88, prepared by Puerto Rico Land Administration Engineering Department, approximately 7.1095 'cuerdas' is currently occupied by the Puerto Rico Highways & Transportation Authority (PRHTA) for the metropolitan rapid-transit system 'Tren Urbano',

from the total subject area of 87.7710 'cuerdas.' Thus, this appraisal report is for the remnant of 80.6615 'cuerdas'. This land area is assumed correct and used in this report.

Any variation from this extraordinary assumption, could affect the opinion of value reported.

HYPOTHETICAL CONDITIONS: Hypothetical conditions are known to be false, but are presumed to be true for the purpose of reasonable analysis. There are none contemplated in this report.

SCOPE OF WORK

In accordance to the request of Agro. Luis Rivero Cubano, Executive Director of Puerto Rico Land Administration, I prepared an appraisal for an Institutional property internally identified with property number 8706 (D. T. O. P), previously known as “Hogar del Niño”. The property is located at interior of Road PR-19, Guaynabo, Los Frailes Ward, Guaynabo, Puerto Rico. This property consists of 80.6615 ‘cuerdas’ improved with 12 institutional buildings and various auxiliary structures.

The purpose of this appraisal was to form opinions of the Market Value of the Fee Simple interest in the subject property as of September 11, 2014. This appraisal is intended to provide information to the client for internal decision making.

Identification of Property Characteristics

This appraisal assignment required several steps. First, all pertinent information and documents were requested and obtained from the Puerto Rico Land Administration. Zoning and flood zone characteristics were identified by examination of the appropriate maps. Other relevant characteristics for the property were identified from visual inspection and from other reliable sources.

Property Inspection

In developing the opinion of value presented in this report, we began with a visual inspection of the subject property. The inspection was carried out from September 5 to 11, 2014. I found the improvements to be from good to fair condition. This appraisal report is “as is” condition as the effective date of the report, the last date of the inspection, September 11, 2014.

Extent of Research into Physical and Economic Factors

The property’s current physical and legal conditions, background, and history were researched with all due diligence expected of a professional real estate appraiser in the course of performing appraisal services. The legal interests, easements, covenants, restrictions, and other legal aspects were researched using the appropriate sources. The subject market area was examined to determine the demand for and marketability of the property.

Extent of Data Research and Analysis Applied to Arrive at Opinions and Conclusions

Considering the physical and legal characteristics, I selected the sales comparison approach to estimate the market value for the subject property. For this technique, we searched for and confirmed comparable site transactions within the market area, with their selection based on the comparability as location and physical characteristics. The income and the cost approaches were not developed because, in the highest and best use analysis suggests that, as of the effective date of the appraisal report, the existing improvements only contribute as an interim use value and not to the overall value of the property.

I verified the information by confirming that the data be factually accurate and that the transactions reflect arm's-length market considerations. Finally, we reconciled the various indications into single value indication and formed our opinions of the market value of the Fee Simple interests in the subject property.

INTRODUCTION

Identification of the Property

The subject property consists of an irregular shaped parcel with area approximately total area of 80.6615 “cuerdas” (317,031 square meters), and located at interior of Road PR-19. The subject is identified with parcel no. 8706 (D. T. O. P), previously known as “Hogar del Niño” by the Puerto Rico Land Administration.

Owner

The subject property current owner is Puerto Rico Land Administration

Client

Puerto Rico Land Administration

Purpose of the Appraisal

The purpose of this appraisal was to form an opinion of the market value of the fee simple interests in the subject property as of the effective date of appraisal.

Effective Date of Value Estimate

September 11, 2014

Intended Use

This appraisal is intended to provide information to the client regarding the subject property for internal decision making.

Intended Users

The intended user of this appraisal report is the Land Administration of Puerto Rico.

Definition of Market Value

“Market Value” is defined in by the Office of the Comptroller of the Currency 12 CFR, Part 34, Subpart C-Appraisals, 34.42 as follows:

“Market value means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and the seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus.

Implicit in this definition is the consummation of the 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 own 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."

Value Terms

Value in this report is in terms of cash, U.S. dollars (\$)

Property Rights to be Valued

The property rights appraised are those of the Fee Simple interests.

Definition of Fee simple interest¹

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat.

Type of Report

This is an appraisal report prepared under Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice (USPAP, 2014-2015 edition).

Date of the Report

October 30, 2014

Marketing and Exposure Time

Under "FIRREA", the appraisers are required to estimate the marketing time for the real property being appraised. This marketing time estimate represents our estimate of the length of time necessary to sell a property interest in real estate at the estimated market level during the period immediately after the effective date of the appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal. Marketing time is the future price based on current known and expected characteristics of the property, its environs and the real estate market existing during that period of time.

The ultimate future price that may be achieved at the conclusion of the marketing period may or may not equal the appraised value on the earlier valuation date, depending on potential changes during the marketing period in the physical real estate, demographic and economic trends, the real estate market, and tenancy and property operations, among other factors. A reasonable marketing time is a function of price, time and anticipated market conditions such as changes in the cost and availability of funds, not an isolated estimate of time alone.

Our estimate of marketing time was based on one or more of the following:

¹ Appraisal Institute, The Dictionary of Real Estate, Fifth Edition

1. Information gathered through sales verification.
2. Interviews of market participants and review of investor-surveys and;
3. Anticipated changes in the market conditions.

Based on our research, I conclude that for the subject property a reasonable marketing time, assuming the property is professionally and actively marketed, would be 2 years. I conclude a reasonable exposure time for the subject property, would be no less than 3 years.

Ownership History of the Property

The Uniform Standards of Professional Appraisal Practice indicate that in developing a real property appraisal, an appraiser must consider and analyze any current agreement of sale, option, or listing of the property being appraised, if such information is available in the normal course of business. In addition, an appraiser must consider and analyze any prior sale of the property being appraised that occurred three years before the effective date of appraisal.

According to the documents provided by the Puerto Rico Land Administration legal office, none sale activity has been reported with the subject property in the last three (3) years. I do not represent myself as experts in title matters. Current title of the subject property should be verified with government authorities. I'm not responsible for any information referent to the legal title of the subject property and assume no liability in this respect. At the effective day of this appraisal report the subject property is vacant.

SITE ANALYSIS

Location, Frontage and Access

The subject property is located interior of Road PR-19, Los Frailes Ward, Guaynabo, Puerto Rico. The property also can be located by GPS latitude 18.393369° N and longitude -66.110376° W. The Access is thru Hogar del Niño Street.



Road PR-19



Hogar del Niño Street

HOGAR DEL NIÑO

Legal Description

The parcel is legally described in the Spanish language as follows as per title research:

Urbana: Parcela de terreno localizada en los barrios Pueblo Viejo y Frailes del término municipal de Guaynabo con una cabida de ochenta y cinco punto mil setecientos uno (85.1701) cuerdas equivalentes a treinta y tres (33) hectáreas, cuarenta y siete (47) áreas, cincuenta y dos punto ciento setenta y dos (52.172) centiáreas, trescientos treinta y cuatro mil setecientos cincuenta y dos punto ciento setenta y dos (334,752.172) metros cuadrados, en lindes por el Norte, con terrenos del Estado Libre Asociado y de la San Juan Fruit Company separado por la Quebrada Renta, la Carretera Estatal número Veinte (20) y terrenos del Estado Libre Asociado; en el Sur, con la Puerto Rico Reconstruction Administration antes, hoy terrenos el Estado Libre Asociado, la Urbanización Domino y la Consolidated Builders, por el Este, con la Quebrada Margarita y la Quebrada Sica que la separa de los terrenos de varios dueños y por el Oeste, con terrenos de la Vick Realty Corporation, el Estado Libre Asociado, la Quebrada Renta, parcelas segregadas y terrenos de United Federal Savings antes, hoy la Urbanización Garden Hill separada por la Quebrada Renta, terrenos del Estado Libre Asociado y la Urbanización Domino.

Tracto: Es el remanente de la finca luego de segregada la parcela de 24.5376 cdas. a favor de Estancias de Torrimar S.E.

Dominio:

Consta inscrita a favor de la Administración de Terrenos quien la adquiere mediante Traspaso que hiciera el Departamento de Transportación y Obras Publicas mediante Certificación de fecha 24 de junio de 1987 firmada por el Secretario de transportación y Obras Públicas Darío Hernández Torres. Inscripción 2ª al folio 75 vuelto 92 del tomo 1079 de Rio Piedras Norte.

Area and Configuration

LAND AREA		
Hogar del Niño	SM	Cuerdas
Subject parcel area as per legal description	334,752	85.1701
Subject parcel area as per survey plat 23-AM-88	344,972	87.7710
Difference	10,220	2.6009
	SM	Cuerdas

The subject property has approximately combined land area 85.1701 “cuerdas” equivalent to 334,752.172 square meters as deed registered. According to the survey plat 23-AM-88 prepared by the Puerto Rico Land Administrations Engineering Department, the subject parcel has 87.7710 ‘cuerdas’ equivalent to 344,972.50 square meters, a different of 2.60 ‘cuerdas’ from the deed registered. Because, the survey plat 23-AM-88 was prepared a year after the legal deed, the parcel area in the survey plat is assumed correct and used in the appraisal report.

	SM	Cuerdas
Subject parcel area as per survey plat 23-AM-88	344,972	87.7710
Area used by PR Highways & Transportation Aut	27,943	7.1095
Area used in this appraisal report	317,030	80.6615

From the subject area 87.7710 'cuerdas' reported in the survey plat 23-AM-88, approximately 7.1095 'cuerdas' is currently occupied by the Puerto Rico Highways & Transportation Authority (PRHTA) for the metropolitan rapid-transit system 'Tren Urbano'. Thus, this appraisal report is for the remnant of 80.6615 'cuerdas'. This land area is assumed correct and used in this report.

Shape, Topography, Subsoil, and Drainage

The topography of the subject property is almost level at street with irregular (triangle) shape. We have not performed nor have we examined any subsoil studies referent to the subject property. Drainage of the subject property appears adequate.

Man-Made Improvements, Utilities and Services

The area where the subject property is located has the basic public utilities that are typical for urban areas. These include electricity, telephone, water, cable TV, and sanitary sewer.

Environmental Impact and Hazardous Materials

The presence of certain materials, such as asbestos, urea formaldehyde, radon gas, toxic waste and others can have a significant negative impact upon the value of unimproved and improved properties. I'm not qualified to detect such substances or to certify if a site is contaminated. I did not find any visible indication of hazardous materials during our inspection of the subject property. However, most of the buildings were built in 1938, prior to the Lead-Based Hazard reduction Act of 1992 and its implemented regulations.

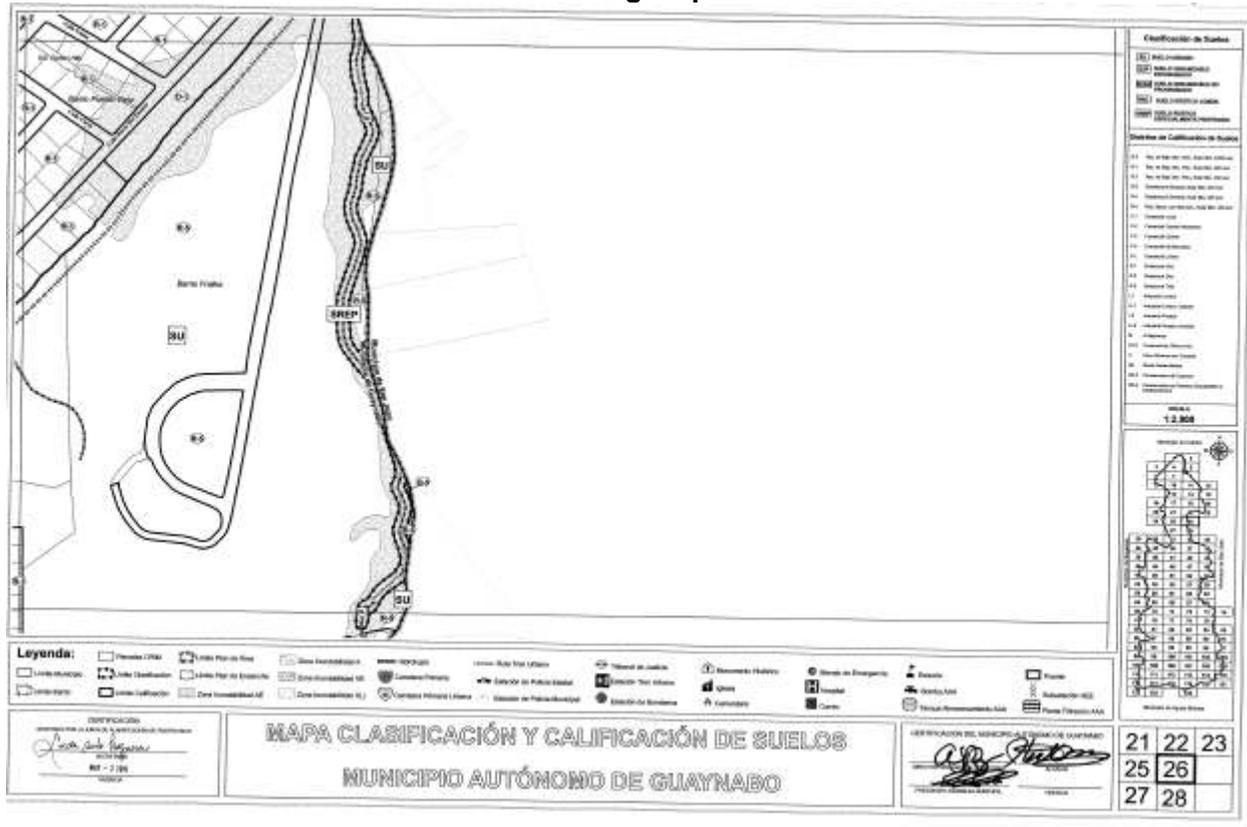
An environmental impact study has not been furnished to me. The value estimate contained herein could be affected by the results of an environmental impact study, research, investigation, and resulting government actions, if any.

For purposes of this appraisal, it is assumed that there are no potential or existing pollutants in or on the property and that no contaminant has emanated from the subject to adjacent properties or bodies of water. The client is advised to seek the opinion of an environmental expert, if so desired.

Zoning

Zoning in Guyanabo is regulated by the Municipal Government. According to the zoning map 26 dated May 2, 2010; the subject property is within zoning districts identified as R-5 (Residential High Density).

Zoning Map



Easements, Encroachments and Expropriations

According to the title study prepared by Milagros S. Mercado, from the Puerto Rico Land Administration legal office and dated September 9, 2014: The subject property have easements in favor of Puerto Rico Electric Power Authority and Puerto Rico Water and Sewer Authority, to serve the subject and others adjacent developments. This is typical of properties in the area and is not considered to have a negative impact upon value.

Proximity to Nuisances, Hazards or Detrimental Conditions

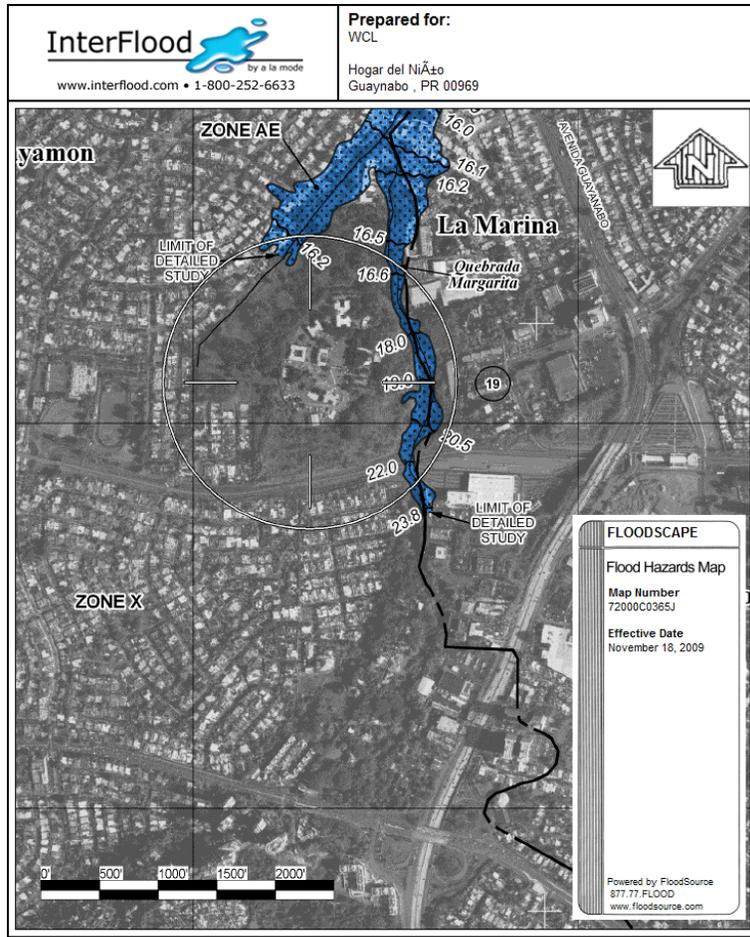
In order to determine the proximity to nuisances, hazards or detrimental influences, we inspected the subject's immediate neighborhood. During this inspection, we found that the subject property is not located next to or nearby any nuisances, potential hazards, or other visible detrimental conditions. None are assumed to exist and no liability is assumed for undetected nuisances, hazards, or detrimental conditions

Flood Zone Classification

Flood zone classification for insurance purposes is the responsibility of the Federal Emergency Management Agency (FEMA), which through the National Flood Insurance Program publishes a set of Flood Insurance Rate Maps (FIRM) for the entire Island. According Flood Hazard Map Panel, No. 72000C0365J dated 18NOV2009; the subject property is mostly located within Zone X. This zone identifies areas of outside flood hazard. The subject property have some areas

within AE zone along the Margarita and Marquez creeks. This zone identifies areas of inside flood hazard.

Flood Map



Conclusion of Property Site Analysis

The subject site is located interior of Road PR-19, Frailes Ward, Guaynabo PR. This is middle to high income residential neighborhood, with some commercial/industrial properties mainly along the Road PR-19. As such, we are of the opinion that subject's access, size, and topography are good appealing characteristics that place this property in a favorable position for high density residential use.

IMPROVEMENTS ANALYSIS

Description

The subject site is improved with 12 institutional buildings and various supporting structures. Most of these buildings were built approximately in 1938 as a home and vocational school for orphaned children. The architectural style of these buildings are characterized as California missions. The basic, common elements in all California missions can be summarized as follows: Patio plan with garden or fountain; Solid and massive walls, piers and buttresses; Arched corridors; Curved, pediments gables; Terrace bell towers or bell walls; Wide, projecting eaves; Broad, undecorated wall surfaces; and low sloping tile roofs. Refer to the study of historical and architectural value, prepared by María Luisa Moreno, Ph.D., for the Puerto Rico Land Administration, for more details.

The total comprise gross buildings areas are approximately 144,548 square feet, with 40% currently occupied. The building to land ratio is only 4.24%. The majorities of these structures are distributed in 17.50 'cuerdas' in the wider part of the triangle shape of the subject parcel. The supporting structures including basement and shed are approximately 40,748 square feet. Since 1990 some of the building these facilities are used for offices, storages and repair shops by the Vocational Rehabilitation Administration, and the Corrections and Rehabilitation Administration.

Building Location Map



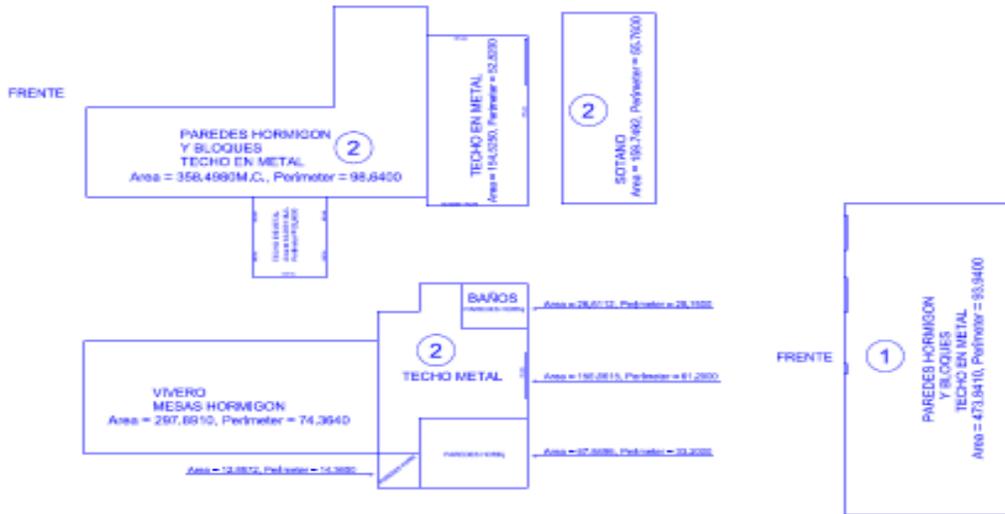
The following table summarizes our analysis of the construction, condition and building areas.

LAND AREA		
Hogar del Niño	SM	Cuerdas
Subject parcel area as per legal description	334,750	85.1701
Subject parcel area as per survey plat 23-AM-88	344,972	87.7710
Difference	10,222	2.6009
	SM	Cuerdas
Subject parcel area as per survey plat 23-AM-88	344,972	87.7710
Area used by PR Highways & Transportation Aut	27,943	7.1095
Area used in this appraisal report	317,030	80.6615
Improvements SF		
Total Building Area	144,548	
Total Auxiliary Structures Areas	4,190	
Total Shed	24,085	
Total Basement	12,473	
Total improvements	185,296	
Building to Land Ratio		4.24%
Total building areas currently in use		58051
Total building areas none in use		87567
Percent of Total Building Areas currently in use		40.16%

Buildings 1 and 2 Description

Hogar del Niño Building	1	2	Build 2 Ext Baths	Build Ext Rooms	Canopies	Greenhouse
Occupied by	"Rehabilitacion Vocacional", currently vacant	"Rehabilitacion Vocacional", currently vacant	"Rehabilitacion Vocacional", currently vacant	"Rehabilitacion Vocacional", currently vacant		
Building Class/Quality Type	Class C Low Cost Vocational Schools (487)	Class C Low Cost Vocational Schools (487)	Class C Low Cost Restrooms (432)	Class C Low Cost Vocational Schools (487)	Canopies	Greenhousestructures (135)
Year Build	Unknown	Unknown	Unknown	Unknown	Unknown	Good
Condition	Average	Average	Average	Average	Average	Unknown
Effective Age	15	15	10	10	10	20
Life Expectancy	40	40	25	40	15	35
Region	Eastern	Eastern	Eastern	Eastern		
Climate	Mild	Mild	Mild	Mild		
Floor Area	Const Area/Rent Area	Const Area/Rent Area	Const Area/Rent Area	Const Area/Rent Area	Const Area/Rent Area	
Ground Floor in SM	473.84	358.50	26.61	67.85	365.18	297.89
Ground Floor in SF	5100.38	3858.84	286.44	730.33	3930.76	3206.46
Second Floor in SM	0.00	0.00	0.00	0.00	0.00	
Second Floor in SF	0.00	0.00	0.00	0.00	0	
Avg perimeter per floor in Meters	93.94	98.64	20.76	33.20	N/A	74.364
Avg perimeter per floor in Feet	1011	1062	223	357	N/A	800
No. of Stories	1	1	1	1	N/A	N/A
Average Height per Story in SF	8	8	8	8	9	8
Total Area in SF	5100.38	3858.84	286.44	730.33	3930.76	3206.46
Basement in SM		159.75				
Basement in SF		1719.53				
Foundations	Reinforced concrete	Reinforced concrete	Reinforced concrete	Reinforced concrete	N/A	N/A
Floor Slab	Reinforced concrete	Reinforced concrete	Reinforced concrete	Reinforced concrete	Reinforced concrete	Reinforced concrete
Building Structure	RC/CB	RC/CB	RC/CB	RC/CB	N/A	
Roof	Steel frame & galvanized iron tiles	Steel frame & galvanized iron tiles	Steel frame & galvanized iron tiles	Steel frame & galvanized iron tiles	Steel frame & galvanized iron tiles	Steel frame & polyethylene cover
Floors	Ceramic Tiles and Polished Concrete	Terrazo Tiles and Polished Concrete	Ceramic Tiles	Ceramic Tiles	N/A	N/A
Ceiling	Acoustic Tiles and open ceiling	Acoustic Tiles and open ceiling	Acoustic Tiles	Acoustic Tiles	N/A	N/A
Fenestration	Doors: Rolling, Galv. Iron, WD; Windows Jalousie Alum	Doors: Rolling, Galv. Iron, WD; Windows Jalousie Alum	Doors: Solid wood; Windows Jalousie Alum	Doors: Solid and hollow wood; Windows Jalousie Alum with Iron Grills	N/A	N/A
Air Condition	None	None	None	None	N/A	N/A
Electricity	120/240	120/240	120/240	120/240	N/A	N/A
Restrooms	Yes	Yes	N/A	None	N/A	N/A

Buildings 1 and 2 Sketch



Buildings 2 photos



Building 2 ext. baths



Building 2 ext. Rooms



Greenhouse



Building 1 Photos





Buildings 3, 4 and 4A Description

Hogar del Niño Building	3	4A	4
Occupied by	Vacant	Rehabilitacion Vocacional	Rehabilitacion Vocacional
Building Class/Quality Type	Class C Low Cost Vocational Schools (487)	Class B Avg Cost Vocational Schools (487)	Class A-B Avg Administration Office Building (600), Built as a dormitories in 1938.
Year Build	Unknown	Unknown	1938
Condition	Average	Average	Good
Effective Age	20	15	10
Life Expectancy	40	40	45
Region	Eastern	Eastern	Eastern
Climate	Mild	Mild	Mild
Floor Area	Const Area/Rent Area	Const Area/Rent Area	Const Area/Rent Area
Ground Floor in SM	393.43	718.00	704.13
Ground Floor in SF	4234.86	7728.48	7579.18
Second Floor in SM	0.00	872.00	774.44
Second Floor in SF	0.00	9386.12	8336.02
Avg perimeter per floor in Meters	103.5749	242	154.49
Avg perimeter per floor in Feet	1115	2605	1663
No. of Stories	1	2	2
Average Height per Story in SF	8	10	10
Total Area in SF	4234.86	17114.60	15915.21
Basement in SM	214.59	0.00	275
Basement in SF	2309.87	0.00	2956.84
Open Area is SM		97.76	83.47
Open Area is SF		1052.28	898.47
Foundations	Reinforced concrete	Reinforced concrete	Reinforced concrete
Floor Slab	Reinforced concrete	Reinforced concrete	Reinforced concrete
Building Structure	RC/CB	RC/CB	RC & Ruble Work
Roof	Reinforced concrete	Reinforced concrete	Reinforced concrete
Floors	Ceramic Tiles and Polished Concrete	Polished Concrete	Ceramic Tiles
Ceiling	Cement plaster	Cement Plaster	Accoustic Tiles
Fenestration	Doors: Alum; Windows: Jalousie Alum	Doors: Rolling, Galv. Iron; Windows: Jalousie Alum	Doors: Glass Alum, Hollow Wood; Windows: Glass Alum
Air Condition	None	None	Central units
Electricity	120/240	120/240	120/240
Restrooms	Yes	Yes	N/A

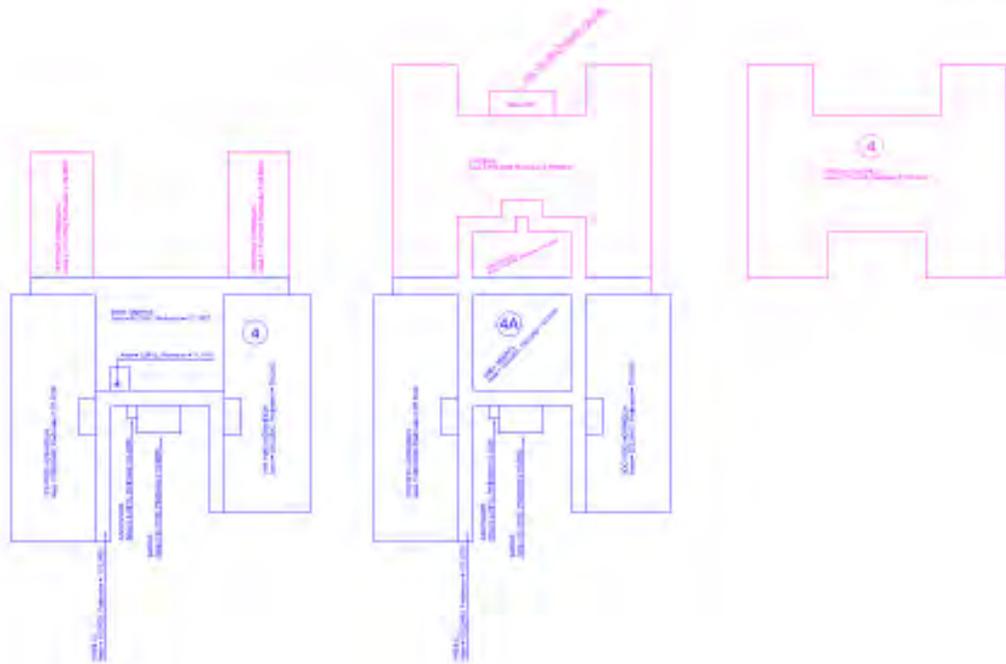
Building 3 Sketch



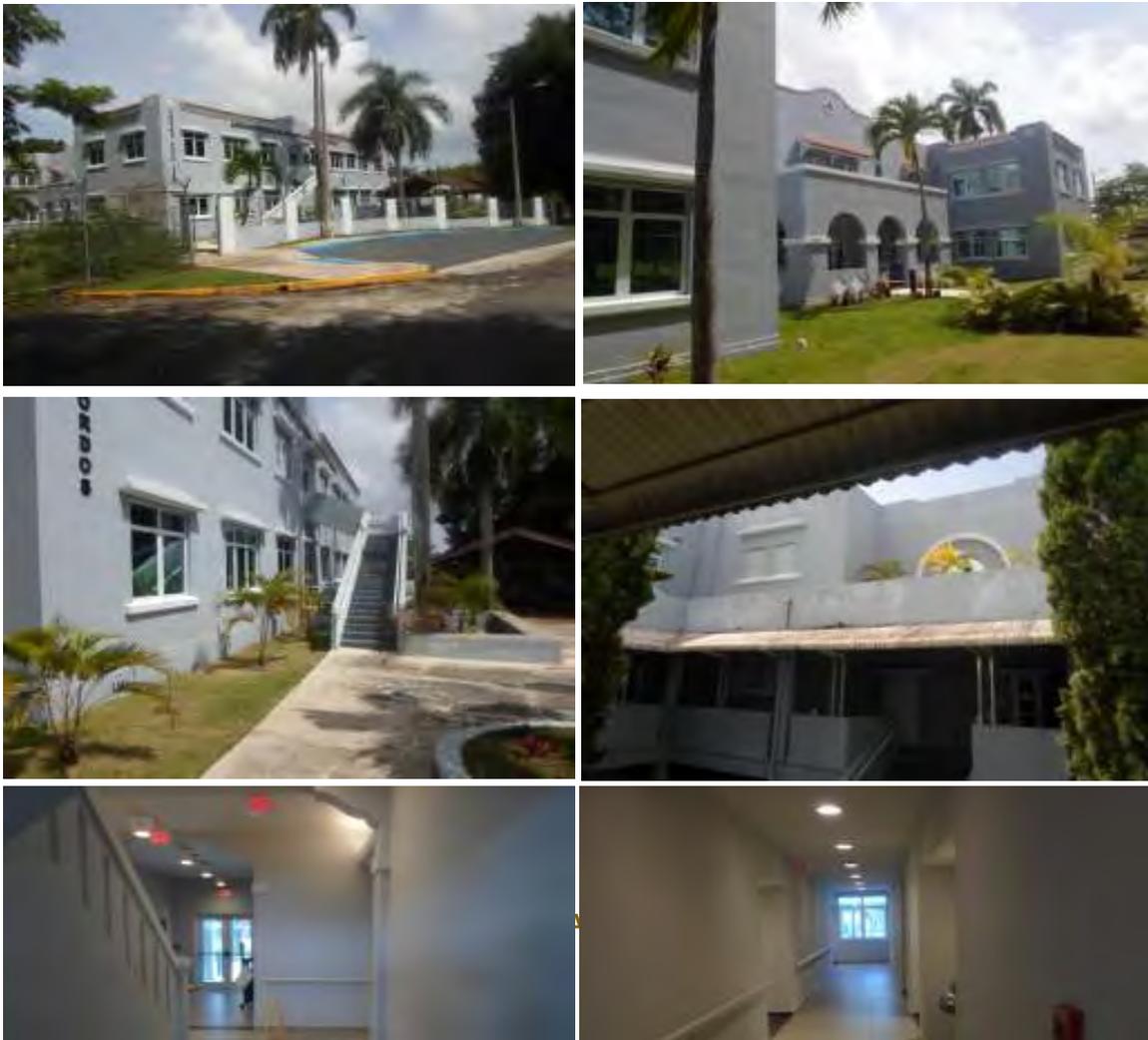
Building 3 Photos



Buildings 4, 4A Sketch



Building 4 Photos



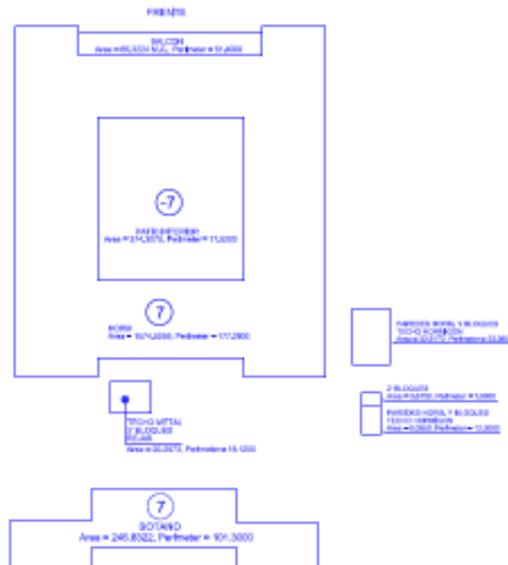
Building 4A Photos



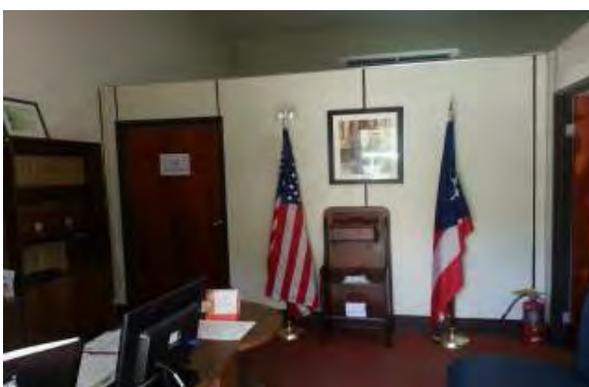
Building 7, 8, 9, 11 Description

Hogar del Niño Building	7	8	9	11
Occupied by	OSAJ (Oficina de Servicios Antelacion al Juicio)	Departamento de Corrección y Administración	Division y Clasificación de Corrección	Arrestos Especiales
Building Class/Quality Type	Class B Avg Cost Administration (Office) (600). This building was built as vocational schools in 1938.	Class B Avg Cost Vocational Schools (487). Currently is use for Document Storage in the first floor. The second floor left side is by correctional transportation office	Class A-B Low cost Administration Office Building (600)	Class A-B Low cost Administration Office Building (600)
Year Build	1938	1938	1938	1938
Condition	Good	Fair	Avg	Fair
Effective Age		10	25	20
Life Expectancy		45	40	45
Region	Eastern	Eastern	Eastern	Eastern
Climate	Mild	Mild	Mild	Mild
Floor Area	Const Area/Rent Area	Const Area/Rent Area	Const Area/Rent Area	Const Area/Rent Area
Ground Floor in SM	977.08	582.95	314.95	488.04
Ground Floor in SF	10517.19	6274.84	3390.09	5253.24
Second Floor in SM	0.00	676.03	0.00	0.00
Second Floor in SF	0.00	7276.76	0.00	0.00
Avg perimeter per floor in Meters	308	168	73.54	175.32
Avg perimeter per floor in Feet	3315	1808	792	1887
No. of Stories	1	2	1	1
Average Height per Story in SF	10	12	10	10
Total Area in SF	10517.19	13551.59	3390.09	5253.24
Basement in SM	246.83	0.00	0.00	0.00
Basement in SF	2656.85	0.00	0.00	0.00
Open Area & Balcony in SM	288	279.29	16.00	18.75
Open Area & Balcony in SF	3100.00	3006.25	172.22	201.82
Auxiliary Structures in SM	53.00	0.00	0.00	0.00
Auxiliary Structures in SF	570.49	0.00	0.00	0.00
Foundations	Reinforced concrete	Reinforced concrete	Reinforced concrete	Reinforced concrete
Floor Slab	Reinforced concrete	Reinforced concrete	Reinforced concrete	Reinforced concrete
Building Structure	RC & Ruble Work	RC & Ruble Work	RC & Ruble Work	RC & Ruble Work
Roof	Reinforced concrete	Reinforced concrete	Reinforced concrete	Reinforced concrete
Floors	Native ceramic Tiles	Native ceramic tiles	Vinyl Tiles	Vinyl Tiles
Ceiling	Acoustic tiles	Cement Plaster	Acoustic Tiles	Acoustic Tiles
Fenestration	Doors: Galv Iron, Alum, Hollow woods; Windows: Jalousie Alum	Doors: Galv Iron, hollow woods, iron Grils ; Windows: Jalousie Alum	Doors: Galv iron, Hollow Wood; Windows: Glass Alum with iron grills	Doors: Galv iron, Hollow Wood; Windows: Glass Alum with iron grills
Air Condition	Splits Units	Wall Units	Splits Units	Splits & wall Units
Electricity	120/240	120/240	120/240	120/240
Restrooms	Yes	Yes	Yes	Yes

Building 7 Sketch



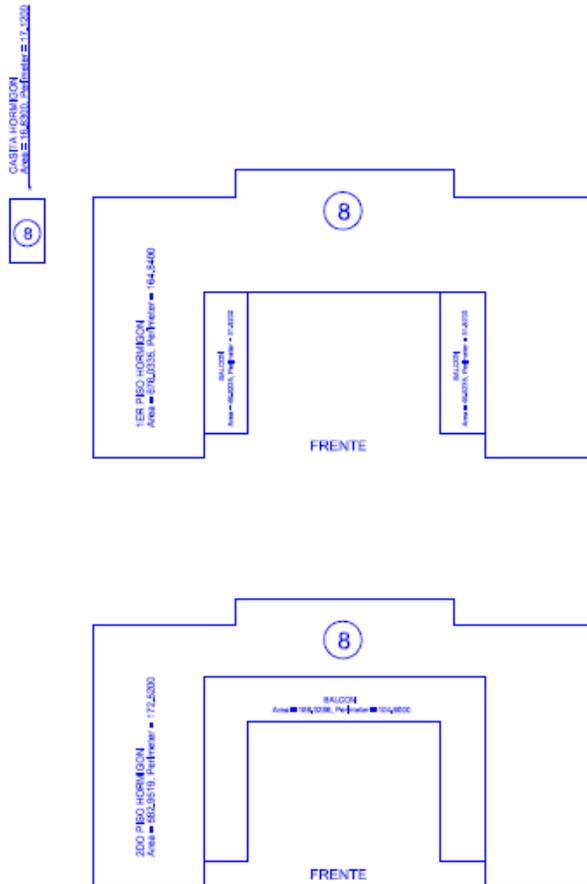
Building 7 Photos



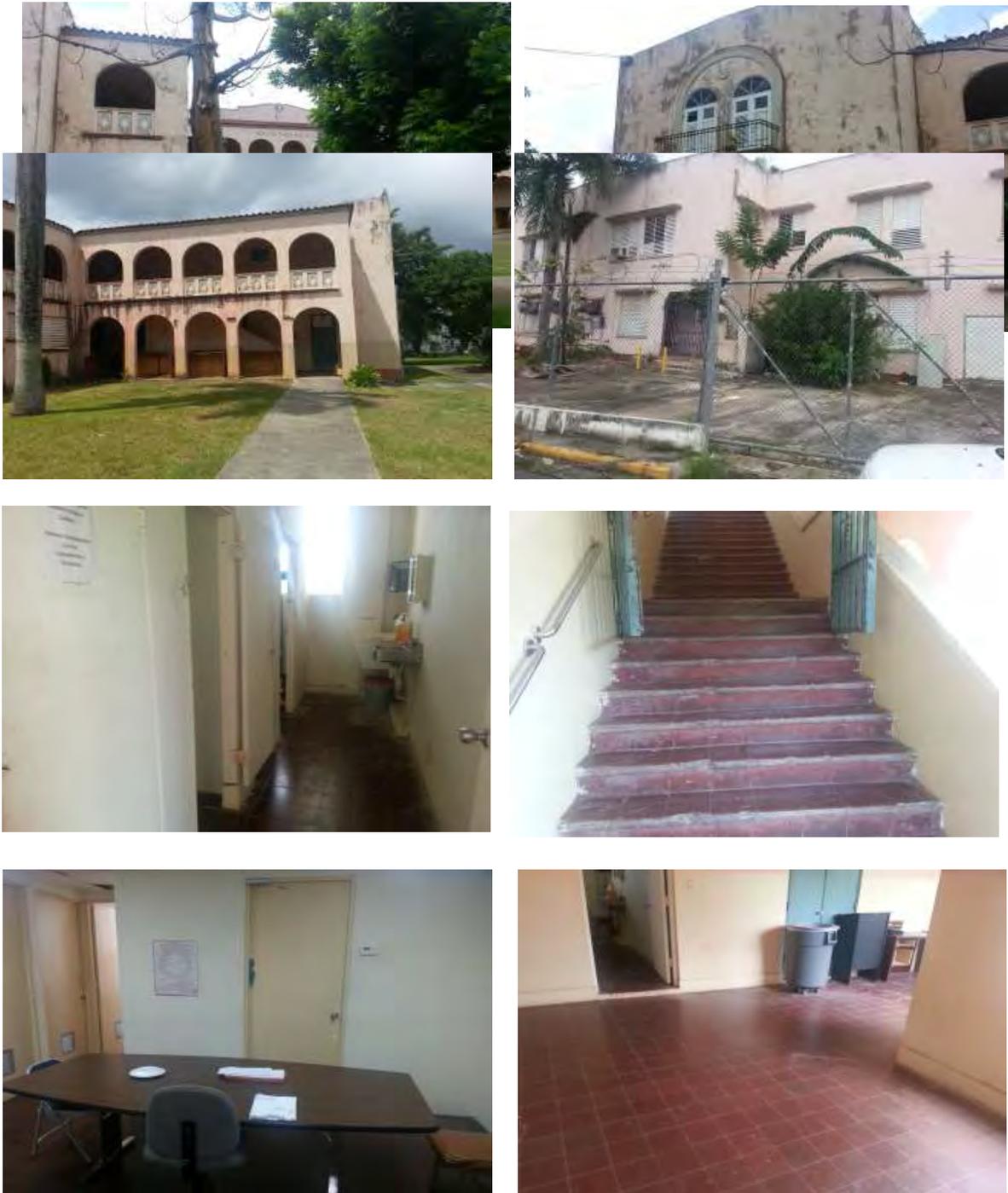
HOGAR DEL NIÑO



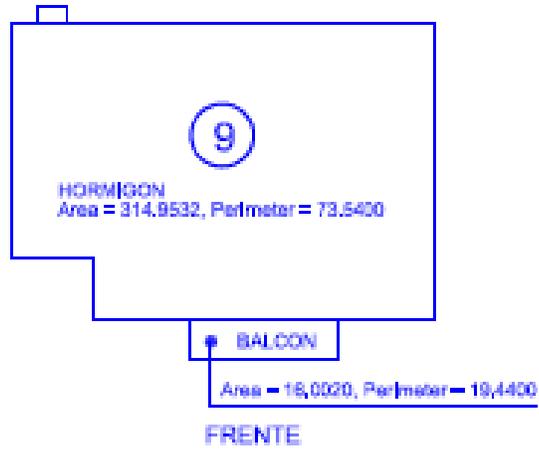
Building 8 Sketch



Building 8 Photos



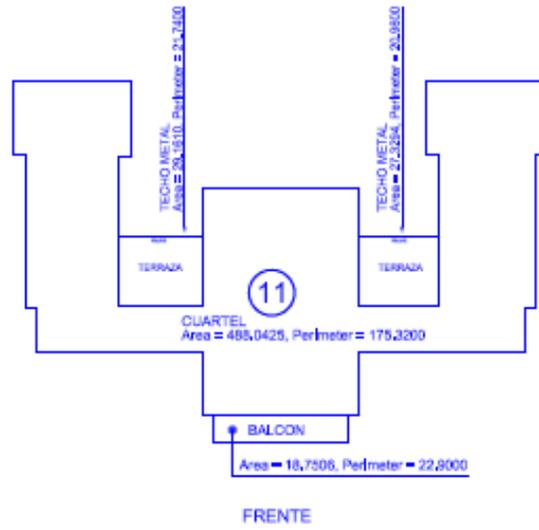
Building 9 Sketch



Building 9 Photos



Building 11 Sketch



Building 11 photos

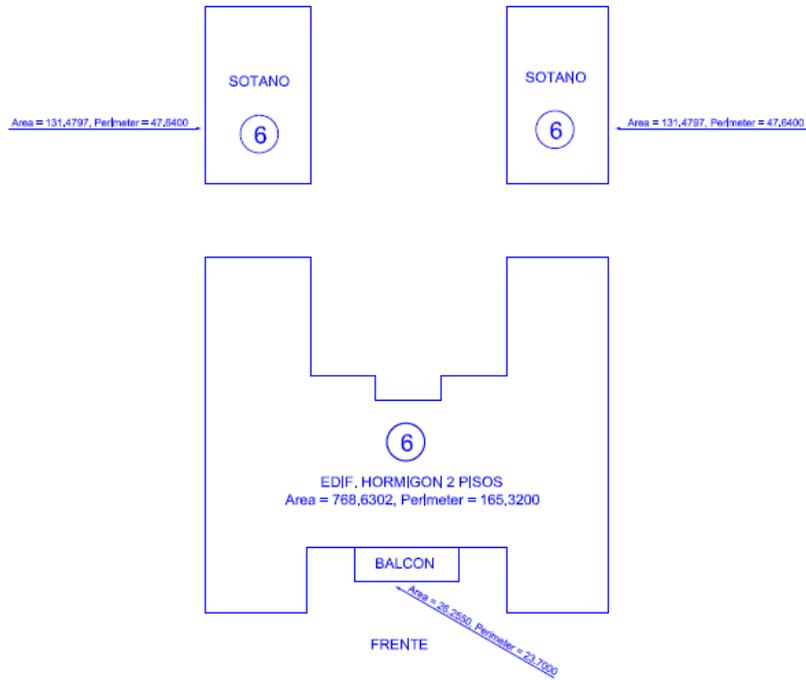




Building 6, 10, 16, 16A Description

Hogar del Niño Building	6	10	16	16A
Occupied by	Departamento de Justicia	Departamento de Corrección Centro Servicios Familiares de Bayamón	Departamento Corrección, vacant	Departamento Corrección, vacant
Building Class/Quality Type	Class B Low Cost Dormitories (600). This building was built as dormitories, then was converted in correctional facilities and currently is used as storage facilities.	Class B Low Cost Dormitories (600). This building was built as dormitories, then was converted in correctional facilities. Currently some of the building areas has been remodeled in office space.	Class B Low Cost Dormitories (600). This building was built as dormitories, then was converted in correctional facilities. Currently is vacant.	Relocatable Classroom (598), Class D Low
Year Build	1938	1938	1938	Unknown
Condition	Fair	Avg	Fair	Avg
Effective Age	25	15	25	5
Life Expectancy	45	45	45	10
Region	Eastern	Eastern	Eastern	Eastern
Climate	Mild	Mild	Mild	Mild
Floor Area	Const Area/Rent Area	Const Area/Rent Area	Const Area/Rent Area	Const Area/Rent Area
Ground Floor in SM	768.63	488.04	792.78	321.00
Ground Floor in SF	8273.46	5253.24	8533.37	3455.21
Second Floor in SM	768.63	488.04	792.78	0.00
Second Floor in SF	8273.46	5253.21	8533.37	0.00
Avg perimeter per floor in Meters	165.32	175	179.18	118.00
Avg perimeter per floor in Feet	1779	1884	1929	1270
No. of Stories	2	2	2	1
Average Height per Story in SF	10	10	10	8
Total Area in SF	16546.92	10506.45	17066.74	3455.21
Basement in SM	262.95	0.00	0.00	0.00
Basement in SF	2830.37	0.00	0.00	0.00
Open Area & Balcony in SM	26.55	26.19	25.96	34.56
Open Area & Balcony in SF	285.78	281.91	279.42	372.00
Auxiliary Structures in SM	0.00	0.00	0.00	0.00
Auxiliary Structures in SF	0.00	0.00	0.00	0.00
Foundations	Reinforced concrete	Reinforced concrete	Reinforced concrete	N/A
Floor Slab	Reinforced concrete	Reinforced concrete	Reinforced concrete	Plywoods
Building Structure	RC/CB	RC/CB	RC/CB	Wood frame
Roof	Reinforced concrete	Reinforced concrete	Reinforced concrete	Wd frame, plywood cover with asphalt roll roofing
Floors	Native ceramic Tiles	Vinyl tiles	Vinyl Tiles	Vinyl Tiles
Ceiling	Cemment Plaster	Cement Plaster	Acoustic Tiles	plywoods
Fenestration	Doors: Galv Iron, Iron Grills, ; Windows: Jalousie Alum	Doors: Galv Iron, hollow woods, iron Grils ; Windows: Jalousie Alum	Doors: Galv iron, Hollow Wood; Windows: Glass Alum with iron grills	Doors: Hollow Wood & iron grills; Windows: Jalousie Alum
Air Condition	None	Splits Units	None	Splits Units
Electricity	120/240	120/240	120/240	120/240
Restrooms	Yes	Yes	Yes	unk

Building 6 sketch



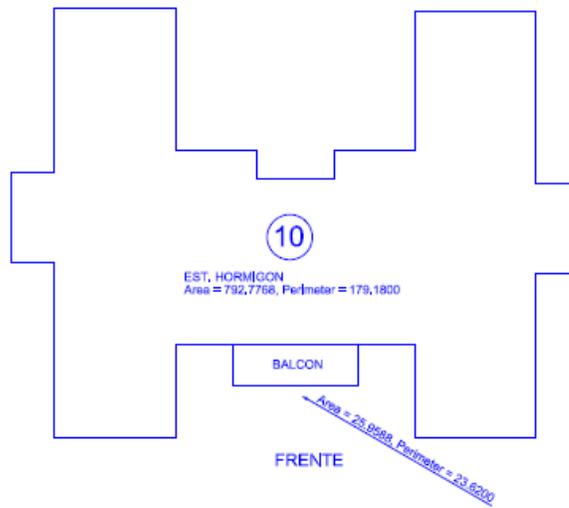
Building 6 photos



HOGAR DEL NIÑO



Building 10 sketch

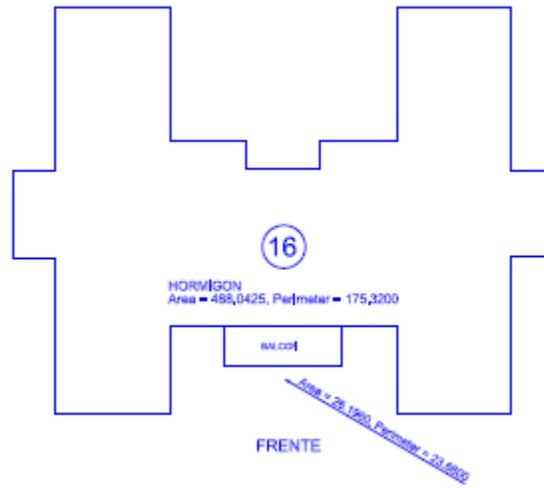


Building 10 photos





Building 16 sketch

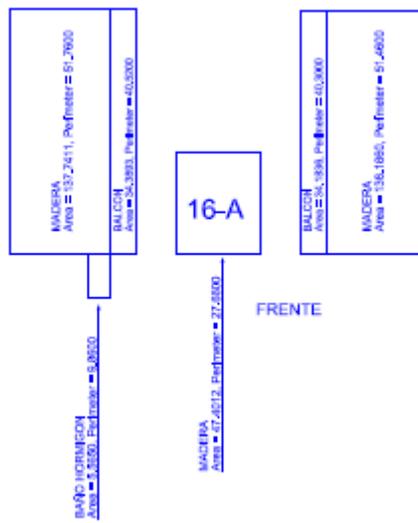


Building 16 photos





Building 16A sketch



Building 16A photos



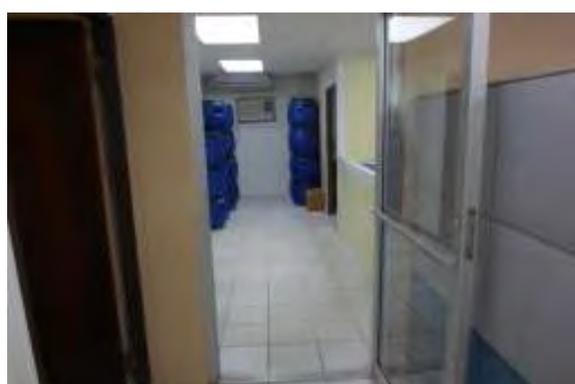
Building 20, 19, 13, 18 and 14 description

Hogar del Niño Building	20	19	13	18	14
Occupied by	Rehabilitación Vocacional	Rehabilitación Vocacional	Departamento Corrección, Garage	Departamento Corrección, Guard House	Departamento Corrección, Storage
Building Class/Quality Type	Class C Avg Storage Warehouse (406).	Class C Low Storage warehouse (406).	Class C Low Service Garages (528)	Jails-Police Stations(489)	Class C Low Storage warehouse (406).
Year Build	Unknown	Unknown	Unknown	Unknown	Unknown
Condition	Avg	Fair	Avg	Avg	Fair
Effective Age	15	25	10	10	30
Life Expectancy	45	45	35	45	45
Region	Eastern	Eastern	Eastern	Eastern	
Climate	Mild	Mild	Mild	Mild	
Floor Area	Const Area/Rent Area	Const Area/Rent Area	Const Area/Rent Area	Const Area/Rent Area	Const Area/Rent Area
Ground Floor in SM	530.20	167.24	415.02	72.84	164.94
Ground Floor in SF	5707.02	1800.15	4467.22	783.99	1775.45
Second Floor in SM	330.38	0.00	0.00	0.00	0.00
Second Floor in SF	3556.18	0.00	0.00	0.00	0.00
Avg perimeter per floor in Meter	60	54	89.00	34.16	21.80
Avg perimeter per floor in Feet	646	581	958	368	235
No. of Stories	2	1	1	1	1
Average Height per Story in SF	10	8	12	8	8
Total Area in SF	9263.19	1800.15	4467.22	783.99	1775.45
Mezzanine	0.00	0.00	62.12	0.00	0.00
Mezzanine in SF	0.00	0.00	668.60	0.00	0.00
Canopy in SM	1402.5065	469.89	0.00	0.00	0.00
Canopy in SF	15096.44	5057.85	0.00	0.00	0.00
Auxiliary Structures in SM	141.71	148.09	0.00	0.00	0.00
Auxiliary Structures in SF	1525.31	1594.05	0.00	0.00	0.00
Foundations	Reinforced concrete	Reinforced concrete	N/A	Reinforced concrete	Reinforced concrete
Floor Slab	Reinforced concrete	Reinforced concrete	Reinforced concrete	Reinforced concrete	Reinforced concrete
Building Structure	RC/CB	RC/CB	Steel frame, RC/CB, Metal siding	RC/CB	RC/CB, Iron grills
Roof	Steel deck with corrugated metal panels	Steel deck with corrugated metal panels	Steel deck with corrugated metal panels	Reinforced concrete	Steel deck with corrugated Galv Alum
Floors	Office area: Ceramic Tiles, Storage area: Polished concrete	Polished concrete	Polished concrete	Terrazo Tiles	Polished concrete
Ceiling	Office area: Acoustic Tiles	None	None	Acoustic Tiles	None
Fenestration	Doors: Galv Iron, Rolling, Glass/Alum, hollow wd ; Windows: Jalousie Alum	Doors: Galv Iron	Doors: Galv iron rolling, Hollow Wood interior	Doors: Galv iron, Glass/Alum; Windows: Glass Alum	Doors: Iron Grills
Air Condition	Office area: splits units	None	None	Splits Units	None
Electricity	120/240	120/240	120/240	120/240	120/240
Restrooms	Yes	None	Yes	Yes	None

Building 19 & 20 Sketch



Buildings 19 & 20 Photos





Building 13 Sketch



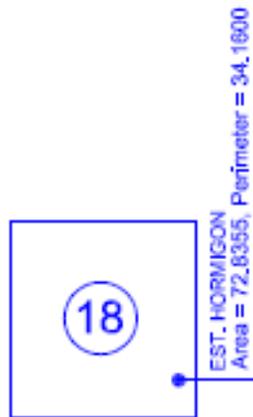
FRENTE

Building 13 photos





Building 18 Sketch



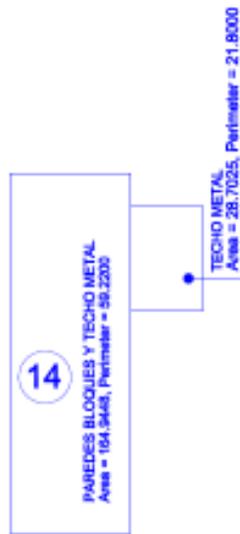
FRENTE



HOGAR DEL NIÑO



Building 14 Sketch



Building 14 photos

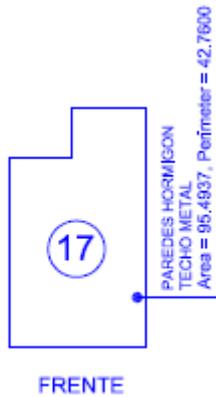


Others building in depilated conditions with none contributory value

Building 15 sketch & photo



Building 17 sketch & photo



Building 21 sketch & photos



HOGAR DEL NIÑO



Condition of the Improvements

Conditions of the Improvements			
Structures	Conditions	Structures	Conditions
1	Average	10	Average
2	Average	16	Fair
Build 2 Ext Baths	Average	16A	Average
Build Ext Rooms	Average	20	Avg
3	Average	19	Fair
4	Good	13	Avg
4A	Average	18	Avg
7	Good	14	Fair
8	Fair	15	Depilated
9	Average	16	Depilated
11	Fair	21	Depilated
6	Fair		

As described in the above table the conditions of the improvements varies from good to depilated conditions, refer to the buildings description tables for more details.

Site Improvements

The site improvements are: Chain link security prison fence in most of the building, paved parking areas, interior streets, gates and a retention pond of approximately 4.3888 'cuerdas'.

Frontage and Visibility

The subject improvements are in the interior of the subject parcel with none commercial frontage/exposure for commercial use.

Conclusion of Property Analysis

Since most of the buildings were built 1938 and are not used for the purpose were designed, they suffer from functional obsolescence, because of the materials used and the layout are not up to the current market standard. I'm of the opinion that converting the current improvements, to others commercial or institutional uses will not maximize the productivity of the site. Thus, the existing improvements used by various government agencies are interim uses, until converted under future redevelopment to a more intense development of high density residential/commercial mixed-use.

PROPERTY TAX DATA AND ASSESSED VALUATION

The current property tax rate for the municipality of Guayama is 10.08%. Property taxes are imposed on each property on the first day of the year. However, these taxes are not due for payment until the fiscal year running from July to June of the following year. Since fiscal year 1974, property taxes are invoiced and paid on a semi-annual basis. A 10% discount is granted for prompt payment within 30 days after the issuance of the tax invoice.

The client property provided a copy of the Assessed Value Statement of Account for the subject property; any other current tax records referent to the subject property and the information is not available to third parties without written authorization from the owner. It is assumed that property taxes for the subject property are current and paid. We are not responsible for any information referent to the real estate taxes of the subject property and assume no liability for any pending or unpaid tax of the subject of this appraisal. We are not experts in tax matters. Current tax assessment should be verified with the tax authorities. The subject property assessment numbers are: 086-043-008-30-000, 086-032-008-30-850, and 086-032-008-31-000.

Assessed Value Map





MARKET AREA ANALYSIS

A market area is a group of complementary land uses, or an area in which social, economic, government and environmental forces influence property values in all surrounding properties in a similar way. Although the subject property is physically located within the municipal limits of Guaynabo, the region market area includes other municipalities such as Aguas Buenas, Bayamón, Cataño and San Juan.

The city of Guaynabo is a municipality in the northern part of Puerto Rico, located in the northern coast of the island, north of Aguas Buenas; south of Cataño; east of Bayamón; and west of San Juan. Guaynabo has a land area of 27.13 square miles and a population of 97,924 as of the 2010 census. . It is comprised of nine wards: Camarones, Frailes, Guaraguao, Hato Nuevo, Mamey, Pueblo Viejo, Rio, Santa Rosa, and Sanadora. Guaynabo has a location privileged in the same center of the Metropolitan Area of San Juan.

The city of Guaynabo is surrounded by three by the main cities of Puerto Rico: San Juan, Caguas and Bayamón, in addition the city of Carolina is rather close. This allows its citizens to move with relative facility to the main centers of work and services of the country. In addition, the residents of Guaynabo enjoy the benefits to live in a suburb with many economic resources and little criminality. For that reason Guaynabo stands out for being the municipality of the island with greater per cápita entrance and the best index of academic preparation between its inhabitants. In the past decades, while important cities as San Juan and Bayamón have consisting of been losing population Guaynabo have been quite the opposite.

Guaynabo City is home to several public and private schools distributed through several regions. Public education is handled by the State Department of Education. As a result of the proliferation of upper middle class and wealthy neighborhoods, several prominent private schools were founded in Guaynabo, including Academia San José, Colegio Marista, Colegio Adianez, and which mainly instruct in Spanish, although most private schools extensively cover English to levels comparable to those of the mainland; and Parkville School, American Military Academy, Baldwin School, in the Guaynabo-Bayamón border, and Wesleyan Academy, which mainly instruct in English. The first modern shopping mall built in the Caribbean and Latin America, San Patricio Plaza, was built in Guaynabo in 1963, in the San Patricio sector next to Villa Caparra.

In terms of transportation, Guaynabo counts on service of trolleys. Also it counts with a collected transportation system which covers all of the metropolitan area including San Juan and bordering towns. This transportation system is provided by the Metropolitan Authority of Buses known as AMA. In addition, with two stations of the system of Urban Train, the stations Martinez Nadal and Torrimar, and extends from the city of Bayamón to San Juan.

Professional Hospital Guaynabo located on Felisa Rincón Avenue (formerly Las Cumbres Avenue), is the newest hospital infrastructure built in Puerto Rico. Guaynabo is the only city in Puerto Rico to have a hospital specialized in advanced vascular surgery. Some of the first and newest procedures performed in Puerto Rico during 2009 were done in Professional Hospital Guaynabo, including the first AxiaLIF surgery for lumbar fusion.

Guaynabo also has two offices of the United States Postal Service located in Caparra Heights and Guaynabo town. In addition, the Federal Bureau of Prisons operates the Metropolitan Detention Center in Guaynabo.

The economy of Guaynabo is primarily of industrial and commercial. Some of its factories products and foods from wheat and other grains, while other manufacture textile and metal, paper, and chemical products. The service industry and construction are other important sectors within the economy of Guaynabo. This municipality went through a large economic revitalization in the 1950s and 1960s. As a consequence, parts of the city have also served as a San Juan suburban preferred by upper-middle and high-income families. Today, Guaynabo has the highest per capita income in Puerto Rico. The neighborhoods of Garden Hills, Torrimar, San Patricio and Tintillo are among the upper class neighborhoods located in Guaynabo that were built in the 1950s and 1960s, with the notable exception of Villa Caparra and Suchville, San Juan's first wealthy suburbs, which were built in the 1920s. Residential construction continued between the 1970s and 1990s, where hundreds of new upper middle class developments were built: Parkville, Mallorca, Tierra Alta, Prado Alto, Villas Reales, Ext. Villa Caparra, Mansiones de Guaynabo, Mansiones Reales, and Palmas Reales, among many others.

Guaynabo's skyline is filled with over a hundred high-rise buildings. Most are residential condominiums, but the buildings also include various major headquarters for banks and other businesses. Several businesses have their headquarters or local Puerto Rican branches in Guaynabo. El Nuevo Día, Chrysler, Santander Securities, Puerto Rico Telephone, and many sales offices for large US firms (such as Texaco, Microsoft, American Airlines, Dell and others) have their Puerto Rican headquarters in Guaynabo. WAPA-TV (Televisión) and Univisión de Puerto Rico have their main studios in Guaynabo.

In terms of geography, this city has several hills in the southern part of the municipality, including Cerro Marquesa at 510 meters (1,673 feet), above sea level. A smaller but noteworthy hill named Caneja, in the northern barrio of Pueblo Viejo, rises to 95 meters (311 feet) in height. Within this hill is a cave which is known for its five entrances and its large, well lit interior. This town is also part of Puerto Rico's Northern Kart zone. Guaynabo's waterways include the Bayamón River and the smaller streams that feed into it, such as Sonadora, Damiana, El Marques, and Santa Catalina. The Bayamón River's largest tributary is the Guaynabo River, which also runs through the municipality. From its point of origin in the Mamey ward, the Guaynabo River course covers 16 kilometers (10 miles) before joining the Bayamón River.

The following is the Census population for 2010, and percent of changes from the 2000 U.S. Census results:

REGION POPULATION GROWTH²

	Resident Population for the Region Area		% Changes
	Census 2010	Census 2000	
Puerto Rico	3,727,789	3,808,610	-2.12%
Aguas Buenas	60,949	64,685	-5.78%
Bayamón	208,116	224,044	-7.11%
Cataño	28,140	30,071	-6.42%
Guaynabo	97,924	100,053	-2.13%
San Juan	395,326	434,374	-8.99%
Region Area	790,455	853,227	-7.36%

² Source: Census of Population and Housing.

The previous table illustrates 7.36% decrease in population in the subject market area during the last decade, 5.24% more loss, than the whole Island. Guaynabo is municipality with less affected by the population loss with only a 2.13%.

The following tables present work force data as September 2014 (the most recent available information) for the market area. This information is published by the Bureau of Labor Statistics, United States Department of Labor.

LABOR FORCE STATISTICS - As of SEP 2014				
	Labor Force	Employment	Unemployment	Unemployment Rate
Puerto Rico	113,178	966,638	17,054	15.07%
Aguas Buenas	7,794	6,488	1,306	16.76%
Bayamón	67,758	59,029	8,729	12.88%
Cataño	7,284	6,170	1,114	15.29%
Guaynabo	37,136	33,381	3,755	10.11%
San Juan	135,025	120,058	14,967	11.08%
Market Area	254,997	225,126	29,871	11.71%

	Employment History as September			% Change	
	2014	2013	2012	2014-13	2013-12
Puerto Rico	966,638	1,004,796	1,026,880	-3.80%	-2.15%
Aguas Buenas	6,488	6,724	6,837	-3.51%	-1.65%
Bayamón	59,029	61,176	62,209	-3.51%	-1.66%
Cataño	6,170	6,394	6,502	-3.50%	-1.66%
Guaynabo	33,381	34,595	35,179	-3.51%	-1.66%
San Juan	120,058	124,426	126,526	-3.51%	-1.66%
Market Area	225,126	233,315	237,253	-3.51%	-1.66%

The market area has loss 3.51% employments from September 2013 to September 2014, with the unemployment rate 3.37% less than the rate for the entire Island. Guaynabo is the municipality with less unemployment with 10.11%.

HIGHEST AND BEST USE

Highest and best use analyzes market forces and how they affect the property. Finding the highest and best use is very important in the appraisal process, because the use selected for the subject property will be the basis for selecting the comparable transactions chosen for the research. Since the subject property is improved, we developed two highest and best use analysis for subject property.

Highest and Best Use of Subject property As Though Vacant

Legally Permissible

According to the prevailing zoning map of the municipality of Guayanbo, the subject property is located is within R-5, high density residential zoning districts. This classification could suggest for a mixed middle-income high density residential development use and is consistent with the immediate neighborhood uses. Residential uses in the perimeter of the subject property is evidence such as, Garden Hills, Torrimar, Altamira, Summit Hills and others. The existing zoning districts and historical approvals, permits mixed high-density residential and commercial development use. Thus, consistency of use and past market trends would logically point towards a higher density middle-income residential and commercial development.

Physically Possible

Considering its land area, we are of the opinion that the legally permissible uses could also be physically possible. The subject property has level to gentle topography, adequate size for the legally permissible uses, as well as good access. Nevertheless, the question that has to be answered is which use or uses are financially feasible and if they produce maximum profitability.

Financially Feasible

In terms of financial feasibility, the historic demand for vacant sites with high-density residential developments potential within the subject market area, has been adequate and the feasibility is evidence. Thus, I'm of the opinion that there is demand for high density residential development use. Thus, we can reasonable conclude that this use is financially feasible.

Maximally Productive

The final step in determining the highest and best use is to conclude on which use among the legally permissible, physically possible, and financially feasible uses would produce the highest value for the land.

Based on the observed residential properties in the subject neighborhood, an intense middle-high income mixed-use residential development with some commercial use will maximize the productivity of the site. However, the general real estate market is evidencing longer absorption periods and increasing vacancies along with aggressive marketing efforts and high operational cost. This is further complicated by high development cost and stringent credit measures implemented by banking institutions, implying higher equity contributions and stronger pre-sale/pre-lease requirements on developers. In effect, under soft market conditions, in general terms, property values as well as rent levels, have been adjusted downward. In addition,

absorption levels are substantially lower than the past typical parameters under stable market conditions for the subject neighborhood. Also, the subject is currently affected by external (economic) obsolescence, which translates into loss of value.

In other words, the potential intense mixed-use high density residential development for the subject site is not feasible at this moment and it will be in the future when the economic, financial and social conditions improve.

Highest and Best Use Analysis "As Improved"

Highest and Best Use of Property as Improved is defined as follows:

"The use that should be made of a property as it exists. An existing property should be renovated or retained as is so long as it continued to contribute to the total market value of the property, or until the return from a new improvement would more than offset the cost of demolishing the existing building and construction a new one."

Legally Permissible Uses

The subject property is located at the interior of Road PR-19, los Frailes Ward, Guaynabo in an active middle-high income residential area. The existing improvements consist of 12 institutional buildings and various auxiliary structures. The combined institutional building gross area is 144,548 square feet, with the auxiliary areas of 40,748 square feet. The building to land ratio results in 4.27% indication. These improvements do not meet the current market standards for a higher-density residential/commercial use within the zone. However, these improvements are legally used by various governmental agencies.

Physically Possible Uses

Even though the improvements on the subject property do not conform to current market standards for higher-density utilization, they are partially use by various government agencies. Thus, the subject property meets the physically possible criteria.

Financially Feasible

At first glance, the historical increasing land values in the area point to higher density utilization for such high priced sites. The resulting fee simple value of the site "as if vacant" falls above the value resulting for the "as is" improved property as derives from the typical sales comparison approach, and from the income approach development, thus, implying no contributory value of the existing improvements in the subject property.

In this appraisal we concluded with a fee simple interest market value opinion for the subject property of \$10,000,000. As such, the next step is to determine if the improvements are appropriately used and contribute to the total property value in excess of the value of the site.

First we considered the subject income generation potential and prepared a net operating income analysis for the next year of operations. Based on our history files the typical rents for the subject market area, fluctuate from \$5 to \$20 for office, institutional or industrial uses. The following table's shows the computations of the subject market value by the Income Approach Method, based on

the potential rents for the subject property considering the location, type and conditions of the buildings.

Direct Capitalization			
Income Approach Calculations			
I. Potential Gross Income			
Building	NRA in square feet ^a	Rent per s.f. ^b	Market rent
1	5,100	x \$8.00	= \$40,803
2	3859	\$8.00	\$30,871
Build Ext Rooms	730	\$8.00	\$5,843
3	4235	\$8.00	\$33,879
4A	17,115	\$8.00	\$136,917
4	15,915	\$12.00	\$190,982
7	10,517	\$12.00	\$126,206
8	13,552	\$5.00	\$67,758
9	3,390	\$8.00	\$27,121
11	5,253	\$8.00	\$42,026
6	16,547	\$5.00	\$82,735
10	10,506	\$5.00	\$52,532
16	17,067	\$8.00	\$136,534
16A	3,455	\$5.00	\$17,276
20	9263	\$7.00	\$64,842
19	1800	\$5.00	\$9,001
13	4467	\$7.00	\$31,271
14	1775	\$5.00	\$8,877
			\$1,105,473 PGI
II. Less Vacancy & Collection Loss			
	PGI for Level or Space	Vcl Rate ^c	
	\$1,105,473	x 15%	= (\$165,821)
		Estimated Vacancy & Collection Losses	(\$165,821) Vcl
III. Effective Gross Income			\$939,652 EGI
IV. Fixed and Operating Expenses			
	Management Fee 3% EGI	(2)	\$28,190
	Reserve for replacements	(3)	\$21,682
	Total Operating Expenses		\$49,872
			(\$49,872) OE
V. Net Operating Income			\$889,780 NOI
VI. Capitalization Rate			10.00% R
VII. Capitalization Value			\$8,897,805 V
			Rounded to \$8,900,000

This analysis suggests that as of the effective date of the appraisal report, the existing improvements only contribute as an interim use value and not to the overall value of the property. Consequently, I'm of the opinion that the existing improvements are in an interim use by various government agencies, or the use to which the improved property is put until it is ready for its future highest and best use.

Highest and Best Use Conclusion

After considering legal, physical, and economic factors related to the use of this property, I'm conclude that the current highest and best use for the subject is a transition, until converted under future redevelopment to a more intense development of high density residential/commercial mixed-use.

SITE VALUATION

As mentioned earlier in the Scope of the Assignment section of the report, the sales comparison procedure was determined to be the most appropriate method to value the subject property. The sales comparison approach is the most common technique for site valuation and is the preferred method when comparable transactions are available. For this method, sales, or options to sell, of similar sites are analyzed and compared to the subject, and their prices are adjusted by differences with the subject to provide a value indication for the site being appraised.

The comparison process is based on an analysis of the similarity or dissimilarity of the comparable transactions with the subject property. Adjustments are made for property rights transferred, financing conditions, sales conditions, market conditions, location, and physical characteristics. After applying the necessary adjustments to the prices of the comparable transactions, their adjusted indicators are reconciled into a single market value estimate for the subject property.

Unit of Comparison

The analysis of the comparable transactions suggests that the unit of comparison typically used in Puerto Rico for parcels with residential development potential is sale price to size (per square meter or per cuerda). I will use sale price per 'cuerda' as the unit of comparison because it provides consistent indications of market value.

Comparable Transactions

Considering current socio-economic conditions of Puerto Rico I was not able to find comparable land sales with similar site of the subject property. The subject property has good location and physical characteristics for a high density residential development. Thus, I included comparable transactions from similar high density residential neighborhoods in Guaynabo, Carolina and Las Piedras. The following table summarizes the information on the land transactions used and the analysis by which the subject market value was derived.

SUMMARY OF COMPARABLE SITE TRANSACTIONS					
Sale Number	Subject	1	2	3	4
Seller	N/A	Lsref2 Island Holdings Ltd Inc	Metropol Development, Lic	Carlos E. Muñoz, Edith J. Muñoz, Iraida M. Muñoz, Lucia V. Muñoz	Crefisa, Inc
Buyer	N/A	Gs3 Corporation	Cina Development	Autoridad Financiamiento Infraestructura PR	Mapa Development Corp
Location	Hogar del Niño Los Frailes Ward Guaynabo	Lot 177 Los Frailes Ward Guaynabo	Road 860 Martín González Ward Carolina	Piedras Blancas Hato Nuevo Ward Guaynabo	Lot Road PR-30 & Road PR-203 Rincón Ward Gurabo
Date of Sale	N/A	06-Dec-13	13-May-13	19-Dec-12	27-Apr-11
Sales Price	N/A	\$650,000	\$1,110,000	\$2,686,500	\$1,900,000
Attributable to Improvements		\$0	\$0	\$0	\$0
Land Price		\$650,000	\$1,110,000	\$2,686,500	\$1,900,000
Area of Parcel (Cuerdas)	80.66	6.07	13.05	22.39	27.11
Unit Price per (Cuerdas)	N/A	\$107,084.02	\$85,057.47	119,986.60	\$70,084.84
Legal & Registry Data	N/A	Deed 180, Hector Lebrón, esq, Tract 24393,B 587 P 40,TCN 086-082-013-42-901	Deed 2, Alberto Perez, esq, Tract 26539,B 661 P 85,TCN 116-013 161-78 Old, New TCN 116-013-028-27 .	Deed 23, Juan J. Nolia , Tract 15260 ,B 249 P 240,TCN 16-171-023-003-11-000	Deed 184, Rogelio Guzmán, Tract N/A ,B 650, P 1439, TCN 226-012-537-01 000
Zoning	R-5	RI	DI	RI	R-1 (99%), DT-G (1%)
Accesses	Good	Fair	Good	Good	Good
Highest & Best Use	High Density Res dev	Single-unit res dev	Single-unit res dev	Single-unit res dev	Single-unit res dev
Topography	Mostly level	Gentle Slope	Level	Gentle Slope	Level
Shape	Irregular	Irregular	Regular	Irregular	Irregular
Flood Zone Classification	Mosly Outside	Outside	Outside	Outside	Outside
Source	Client	Puerto Rico e	Puerto Rico e	Puerto Rico e	Puerto Rico e

Comparable Sale # 1



Comparable Sale # 2



Comparable Sale #3



Comparable Sale #4



Land Sale Map



HOGAR DEL NIÑO

The appraisers have examined various vacant land sale transactions within the competitive area competitive market area. We have selected four (4) comparable sales, which in my opinion; they represent the best indicators of the land market value of the subject property. The unit of comparison chosen for the approach is the sale price per 'cuerda'.

Land sale 1 was sold on December 2013. The site zoning site is RI (Residential Intermediate). This sale is located at Lot 177 Los Frailes Ward, Guaynabo, 1.25 miles south, from the subject property. The topography is gentle slope, the shape is irregular and it is located outside flood hazard area. The property was sold for \$650,000, with land unit price of \$107,084 per 'cuerda'.

Land sale 2 was sold on May 2013. The site zoning site is DI (dotacional infraestructura). This sale is fronting Road PR-860, Martín González Ward, Carolina, 8.63 miles east, from the subject property. The topography is level, the shape is elongated rectangular and it is located outside flood hazard area. The property was sold for \$1,110,000, with land unit price of \$85,057 per 'cuerda'.

Land sale 3 was sold on December 2012. The site zoning site is RI (Residential Intermediate). This sale is located in at Hato Nuevo Ward, Guaynabo, 6.20 miles south, from the subject property. The topography is gentle slope, the shape is irregular and it is located outside flood hazard area. The property was sold for \$2,686,500 the land unit price is \$119,999 per 'cuerda'.

Land sale 4 was sold on April 2011. The site zoning site is 99% RI (Residential Intermediate). This sale is located in at Rincón Ward, Gurabo, 6.20 miles south, from the subject property. The topography is level, the shape is irregular and it is located outside flood hazard area. The property was sold for \$1,900,000 the land unit price is \$70,079 per 'cuerda'.

Adjustment Process

To form an opinion of value for the subject property, the comparable transactions have to be adjusted for their differences with the subject. The adjustments are estimated by comparative analysis, with the use of quantitative or qualitative techniques. In quantitative analytical techniques, mathematical processes are used to identify which elements of comparison require adjustment and to measure the amount of these adjustments. These processes include paired data analysis, statistical analysis, graphic analysis, trend analysis, cost-related analysis and secondary data analysis.

Qualitative techniques study relationships indicated by market data without recourse to quantification. This technique reflects the imperfect nature of real estate markets. Qualitative techniques include relative comparison analysis, ranking analysis or personal interviews.

The adjustment process described above follows.

Real Property Rights Conveyed Adjustment

All comparable transactions involved the transfer of the fee simple estate of the properties. For this reason, none of the transactions require an adjustment for property rights conveyed.

Financing Terms Adjustment

According to the information obtained, all the transactions were cash to seller terms or in terms considered being similar to cash. For this reason, all sales are considered as cash to seller and no adjustments are required.

Conditions of Sale Adjustment

Adjustment for conditions of sale usually reflects the motivations of the buyer and the seller. In many situations the conditions of sale significantly affect transactions prices; these are not considered arm's-length transactions. All comparable sales transactions were in an open market situations and do not reflect non-market conditions. Therefore, no adjustment is required.

Expenditures Immediately after the Sale

None of the comparable transactions required an immediate expenditure for demolition and removal of existing structures. As such, no adjustments were required for these conditions.

Market Conditions Adjustment

This type of adjustment is sometimes necessary to reflect the fact that since the time the comparable sales were transacted, general value may have appreciated or depreciated due to inflation or deflation and investor perception of market conditions may have changed. The general information available suggests that values have been declining from 5% to 40%, due to the actual conditions of market since 2008, after government shutdown, we considered, all comparable sales as are from the same period. Thus, adjustment was not considered necessary.

Physical Adjustments

Once the comparable transactions have been adjusted for the elements of comparison described, they can be adjusted for differences in location and physical characteristics with the subject. We cannot extract an adjustment by pairing the comparable transaction due to the difference in the transactions, thus we will perform ranking analysis technique.

Sales Comparison Approach Land Grid		Researched and prepared by WCL								
Description	Subject	1		2		3		4		
Unitary			\$107,084		\$85,057		\$119,987		\$70,085	
Date	11-Mar-14		6-Dec-13		13-May-13		19-Dec-12		27-Apr-11	
Time Elapsed			0.26		0.83		1.22		2.87	
%/Time Increment	per year		0.0%		0.0%		0.0%		0.0%	
Adjusted Unitary for time			\$107,084		\$85,057		\$119,987		\$70,085	
Condition of Sale			0%		0%		0%		0%	
Ranking Analysis of Physical Charasteristic		Grading	\$107,084	Grading	\$85,057	Grading	\$119,987	Grading	\$70,085	Grading
Zoning	R-5	4	RI	3	DI	2	RI	3	R-1 (99%), DT-G (1%)	3
Access	Good	4	Fair	3	Good	4	Good	4	Good	4
Location	Los Frailes Ward	4	Los Frailes Ward	4	Martín González Ward	2	Hato Nuevo Ward	3	Rincón Ward	2
H&B Use	High Density Res dev	4	Single-unit res dev	3	Single-unit res dev	3	Single-unit res dev	3	Single-unit res dev	3
Topography	Mostly level	3	Gentle Slope	2	Level	4	Gentle Slope	3	Level	4
Shape	Irregular	3	Irregular	3	Regular	4	Irregular	3	Irregular	3
Flooding	Mostly Outside	3	Outside	4	Outside	4	Outside	4	Outside	4
Site Area in Cuerdas	80.66	2	6.07	4	13.05	4	22.39	3	27.11	3
		27		26		27		26		26
Percent of Adjustment			3.70%		0.00%		3.70%		3.70%	
Adjusment in \$ Rd			\$4,000		\$0		\$4,400		\$2,600	
Indicated Unitary Adjusted Price			\$111,000		\$85,000		\$124,000		\$73,000	

The following table is a ranking analysis table to estimate the percentage adjustment per physical characteristics within the comparable. In the ranking analysis we gave each comparable and the subject property a rank from 1 to 4 for each element of comparison.

In this case, the subject resulted with an overall rating of 27, Superior to Sales #1, #3 and #4, similar to Sale #2. In order to extract the percentage of adjustment the resulted overall rate for each comparable is divided by the overall rate of the subject resulting in a percentage that will be adjusted in the sales comparable grid under the physical characteristics. From the ranking analysis developed, Sales #1, #3 and #4 received a 3.70% adjustment.

The Direct Sales Comparison Approach market search and analysis of competitive vacant parcels developed reflect rounded adjusted unit prices from \$73,000 to \$124,000 per 'cuerda' with a midpoint of \$100,000 rounded per 'cuerda'.

Reconciliation

After considering the subject location, which is within medium to high income, gated residential developments in Guaynabo. The subject property market value can be derived using the higher limit range of the comparable sales, at a rate of \$124,000.00 per "cuerda" (Rd), supported by sale # 3 located within the municipality of Guaynabo. Thus,

Valuation:			
80.66 cuerdas	\$124,000	per cuerda =	\$10,002,026
		Rounded to	\$10,000,000

Demolition of Existing Improvements

Based in the estimated cost provided by the Land Administration of Puerto Rico Engineering Department, the demolition the existing improvements could cost approximately \$1,200,000. However, this cost will be offset by the salvage value of the existing improvements (including the possibility of only a partial demolition). As, such, we will not deducts an additional amount for the demolition.

Market Value Conclusion

Based on the preceding information and analysis, the market value of the fee simple interest in the subject property, in "as is" condition as September 11, 2014 is:

\$10,000,000
TEN MILLIONS DOLLARS

RECONCILIATION AND FINAL VALUE OPINION

The one valuation approaches used in this appraisal report have provided the following indications of subject property value:

Value Indication by the Sales Comparison Approach	\$10,000,000
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The subject property was submitted to a comparison process with a group of competitive properties to derive value for the property as a whole via the Sales Comparison Analysis. Also, in the highest and best analysis "as improved" was concluded the existing improvements only contribute as an interim use value and not to the overall value of the property. Consequently, I'm of the opinion that the existing improvements, used for the business practices by the various governmental agencies are in an interim use, or the use to which the improved property is put until it is ready for its future highest and best use.

After a careful consideration of all the factors, which influence value the derived Market Value in "Fee Simple" interest of the subject property as of September 11, 2014 is:

\$10,000,000
TEN MILLION DOLLARS



Wilfredo Cruz Lanausse
Certified General Appraiser
Certification No. 250CG
Puerto Rico License No. 1016

GENERAL LIMITING CONDITIONS AND ASSUMPTIONS

Wilfredo Cruz-Lanausse as real estate appraiser stated:

1. I will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. I 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. I may have provided a plat and/or parcel map in the appraisal report to assist the reader in visualizing the lot size, shape, and/or orientation. I have not made a survey of the subject property.
3. If so indicated, I 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 I'm not a surveyor, I make no guarantees, express or implied, regarding this determination.
4. I have noted in the appraisal report any adverse conditions (including, but not limited to, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property, or that I became aware of during the normal research involved in performing the appraisal. Unless otherwise stated in the appraisal report, I have no knowledge of any hidden or unapparent conditions of the property, or adverse environmental conditions (including, but not limited to, the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied, regarding the condition of the property. I 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 I'm not an expert in the field of environmental hazards, the appraisal report must not be considered as an environmental assessment of the property.
5. I obtained the information, estimates, and opinions that were expressed in the appraisal report from sources that I consider to be reliable and believes them to be true and correct. I do not assume responsibility for the accuracy of such items that were furnished by other parties.
6. I will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice, and any applicable federal, state or local laws.
7. An appraiser's client is the party (or parties) who engage an appraiser in a specific assignment. Any other party acquiring this report from the client does not become a

party to the appraiser-client relationship. Any persons receiving this appraisal report because of disclosure requirements applicable to the appraiser's client do not become intended users of this report unless specifically identified by the client at the time of the assignment.

8. This appraisal report is confidential. My written consent and approval must be obtained before this appraisal report can be conveyed by anyone to the public, through advertising, public relations, news, sales, or by means of any other media, or by its inclusion in a private or public database. Possession of this report or any copy thereof does not carry with it the right of publication.
9. Forecasts of effective demand for the highest and best use or the best fitting and most appropriate use were based on the best available data concerning the market and are subject to conditions of economic uncertainty about the future.

**ACCEPTANCE OF, AND/OR USE OF THE APPRAISAL REPORT CONSTITUTES
ACCEPTANCE OF THE ABOVE CONDITIONS.**

CERTIFICATION

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

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported a personal, unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report the parties involved.
- My compensation is not contingent upon the reporting of a predetermined value or client, the amount of the value estimate, and the attainment of a stipulated result, on the loan or the occurrence of a subsequent event.
- My analyses, opinions, and conclusions were developed, and this report has been Standards of Professional Appraisal Practice.
- I made a personal inspection of the property.
- No one provided significant professional assistance to the person signing this report.
- I had not performed an appraisal services, regarding the subject property within the pri
- The reported analyses, opinions and conclusions were developed, and this report has requirements of the Code of Professional Ethics and Standards of Professional Appra
- The use of this report is subject to the requirements of the Appraisal Institute relating to
- As of the date of this report, Wilfredo Cruz Lanausse has completed the Stand Candidates of the Appraisal Institute.


Wilfredo Cruz Lanausse
Certified General Appraiser
Certification No. 250CG
Puerto Rico License No. 1016

ADENDA

1. Puerto Rico Economic Progress as September 2014 by Banco Popular
2. Appraiser Qualifications



PYMES aparentan ser aun más importante luego de la crisis *SMEs appear to be even more important following the crisis*

De acuerdo con los estimados actuales del Producto Interno Bruto a precios constantes, la economía de Puerto Rico experimentó una recesión durante ocho años fiscales consecutivos a partir del año fiscal 2004-05 y terminando en el año fiscal 2011-12. No hay dudas de que la estructura de la economía de Puerto Rico ha experimentado una importante transformación durante este período.

Los datos del 2013 del Registro de Corporaciones del Departamento de Estado de Puerto Rico, que fueron recientemente publicados, sugieren que las Pequeñas Y Medianas Empresas (PYMES) parecen haber aumentado de manera considerable su participación relativa en la economía de Puerto Rico. Mientras que el Censo Económico de 2007 de Puerto Rico, realizado por el Negociado del Censo de los Estados Unidos, había mostrado que el 43% del valor total de las ventas y envíos anuales de empresas en Puerto Rico se deben a empresas con menos de 50 empleados, los datos del Registro de Corporaciones del 2013 indican que esta métrica ha incrementado considerablemente. En concreto, tomando en cuenta las corporaciones activas con al menos un empleado, los datos del Registro de Corporaciones de 2013 sugieren que al menos el 58% de la economía de Puerto Rico se debe a las PYMES.

Los datos de 2013 del Registro de Corporaciones incluyen información adicional. Por ejemplo, el Registro de Corporaciones ahora indaga si las empresas exportan sus bienes y servicios fuera de Puerto Rico, lo cual permite la identificación de industrias en Puerto Rico que son más fuertes en la exportación. Los datos del Registro de Corporaciones de 2013 muestran que, aproximadamente el 10% de las PYMES en Puerto Rico que se dedican al comercio al por mayor, o a la manufactura, están involucradas en la exportación de sus productos. Estos son los porcentajes más altos para cualquier industria en Puerto Rico, seguido por las industrias relacionadas con los servicios, como el transporte y el almacenamiento, la gestión de las empresas, la información, las finanzas y los seguros, las artes, el entretenimiento y la recreación.

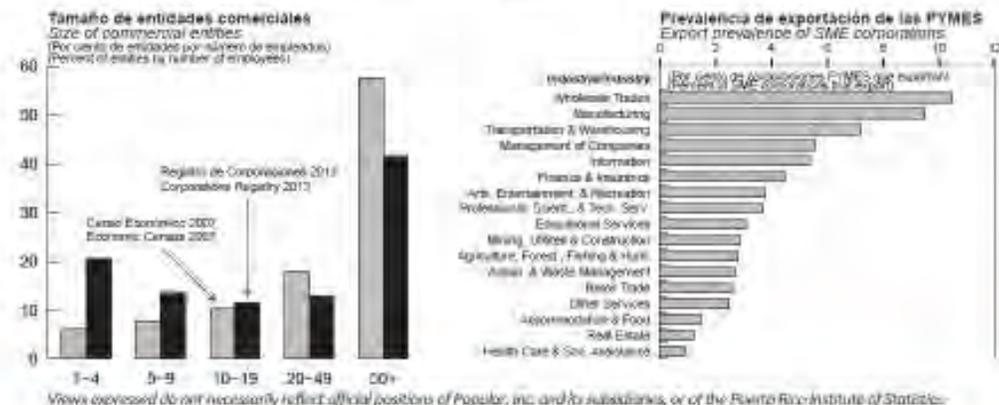
Los nuevos datos del Registro de Corporaciones del Departamento de Estado parecen ya estar arrojando luz sobre importantes cambios en la economía de Puerto Rico, mucho antes que los datos del Censo Económico 2012 se comiencen a divulgar en el 2015.

According to current estimates of real Gross Domestic Product, Puerto Rico's economy experienced a recession for 8 consecutive fiscal years starting in fiscal year 2004-05 and ending in fiscal year 2011-12. There is no doubt that the structure of Puerto Rico's economy has experienced a significant transformation during this period.

Newly released 2013 data from the Puerto Rico State Department Corporate Registry suggests that Small and Medium Enterprises (SMEs) appear to have considerably increased their relative share in the economy of Puerto Rico. Whereas the 2007 Economic Census of Puerto Rico, undertaken by the U.S. Census Bureau, had shown that 43% of the total value of the annual sales and shipments of Puerto Rico businesses owed to businesses with less than 50 employees, the 2013 Corporate Registry data indicates this metric has increased considerably. Specifically, taking into account active corporations with at least 1 employee, the 2013 Corporate Registry data suggests that at least 58% of the Puerto Rico economy is owed to SMEs.

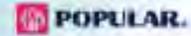
The 2013 Puerto Rico State Department Corporate Registry also includes additional data. For instance, the Corporate Registry now inquires whether businesses export their goods and services out of Puerto Rico, which allows the identification of Puerto Rico industries that are more export-intensive. The 2013 Corporate Registry data show that about 10% of Puerto Rico SMEs that are engaged in wholesale trade or in manufacturing, are involved in exporting their products. These are the highest percentages for any industry in Puerto Rico, followed by service-related industries, such as transportation & warehousing, management of companies, information, finance & insurance, arts, entertainment & recreation.

The new Puerto Rico State Department Corporate Registry data is apparently already shedding light on important changes that have been taking place in Puerto Rico's economy, well before the 2012 Economic Census data begins to become available for Puerto Rico in 2015.



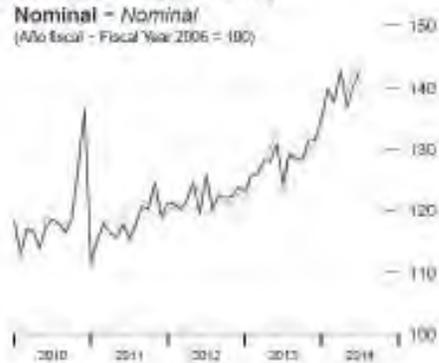
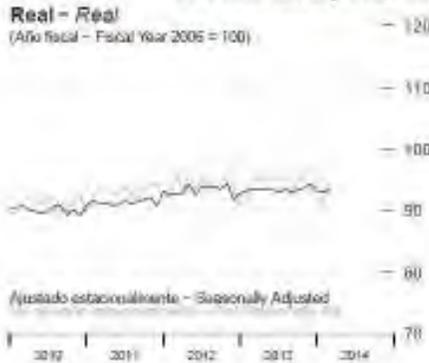
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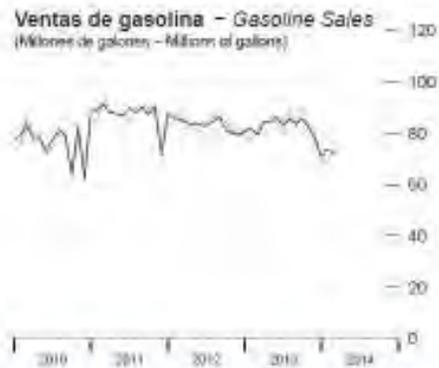
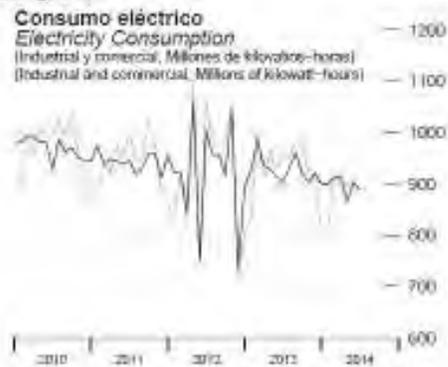


SEPTIEMBRE | SEPTEMBER 2014

Índice de Actividad Económica – Banco Popular de Puerto Rico (IAE-BPPR)
Economic Activity Index – Banco Popular of Puerto Rico (EAI-BPPR)

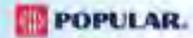


Componentes de IAE-BPPR real
Components of Real EAI-BPPR



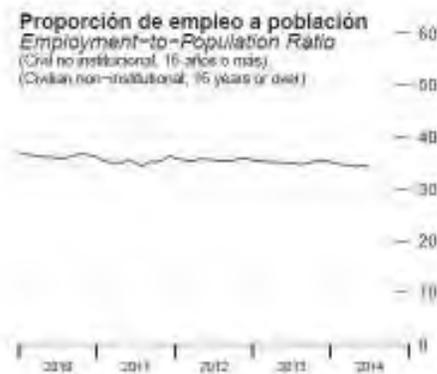
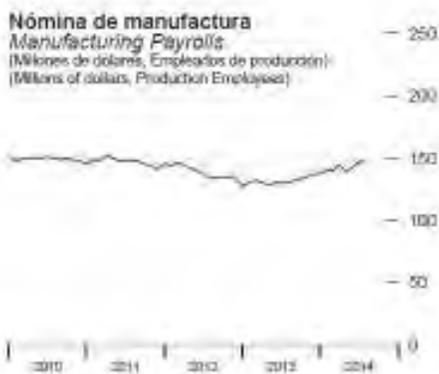
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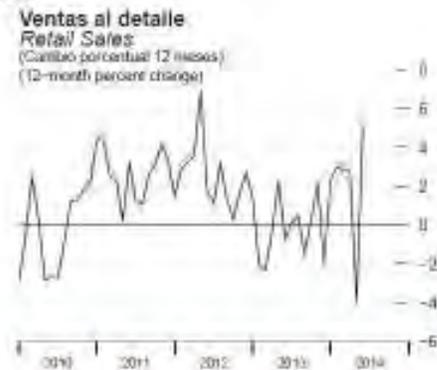


SEPTIEMBRE | SEPTEMBER 2014

Componentes de IAE-BPPR nominal
Components of Nominal EAI-BPPR



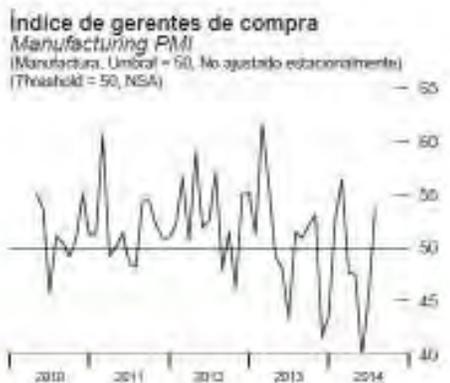
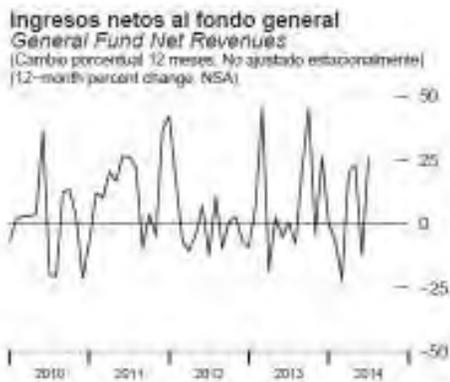
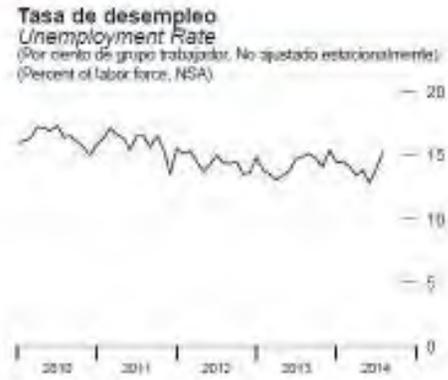
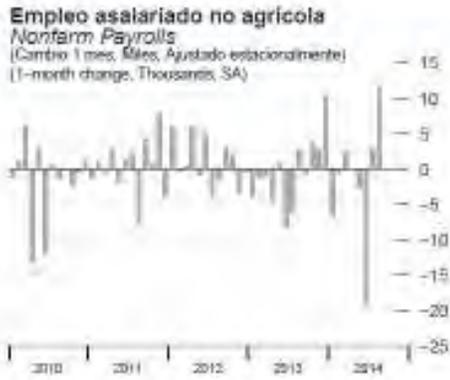
Otros indicadores
Other indicators



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PROGRESO ECONÓMICO

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CERTIFIED GENERAL APPRAISER 250CG/1016EPA
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EXPERIENCE

Aguirre, Puerto Rico

Certified General Appraiser - (2004 to Present) – Furnished appraisal valuation for Scotiabank, Oriental, Santander, Doral, and First Bank, in association with the following providers; Blackpoint; Salvador Márquez & Associates; Canino Romaguera & Associates; Appraisal Advisors Group (Migdoel Rodríguez); Casado PSC Appraisal Advisors Group; Roberto Gonzalez & Associates; Rodo Hernández & Associates. Also, I have prepared valuation reports for litigation processes such as, eminent domain, bankruptcy, marital properties division and inheritance.

The appraisal assignment has been in commercial, industrial and residential properties such as, retails, hotels, shopping centers, office buildings, warehouse facilities, multiple-units residence, single-unit residences, gasoline stations, schools, and vacant sites.

WCL COMPUTERS

Guayama, Puerto Rico

Systems Integrator, CCNA - (1991-2003) - Furnished systems consultant, integration, administration, maintenance, data recovery and training for Business and Education in Puerto Rico.

COLSA

Ceiba, Puerto Rico

Senior System Analyst - (1989-1990) - Furnished computer system analysis, validation, and programming services for the United States Navy in support of the Atlantic Fleet Weapon Training Facility in Puerto Rico.

GE GOVERNMENT SERVICES

Ceiba, Puerto Rico

Senior Programmer/Analyst - (1984-1989) - Furnished computer programming services to the United States Navy in support of the Atlantic Fleet Weapons Training Facility in Puerto Rico.

SOCIAL SECURITY ADMINISTRATION

Baltimore, Maryland

Actuary– (1979-1984) - Served as an actuary in the division of Long Range Actuarial Estimates.

PROFESSIONAL LICENSES & DESIGNATIONS

Federal General Certified Real Appraiser No. 250, Commonwealth of Puerto Rico
Real Estate Appraiser No. 1016, Commonwealth of Puerto Rico
Real Estate Broker 16431, Commonwealth of Puerto Rico

EDUCATION AND TRAINING

University of Puerto Rico RUM, Mayagüez, Puerto Rico
Mechanical Design, ASME, 1972-74.

Catholic University of Puerto Rico
Bachelor in Mathematics, 1974-1976.

University of PR, Rio Piedras Campus
Applied Mathematics, 36 graduate credits 1977-79.

Real Estate Appraisal Courses:

7 Hour USPAP 2/2014
Advanced Residential Report Writing, Part II (8/13)
Advanced Residential Applications & Case Studies Part I (8/13)
Real Estate Finance Statistics and Valuation Modeling (7/13)
Residential Report Writing and Case Studies (5/13)
Residential Market Analysis and Highest & Best Use (4/13)
Residential Sales Comparison and Income Approaches (4/13)
Residential Site Valuation and Cost Approach (3/13)
7 Hour USPAP (8/12)
General Report Writing (5/11)
7 Hour USPAP (2/11)
Puerto Rico Appraisal Profession Law and Regulation (11/10)
Puerto Rico Planning Board New Land Use Proposal (10/10)
7 Hour USPAP (11/09)
New Residential Market Conditions Form, (03/09)
Appraising High Value and Historic Home (06/08)
Statistics, Modeling and Finance (02/08)
7 Hour USPAP (05/07)
Puerto Rico Appraisal Profession Law and Regulation (03/07)
The Professional Guide to the Uniform Residential Appraisal Report (06/06)
Construction Cost (04/06)
Advanced Income Capitalization (02/06)
Changes In FEMA Maps and Zoning Aspect (10/05)
Residential Design & Functional Utility (10/05)
Basic Income Capitalization (08/05)
15 Hours USPAP (04/05)
7 Hours USPAP (04/05)
180 credits/ hours in Real Estate Appraisal courses (2002-2003).

Others Education Courses: University of PR, Rio Piedras Campus, Applied Mathematics, 36 grad hrs 1977-79, Loyola College, N Analysis/Op Research 6 grad hrs 1981-82, Johns Hopkins University, Statistics 6 grad hrs 1982-1983, Georgia State University, Statistics Training, APR 82, Georgia State University, N Analysis/O Research Training, APR83, AFWTF, Gould MPX-32 O S/FORTRAN Training, APR89, AFWTF, Central Data Processing and Distribution System Training, MAY89, University of PR Bayamón Campus Software Engineer Training, MAR91, NOVELL 2.2 Management, OCT91, NOVELL 2.2 Advance Management, FEB92, Introduction to Quick Topic Software, JUN 95. Total Quality "Deming Method" NOV95, Ortronics Open System Architecture Certified Installer, JAN 98, Installing & Configuration Windows NT, DEC 98. CISCO Networking Academy Program CCNA Semester 1&2, JAN-JUN01. Ortronics Technician Training, JUN01, CISCO Networking Academy Program CCNA Semester 3&4, JUL-DEC01, Black Box/NetCBT Fiber Optic Training, MAY02, Career Real Estate College, 90 credit/hours in **Real Estate Broker Course, APR-JUN08**, Career Real Estate College, Title Investigation Course, OCT11.

OTRHERS ACTIVITIES

Professor - Computer Sciences and Mathematics:

- Interamerican University of Puerto Rico, 2001, 1996-1985
- Sacred Heart University of Puerto Rico, 1978-1979
- University of Puerto Rico, 1977-1979
- Instructor - Real Estate Career Real Estate College 2009- present