31ra Asamblea Legislativa — Cuarta Sesión Ordinaria

LEGISLATURA MUNICIPAL DE DORADO

P. de R.#340, Serie 2025-2028

04 DE AGOSTO DE 2026

Presentado por la Oficina del Alcalde

RESOLUCIÓN #127-2026

Para autorizar al alcalde de Dorado, Aníbal José Torres, en representación del Municipio de Dorado, a ratificar y realizar cualesquiera transacción de terreno, incluyendo la adquisición mediante cualquier método autorizado por ley que sea pertinente o necesario incluyendo la expropiación, para llevar a término el proyecto de revitalización y desarrollo urbano del Municipio, de la estructura sita en solar municipal de la Finca 241, hoy Finca Núm. 332, que fue cedido en usufructo, en su momento, a Rosa Bloise López Vda. De Quiñones, en la Calle Méndez Vigo #324, Finca 1685, del Barrio Pueblo del Municipio de Dorado, de acuerdo con lo dispuesto en el Código Municipal de Puerto Rico, Ley Núm. 107 de 14 de agosto de 2020, según enmendada; y para otros fines.

EXPOSICIÓN DE MOTIVOS

La Ley Número 107 de 14 de agosto de 2020, según enmendada, conocida como Código Municipal de Puerto Rico, en adelante el "Código Municipal", establece como política pública del Estado Libre Asociado de Puerto Rico otorgar a los municipios mecanismos, poderes y facultades legales, fiscales y administrativas necesarias para asumir un rol central y fundamental en su desarrollo social, económico y urbano.

El Artículo 1.039 (m) del Código Municipal, autoriza a la Legislatura Municipal a aprobar aquellas ordenanzas, resoluciones y reglamentos sobre asuntos y materias de la competencia o jurisdicción municipal que, de acuerdo con dicho Código, o a cualquier otra ley, deban someterse a su consideración y aprobación.

El Municipio de Dorado dispone de un plan de trabajo para el desarrollo de la municipalidad a corto, mediano y largo plazo. La planificación conducente a las actividades, estrategias y desarrollos, que ha venido realizando el Municipio ha requerido y continúa requiriendo la adquisición de terrenos o estructuras, que viabilicen las mismas.

El Municipio ha identificado y determinado que, para viabilizar el desarrollo urbano en la Calle Méndez Vigo, es necesario y conveniente adquirir la estructura sita en solar municipal de la Finca 241, hoy Finca Núm. 332, que fue cedido en usufructo, en su momento, a Rosa Bloise López Vda. De Quiñones, en la Calle Méndez Vigo #324, del Barrio Pueblo del Municipio de Dorado. Esta propiedad pertenece, según Certificación Registral de 17 de junio de 2026 a la Sucesión de Rosa Bloise López Vda. Quiñones y a la Sucesión de Aurea Quiñones Bloise. El Municipio de Dorado y la Sucesión de Aurea Quiñones Bloise se encuentran en el proceso de dar tracto en el Registro de la Propiedad de Bayamón, Sección IV, de dos escrituras que acreditan la adquisición de la difunta Aurea Quiñones Bloise, de la propiedad a adquirirse, a los miembros de la Sucesión de Rosa Bloise López Vda. De Quiñones, su madre.

Esta gestión, además de resultar en una inversión a largo plazo, permite viabilizar un proyecto para la creación de un estacionamiento y de cualquiera actividad dirigida a contribuir al desarrollo económico del Municipio y muy especialmente como parte de la iniciativa municipal de rehabilitar, repoblar y contribuir a mejorar el estacionamiento de las personas que acuden a las oficinas gubernamentales, comercios y residencias del casco urbano.

Por medio de esta Resolución se ratifican las gestiones ya realizadas y se autorizan todas aquellas por realizar que sean necesarias para completar las transacciones de adquisición de la propiedad que se describe a continuación:

---"URBANA": Casa de concreto y bloques de concreto, de una sola planta, situada en la Calle Méndez Vigo de Dorado, Puerto Rico, que mide veinte pies por tres pulgadas (20`3") de frente por treinta y siete pies ocho pulgadas (37`8") de fondo compuesta de balcón, sala, comedor, cocina, baño y tres (3) habitaciones dormitorio, enclava en solar del Municipio cedido en uso compuesto de DOSCIENTOS SESENTA Y TRES METROS CUADRADOS (263.00 M.C.) de superficie, colindando a su frente, SUR, en diez metros quince centímetros (10.15 cm) con Calle Méndez Vigo; a su espalda, NORTE, en diez metros quince centímetros (10.15 cm.) con Roque Miranda; a su derecha entrando ESTE, en veintisiete metros con sesenta y cuatro centímetros (27.64 cm), Antonio Montañez y a su izquierda OESTE, en veinticuatro metros con veinticinco centímetros (24.25 cm), Sotero Lima.- ---

---Inscrita en el Registro de la Propiedad correspondiente al Folio Uno (1), del Tomo cuarenta y cinco (45) de Dorado, Finca mil seiscientos ochenta y cinco (1,685).---------------

Para fecha de 5 de febrero de 2026, con efectividad de 10 de diciembre de 2025, se entregó el Informe de Valoración de la propiedad de interés. Dicho Informe fue preparado por el Tasador Profesional Oscar A. Vázquez, Licencia 143 CR y 492EPA. La tasación de la Calle Méndez Vigo #324, estableció un precio o compensación justa de sesenta y seis mil dólares ($66,000.00).

Es necesario se autorice al Alcalde, Aníbal José Torres, a adquirir, mediante el modo de adquisición que sea pertinente o necesario para el Municipio de Dorado, el inmueble sito en la Calle Méndez Vigo #324, del Barrio Pueblo de Dorado, Registro Catastral Número 037-028-006-25-001, propiedad de la Sucesión de Rosa Bloise Vda. De Quiñones, hoy Sucesión Aurea Quiñones Bloise. Asimismo, se le autorice a comparecer al otorgamiento de la escritura correspondiente o del proceso de expropiación si fuera necesario.

RESUÉLVESE POR LA LEGISLATURA MUNICIPAL DE DORADO, PUERTO RICO:

Sección 1.- Autorizar al Hon. Alcalde de Dorado, en representación del Municipio de Dorado a llevar a cabo las gestiones necesarias para adquirir, mediante el método de adquisición que sea pertinente o necesario, para el Municipio de Dorado, la estructura sita en solar municipal de la Finca 241, hoy Finca Núm. 332, que fue cedido en usufructo, en su momento, a Rosa Bloise López Vda. De Quiñones, en la Calle Méndez Vigo #324, del Barrio Pueblo del Municipio de Dorado. Esta propiedad pertenece, según Certificación Registral de 17 de junio de 2026 a la Sucesión de Rosa Bloise López Vda. Quiñones y a la Sucesión de Aurea Quiñones Bloise. El Municipio de Dorado y la Sucesión de Aurea Quiñones Bloise se encuentran en el proceso de dar tracto en el Registro de la Propiedad de Bayamón, Sección IV, de dos escrituras que acreditan la adquisición de la difunta Aurea Quiñones Bloise, de la propiedad a adquirirse, a los miembros de la Sucesión de Rosa Bloise López Vda. De Quiñones, su madre. El Registro

Catastral es el Número 037-028-006-25-001, y se describe en la Exposición de Motivos de esta Resolución. Asimismo, se le autoriza comparecer al otorgamiento de la escritura correspondiente o del proceso de expropiación si fuera necesario, de acuerdo con lo dispuesto en el Código Municipal de Puerto Rico, Ley Núm. 107 de 14 de agosto de 2020, según enmendada.

Sección 2.- Autorizar al Director de Finanzas del Municipio de Dorado a desembolsar el valor justo representativo de la transacción, igualmente en caso de expropiación, la cantidad de sesenta y seis mil dólares ($66,000.00).

Sección 3. – Autorizar al Alcalde, a disponer de los créditos necesarios para cubrir gastos legales y otros costos relacionados a la preparación de documentos necesarios para completar la adquisición deseada.

Sección 4.- Autorizar y ordenar al Director de Finanzas de este municipio para que proceda a emitir cheque oficial, si se expropiara el inmueble aquí descrito, a nombre del Secretario del Tribunal Superior de Puerto Rico, consignándose la cantidad de sesenta y seis mil dólares ($66,000.00) como la compensación por la propiedad a expropiarse.

Sección 5.- Adquirida la propiedad se ordena el que la Oficina de Propiedad y la DivisiónLegal del Municipio de Dorado, procedan con el Registro de la misma en el Registro de laPropiedad a favor del Municipio de Dorado. Se autoriza y ordena asimismo al Director de Finanzas, para que si el Tribunal Superior de Puerto Rico, estimare que por la referida propiedad deba pagarse alguna suma adicional e intereses, si alguno, expida un cheque a favor del Secretario del Tribunal por la suma adicional concedida e intereses, de los fondos que para ese fin asignó este municipio.

Sección 6.- El Municipio de Dorado no renuncia a cualquier derecho o acción que tenga a su favor de conocerse luego, información relacionada con la propiedad inmueble antes descrita que afecte la situación de hechos o el derecho en el cual se ha basado esta determinación de compra o adquisición por cualquier modo en la Ley de Expropiación.

Sección 7.- Se ratifican todas las gestiones realizadas por el señor Alcalde o por los funcionarios municipales a cargo, dirigidas a concretar la adquisición de la propiedad descrita en la Exposición de Motivos de esta Resolución.

Sección 8.- Se integra a esta parte resolutiva, la información pertinente a la propiedad, la descripción, datos sobre la inscripción y el catastro de la estructura a adquirirse.

Sección 9.- Toda ordenanza, resolución o acuerdo que en todo o en parte, estuviese en conflicto con la presente, queda derogada.

Sección 10. –Cada una de las disposiciones de esta Resolución son separables entre sí, y en caso de ser derogada o declararse inconstitucional cualquiera de sus disposiciones, esto no afectará ni menoscabará la vigencia, ni legalidad de las restantes disposiciones, las cuales permanecerán en toda su fuerza y vigor.

Sección 11.– Esta Resolución entrará en vigor al ser aprobada por este Cuerpo Legislativo y firmada por el Alcalde.

Sección 12.- Copia de la misma, debidamente certificada, será remitida a los funcionarios estatales y municipales que corresponda.

ADOPTADA POR LA LEGISLATURA MUNICIPAL DE DORADO, PUERTO RICO, HOY 10 DE SEPTIEMBRE DE 2026.

HON. JOSÉ A. TORRES ARCHILLA
Presidente
Legislatura Municipal

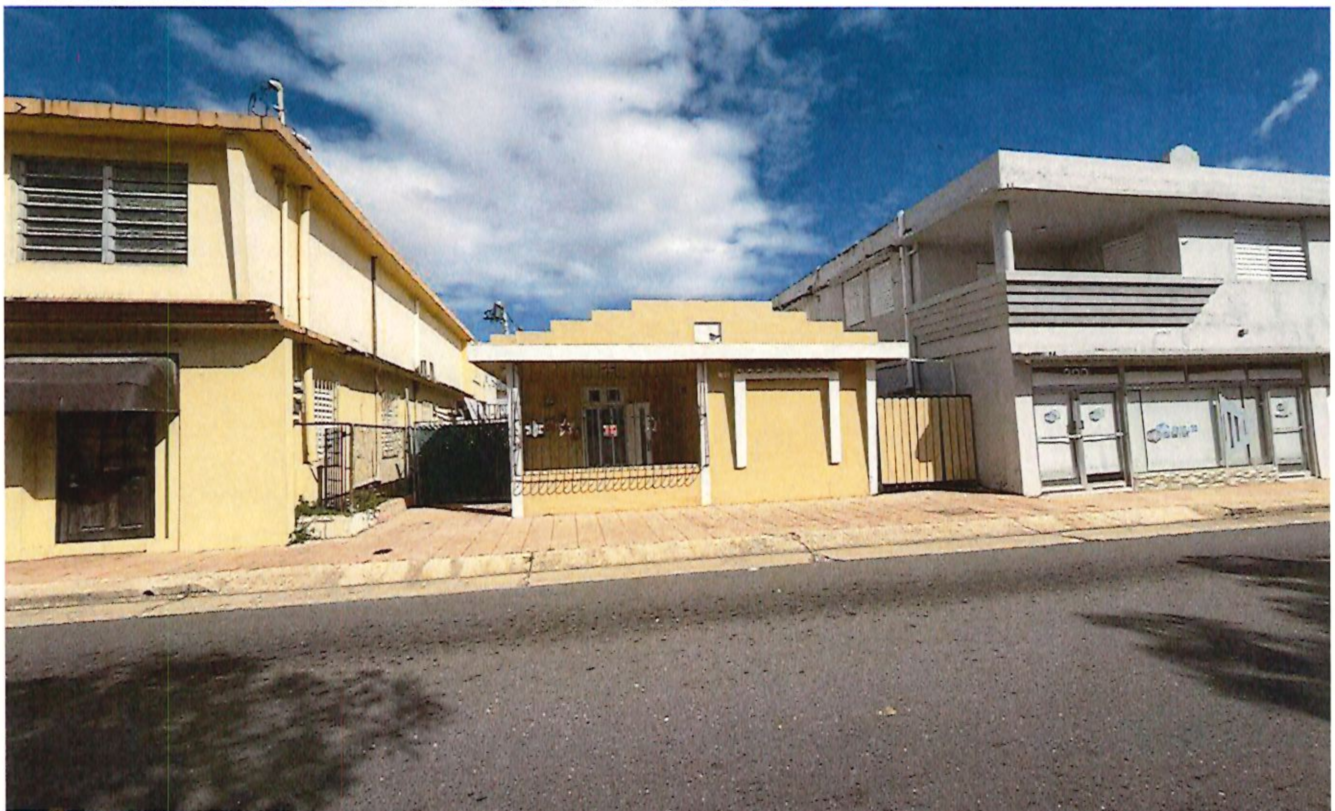
SR. JOAN M. RODRÍGUEZ BLOISE
Secretario
Legislatura Municipal

APROBADA POR LA LEGISLATURA MUNICIPAL DE DORADO, PUERTO RICO, A LOS 10 DÍAS DEL MES DE SEPTIEMBRE DE 2026. PRESENTADA EN SESIÓN ORDINARIA CON LOS VOTOS AFIRMATIVOS DE 10 LEGISLADORES PRESENTES, 3 VOTOS EN CONTRA Y 0 VOTOS ABSTENIDOS.

APROBADA POR EL ALCALDE DE DORADO, PUERTO RICO, HOY 11 DE SEPTIEMBRE DE 2026.

ANÍBAL JOSÉ TORRES
Alcalde

RESIDENTIAL PROPERTY – USUFRUCT RIGHTS



APPRAISAL REPORT

Located at:
324 Mendez Vigo Street, Pueblo Ward
Dorado, PR, 00646

Requested by
Mr. Anibal Jose Torres

As of
December 10, 2025

Prepared on
February 5, 2026

Oscar A. Vázquez Vázquez

EVALUADOR PROFESIONAL DE BIENES RAICES – LIC. EPA #492 / CERT. GENERAL #143
CALLE CABO DE HORNOS BUZON 667, URB. PASEO LOS CORALES, DORADO, PR 00646
TEL. (787) 397-8379 E.MAIL: racsov@gmail.com

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Oscar A. Vázquez Vázquez
EVALUADOR PROFESIONAL DE BIENES RAICES – LIC. EPA #492 / CERT. GENERAL #143
CALLE CABO DE HORNOS BUZON 667, URB. PASEO LOS CORALES, DORADO, PR 00646
TEL. (787) 397-8379 E.MAIL: racsov@gmail.com

February 5, 2026

Mr. Anibal Jose Torres

Dear Mr. Torres

In accordance with your request, we are submitting an appraisal report presented in the narrative format of a residential property located at 324 Mendez Vigo Street, in the Pueblo Ward of the Dorado Municipality in Puerto Rico. The owner of the land is the Dorado Municipal Government with usufruct rights in favor of Aurea Quiñones Bloisse.

The subject property consists of a one (1)-story structure with a total of 707 square feet in an average physical condition. The improvement lies at 263.00 square meter site. The subject site and improvements will be described in detail within the enclosed report.

BUILDING BREAKDOWN		
Area	Use / Description	Area in SF
First Floor	Residential Unit	707
Total		707

The purpose of this appraisal was to form an opinion of the **"as is"** market value of the subject property subject property for the usufruct rights as defined in the report, subject to the assumptions, limiting conditions and certification, also included in the report, as of December 10, 2025. The client / intended user is the Dorado Municipality. The intended use is to assist the client to determine the market value of the subject property for setting up a sales price for a possible transaction with the current owner.

We performed a personal observation of the physical, legal, and financial aspects of the subject property. After a personal inspection of the subject property; and after a thorough investigation and analysis of the economic factors affecting values in the subject area, it is our opinion that the "as is" market value of the subject property as of December 10, 2025, is rounded to:

$66,000
(SIXTY-SIX THOUSAND DOLLARS)

The following is an appraisal report in a narrative format, which presents information considered relevant to the usufruct rights in this property and the methods by which collected data has been analyzed in arriving at our value conclusion. The report, in its entirety, including all assumptions and limiting conditions, is an integral part of an inseparable from this letter.

It has been a privilege to assist you in this appraisal assignment. If you have any questions concerning the analysis or the report, or if I can be of further service, please do not hesitate to contact me.

Yours truly,

Oscar A. Vazquez Vazquez
Real Estate Appraiser
Certificate No. 143GCA
State License No. 492EPA

GENERAL ASSUMPTIONS AND LIMITING CONDITIONS

In conducting this appraisal, the appraiser(s) has (have) assumed, where applicable, that:

1. Title to the land is good and marketable unless otherwise stated. No responsibility is assumed for the legal description, which was assumed to be correct, or matters of legal nature affecting the property appraised nor is any opinion rendered herein as to title.

2. The property is under competent management and responsible ownership and free and clear of any or all liens or encumbrances unless otherwise is stated.

3. Access to infrastructure is legally possible and in working order. The appraiser has made no survey of the property and assumes no responsibility in connection with such matters. The plot plans, sketches, and exhibits in this report are included only to assist the reader in visualizing the property. The appraisal covers the property as described in this report and the areas and dimensions as shown herein are assumed to be correct.

4. Description and condition of physical improvements, if any, described herein are based on visual observation. As no engineering tests were conducted, no liability can be assumed for soundness of structural components.

5. There are no hidden or unapparent conditions of the property, subsoil, or structures which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering which may be required to discover them.

6. There is full compliance with all applicable federal, state, and local environmental laws unless noncompliance is stated, defined and considered in the appraisal report.

7. All applicable general codes, ordinance, zoning, use regulations and restrictions affecting the property have been and will be complied with, unless a non-conformity has been stated, defined, and considered in the appraisal report. The property is not subject to flood plain or utility restrictions or moratorium as reported.

8. All required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.

9. Unless stated otherwise, no percolation tests have been performed on this property. In making the appraisal, it has been assumed that the property is capable of passing such tests so as to be developable to its highest and best use, as discussed in this report.

10. The appraiser (s) assumes completion of any proposed improvements in a workmanlike manner, within a reasonable period of time and in accordance with final plans and specifications. This appraisal is subject to a review by the appraiser of the final plans and specifications.

11. The forecast and projections included in this report, if any, are to assist in the valuation process and are based on current market conditions, anticipated short-term supply and demand factors, and a continued stable economy. These forecasts are therefore subject to changes in future conditions.

12. Estimates of expenses, particularly as to the assessment and subsequent taxes, are based on study of historical and typical data. Such estimates are based on assumptions and projections which, as with any prediction, are affected by external forces, many unforeseeable. While all estimates are based on our best knowledge and belief, no responsibility can be assumed that such projections will come true.

13. The utilization of the land and improvements are within the boundaries or property lines of the property described and that there are no encroachments, unless noted within the report.

14. The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.

15. No environmental studies were either requested or made in conjunction with this appraisal, and the appraiser hereby reserves the right to alter, amend, revise, or rescind any of the value opinions based upon any subsequent environmental impact studies, research or investigation.

16. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser, and in any event only with property written qualification and only in its entirety. Do not use any portion of this report unless you fully accept all contingent and limiting conditions contained throughout this document. By this notice, all persons and firms using or relying on this report in any manner bind themselves to accept these contingent and limiting conditions, and all other contingent and limiting conditions contained elsewhere in this report.

17. Throughout this report, the term Appraiser also refers to the plural term Appraisers. The terms Appraiser and Appraisers refer collectively to Oscar A. Vazquez Vazquez, its officers, employees, contractors, and associate appraisers. The masculine terms he or him also refers to the feminine terms she or her.

18. No portion of this report may be published or reproduced without the prior written consent of the appraiser. These conditions are an integral part of this appraisal report, and are a preface to any certification, definition, description, fact, or analysis. Moreover, these conditions are intended to establish as a matter of record that the purpose of this report is to provide a value estimate for the subject property.

19. Only the client/intended user identified herein may use this report, and only for the intended use disclosed throughout the report. There are no other intended use or users. Unauthorized users of this report do so at their own risk. No liability is assumed, expressed, or implied by Oscar A. Vazquez Vazquez for unauthorized use of this report. The liability of the appraisers is limited solely to the client and its successors, identified throughout the report. There is no accountability, obligation, or liability to any other third party. There is no accountability, obligation, or liability to any other third party, unless expressly and prominently identified in this report.

20. Any value estimate herein is based on observations of the subject by the appraiser(s), a gathering of market information, and an analysis of the gathered market information as of the effective value date. Information about the subject property, neighborhood, comparable, or other topics discussed in this report was obtained from sensible sources. In accordance with the extend of research disclosed in the Scope of Work section, all information cited herein was examined for accuracy, is believed to be reliable, and is assumed reasonable accurate. However, no guaranties or warranties are made for this information. No liability or responsibility is assumed for any inaccuracy which is outside the control of the Appraiser, beyond the scope of work, or outside reasonable due diligence of the Appraiser.

21. This appraisal is not an engineering, construction, legal, or architectural study. It is not an examination or survey of any kind. Expertise in these areas is not implied. The Appraisers are in no way responsible for any costs incurred to discover or correct any deficiency in the property. In the case of limited partnerships, syndication offerings, or stock offerings in the real estate, the client agrees that in case of lawsuit (brought by the lender, partner, or part owner in any form of ownership, tenant, or any other party), the client will

hold Oscar A. Vazquez Vazquez, its officers, contractors, employees and associate appraisers completely harmless. Acceptance of, and/or use of this report is prima facie evidence that the user understands, agrees to all these conditions.

22. Unless specifically stated herein, the appraisers are unaware of any engineering study made to determine the bearing capacity of the subject land, or nearby land. Improvements in the vicinity, if any, appear to be structurally sound. It is assumed soil and subsoil conditions are stable and free from features, which would cause supernormal costs to arise. It is also assumed existing soil conditions of the subject land have proper load bearing qualities to support the existing improvements, or proposed improvements appropriate for the site. No investigations for potential seismic hazards were made. This appraisal assumes there are no conditions of the site, subsoil, or structures, whether latent, patent, or concealed that would render the subject property less valuable. Unless specifically stated otherwise in this document, no earthquake compliance report, engineering report, flood zone analysis, hazardous waste, or asbestos analysis was made, or ordered in conjunction with this appraisal report. The client is strongly urged to retain experts in these fields, if so desired.

23. Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyl, petroleum leakage, or agricultural chemicals, which may or may not be present on the property were not called to the attention of nor did the appraiser become aware of such during the appraiser's inspection. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser, however, is not qualified to test for such substances. The presence of such hazardous substances may affect the value of the property. The value estimated herein is predicated on the assumption that no such hazardous substances exist on or in the property or in such proximity thereto which would cause a loss in value. No responsibility is assumed for any such hazardous substance, or for any expertise or knowledge required to discover them.

24. The Americans with disability Act (ADA) became effective January 26, 1992. The appraiser has not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of ADA could reveal that the property is not in compliance with one or more of the requirements of the act. If so, this fact could have a negative effect upon the value of the property. Since the appraiser has no direct evidence relating to this issue, possible noncompliance with the requirements of ADA was not considered in estimating the value of the property.

25. The appraiser herein by reason of this appraisal is not required to give further consultation, testimony, or be in attendance in court with reference to the property in question unless arrangements have been previously made, therefore.

SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS

Property Type	Residential
Location	324 Mendez Vigo Street, Pueblo Ward, Dorado, Puerto Rico.
Tax Code Number	037-028-006-25-001.
Frontage / Access	The property enjoys adequate frontage from Mendez Vigo Street at its southern boundary.
Location Coordinates	Latitude: 18.4598 / Longitude: -66.2634.
Property Right Appraised	Usufruct Rights.
Site Description	

BUILDING BREAKDOWN		
Area	**Use / Description**	**Area in SF**
First Floor	Residential Unit	707
Total		**707**

Site Area	263.00 square meters equivalent to 0.0669 cuerdas.
Shape	Irregular.
Topography	Level.
Utilities	Electric power line, potable water, sanitary, storm sewer, internet and telephone.
Soil / Subsoil	Firm and apparently stable.
Drainage	Adequate.
Zoning	CT (Commercial Touristic).
Flood Zone & Panel No.	The subject property falls outside floodable Zone X, as outlined on map No. 72000C0310J, with an effective date of November 18, 2009.
Improvements Description	
Building Improvements	Improvements consist of a one (1) story, single family residential unit structure with a total of 707 square feet in an average physical condition, constructed in reinforced concrete mostly plastered, and painted.
Average Ceiling Height	8' feet.

Building-to-Land Ratio	25% is based on gross building area.
Physical Condition	Average
Vacancy	100% Occupied (based on GBA).
On-Site Parking	No.
Exposure/Marketing Time	Twelve (12) months.
Highest and Best Use	
As if Vacant	Residential.
As if Improved	Proposed commercial use.
Owner of Records	The owner of the land is the Dorado Municipal Government with usufruct rights in favor of Aurea Quiñones Bloisse.
Client / Intended User	Dorado Municipality
Intended Use	To assist the client to determine the market value of the subject property to setup a sales price for a possible transaction with the current owner.
Purpose of the Appraisal	Determine the **"As Is"** market values of the usufruct rights in the subject property as of the effective date.
Appraisal Methodology	In this particular assignment, the appraisers developed the Sales Comparison Approach and the Cost Approach to estimate values of the assignment.
Key Valuation Issues	The subject's personal property is out of the scope of work, thus, not taken into consideration in this report. Also, an in-depth feasibility study was not undertaken as it is beyond the scope of this analysis. In other words, inferred market method was undertaken in our analysis.

Qu

THE SCOPE OF WORK

The term **Scope of Work** of the appraisal is defined on The Real Estate Appraisal 14th Edition as the extent of the process of collecting, confirming and reporting data. The scope of work of the appraisal encompasses the necessary research and analysis to prepare a report in accordance with the indented use, in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) and the Standards of Professional practice of the Appraisal Foundation in compliance with Title XI of FIRREA.

This is an appraisal report which is intended to comply with the reporting requirements set forth under Standard Rule 2-2 of the USPAP for this type of report option. The information contained in this report is specific to the needs of the client and for the intended use stated in this report. The client / intended user is Dorado Municipality. The intended use is to assist the client to determine the market value of the subject property to setup a sales price for a possible transaction with the current owner. The appraisers are not responsible for unauthorized use of this report.

The scope of the appraisal is the extent of the process of collecting, confirming, and reporting the data utilized in connection with the analysis of the subject properties. The scope of the work performed in this appraisal assignment includes the definition of the appraisal problem; viewing of the properties being appraised; consideration of the highest and best use of the land and property as vacant; collection, verification and analysis of data which leads to the completion of the assignment as of the effective date of appraisal.

Appraisers typically use three approaches in valuing real property. The type and age of the property and the quantity and quality of data affect the applicability of each approach in a specific appraisal problem. The three approaches are commonly known as (1) the Cost Approach, wherein the value of the land, as if vacant, is added to the depreciated value of the improvements; (2) the Income Approach, wherein the net income imputable to the property is calculated and then capitalized into value, using an overall rate or other capitalization methods considered representative of the market place; and (3) the Sales Comparison Approach, wherein the appraiser researches the market for sales data considered highly comparable and significant to the property being apprised.

In this assignment, after gathering all the necessary data available, including competitive sales, market rents, etc., for the "**As Is**" scenario the appraisers developed the Sales Comparison Approach and the Income Capitalization Approach as part of the Valuation Process contained in the body of this report.

A Cost Approach has not been included because it is not considered relevant in estimating the market value for the subject property. In other words, the Cost Approach is usually not utilized by buyers and sellers in the marketplace as basis for making purchase or sale decisions for buildings like the subject. Moreover, there are not current vacant sales within the subject market area and the age of the improvements makes it difficult to estimate the amount of accrued depreciation.

To sum up, it is our opinion that the exclusion of the Cost Approach is merited in this assignment. The exclusion of the Cost Approach does not reduce the credibility or reliability of this appraisal report for purposes of estimating the subject's market value.

Finally, based on the analysis performed on the type of property under appraisal and the market research made taking into consideration, the Sales Comparison Approach and Income Capitalization Approach were developed. The appraisers arrive at a final value conclusion of the usufruct rights in the subject property.

Competency Provision
Prior to accepting this assignment or entering into an agreement to perform any assignment, an appraiser must properly identify the appraisal problem to be considered and have the knowledge and experience to complete the assignment competently. Our acceptance of this assignment is a statement of competency. No information or conditions were discovered during the course of this assignment to cause the appraisers to believe we lacked the required knowledge or experience to complete this assignment competently.

Oscar A. Vazquez Vazquez and the signatory hereto have experience in the appraisal of properties similar to the subject and are deemed qualified by education, training and experience in the preparation of such reports to comply with the competency provisions of USPAP. The professional qualifications of the individual who supervised and reviewed this appraisal are included at the end of the report.

Reporting Option
Standards Rules 2-2 of the Uniform Standards of Professional Appraisal Practice 2020-2021 Ed. as promulgated by the Appraisal Standards Boards of the Appraisal Foundation states:

"Each written real property appraisal report must be prepared under one of the following two options and prominently state which option is used: Appraisal Report or Restricted Appraisal Report."

An **Appraisal Report** must summarize the appraiser's analysis and the rationale for the conclusions.

For this appraisal assignment, the client requested the ***Appraisal Report*** as the reporting option.

INTRODUCTION

Purpose of the Appraisal
The purpose of this appraisal according with the scope of the assignment is to form an opinion of the "As Is" market value of the subject property in usufruct rights in the subject property, as of the effective date, December 10, 2025.

Identification of the Subject Property
The subject property refers to a single-family residential property structure with a total of 707 square feet in an average physical condition located on 324 Mendez Vigo Street, Pueblo Ward, Dorado, Puerto Rico. The owner of the land is the Dorado Municipal Government with usufruct rights in favor of Aurea Quiñones Bloisse.

Improvements consist of a one (1)-story single family residential use structure with a total of 707 square feet in average physical condition, constructed in reinforced concrete mostly plastered, and painted. Interior finishes include ceramic floors, plastering painted walls, wood doors, aluminum type windows, and concrete beams. It also has an accessory wooden unit structure with a total 595 square feet in fair condition.

The improvements occupy an irregular shape lot with a level topography with a site area of 263.00 square meters equivalent to 0.0669 cuerdas. It is located in a CT zone area, which allows commercial use. The subject falls outside the floodable area, Zone X as outlined on map No. 72000C0310J, with an effective date of November 18, 2009.

INTEREST BEING VALUED
This appraisal refers to the valuation of the "**As Is**" market values of the usufruct in the subject property.

SPECIAL APPRAISAL INSTRUCTIONS
The client requested the "**As Is**" market value of the usufruct rights of the single-family residential unit.

PROPERTY RIGHTS APPRAISED

> **Fee Simple Estate (Interest)** - *Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the four (4) governmental powers of taxation, eminent domain, police power and escheat.*

Client, Intended Use and Intended Users
The client / intended user is the Dorado Municipality. The intended use is to assist the client to determine the market value of the subject property for setup a sales price for a possible transaction with the owner.

> ***Intended Users*** - the intended user is the person (or entity) who the appraiser intends will use the results of the appraisal. The client may provide the appraiser with information about other potential users of the appraisal, but the appraiser ultimately determines who the appropriate users are given the appraisal problem to be solved. Identifying the intended users is necessary so that the appraiser can report the opinions and conclusions developed in the appraisal in a manner that is clear and understandable to the intended users. Parties who receive or might receive a copy of the appraisal are not necessarily intended users. The appraiser's responsibility is to the intended users identified in the report, not to all readers of the appraisal report.

LEGAL DESCRIPTION

A description of land that identifies the real estate according to a system established or approved by law; an exact description that enables the real estate to be located and identified. The legal descriptions and inscription data were not provided.

Deed & Lease Restrictions
We have no knowledge of the existence of deed and / or lease restrictions (private / public) that limit the use of the property. The reported market value is based on a usufruct rights in the subject property. Moreover, the research required to determine whether or not such restrictions exist is beyond the scope of this appraisal assignment. Deed restrictions are a legal matter and only a title examination by an attorney or Title Company can usually uncover such restrictive covenants. We recommend a title examination to determine if any such restrictions exist. Any discrepancy from this would render the concluded value null and void.

History of the Property
The Uniform Standards of Professional Appraisal Practice indicate that in developing a real property appraiser must:

a. Analyze all agreement of sale, option, and listings of the subject property current as of the effective date of the appraisal; and
b. Analyze all sale of the subject property that occurred within the three (3) years prior to the effective date of the appraisal.

The owner of the land is the Dorado Municipal Government with usufruct rights in favor of Aurea Quiñones Bloisse.
The subject property is under an acquisition evaluation for the Dorado Municipality thus, the subject price is under negotiation.

Exposure Time[1]
Standards Rule 1-2(c) states, that when the purpose of an assignment is to develop an opinion of market value, the appraiser must also develop an opinion of reasonable exposure time linked to the value opinion. Reasonable exposure time is one of a series of conditions in most market value definitions.

Exposure time is always presumed to precede the effective date of the appraisal. Exposure time may define as follows: *"The time a property remains on the market. The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; Exposure time occurs before the effective date of the appraisal. Market value estimates imply that an adequate marketing effort and reasonable time for exposure occurred prior to the effective date of the appraisal."*

Comments: Exposure time is a retrospective opinion based upon an analysis of past events assuming a competitive and open market. In fact, an estimate of exposure time is required by USPAP for market value appraisal assignments (see Standards Rules 1-2(c) (iv) and 7-2(c) (IV)). Exposure is different for various types of real estate and under various market conditions. It is noted that the overall concept of reasonable exposure encompasses not only adequate, sufficient, and reasonable time but also adequate, sufficient, and reasonable efforts.

[1] **Statement of Appraisal Standards No. 6 (SMT-6) of the Appraisal Standards Board of the Appraisal Institute.**

Marketing Time[2]
The Dictionary of Real Estate Appraisal defines marketing time as: *"The time it takes an interest in real property to sell on the market sub-sequent to the date of an appraisal."*

Reasonable marketing time is an estimate of the amount of time it might take to sell an interest in real property at its estimated market value during the period immediately after the effective date of the appraisal; the anticipated time required to expose the property to a pool of prospective purchasers and to allow appropriate time for negotiation, the exercise of due diligence, and the consummation of a sale at a price supportable by concurrent market conditions.

> *Comment: Advisory Opinion 7 (A0-7) defines marketing time as: an opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of the appraisal. (Advisory Opinion 7 of the Appraisal Standards Board of The Appraisal Foundation and Statement on Appraisal Standards No. 6, "Reasonable Exposure Time in Real Property and Personal Property Market Value Opinions" address the determination of reasonable exposure and marketing time).*

In contrast with the exposure time, an estimate of marketing time is not mandated by USPAP, but may be required by the client and so becomes an assignment condition in those assignments.

Estimating Marketing Time Period
Normal Marketing Period is the amount of time necessary to expose a property to the open market to achieve a sale. Implicit in this definition are the following characteristics:

1. The property will be actively exposed and aggressively marketed to potential purchasers through marketing channels commonly used by sellers of similar type properties.
2. The property will be offered at a price reflecting the most probable markup over market value used by sellers of similar type properties.
3. A sale will be consummated under the terms and conditions of the definition of market required by the regulation.

In this particular case, based on the same information analyzed to estimate an exposure time we concluded a marketing time period of approximately twenty-four (24) months.

[2]The definition was taken from The Dictionary of Real Estate Appraisal (6th Edition - 2015), published by the Appraisal Institute.

DEFINITIONS

Unless otherwise stated, the definitions were taken from The Dictionary of Real Estate, 6th ed., published by The Appraisal Institute in Chicago.

Market Value

Market value is the major focus of most real property appraisal assignments.

1. The most widely accepted components of market value are incorporated in the following definition:

"The most probable price that the specified property interest should sell for in a competitive market after a reasonable exposure time, as of a specified date, in cash, or in terms equivalent to cash, under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, for self-interest, and assuming that neither is under duress."

2. The following definition of market value is used by agencies that regulate federally insured financial institutions in the United States:

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

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. (12 C.F.R. Part 34.42(g); 55 *Federal Register* 34696, August 24, 1990, as amended at 57 *Federal Register* 12202, April 9, 1992; 59 *Federal Register* 29499, June 7, 1994)"

"As is" Market Value

The estimate of the market value of real property in its current physical condition, use, and zoning and zoning as of the appraisal date.

Commercial Property

Income-producing property such as office buildings, retail buildings, hotels, banks, restaurants, service outlets, and owner-occupied properties that are capable of becoming income-producing should the owner so decide; usually zoned for business purposes.

Fee Simple Estate

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.

Leased Fee Interest

A freehold (ownership interest) where the possessory interest has been granted to another party by creation of a contractual landlord-tenant relationship (i.e., lease).

Scope of Work

The type and extend of research and analysis in an assignment.

Inspection
Personal observation of the exterior and /or interior of the real estate that is subject of an assignment performed to identify the property characteristics that are relevant to the assignment such as amenities, general physical condition, and functional utility. Note that this is not the inspection process performed by a licensed or certified building inspector.

Rentable Area/Net Rentable Area
For office or retail buildings, the tenant's pro rata portion of the entire office floor, excluding elements of the building that penetrate through the floor to the areas below. The rentable area of a floor is computed by measuring to the inside finished surface of the dominant portion of the permanent building walls, excluding any major vertical penetrations of the floor. Alternatively, the amount of space on which the rent is based; calculated according to local practice.

Exposure Time[1]
The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.

Comment: Exposure time is a retrospective opinion based on an analysis of past events assuming a competitive and open market.

In addition, the Comments to Standards Rules 1-2(c) and Standards Rule 7-2(c) state that:

"When exposure time is a component of the definition for the value opinion being developed, the appraiser must also develop an opinion of reasonable exposure time liked to that value opinion."
Moreover, the Comments to Standards Rules 2-2(a) (v), 2-2(b) (v), and 2-2(c) (v), state that:

"When an opinion of reasonable exposure time has been developed in compliance with Standards Rule 1-2(c), the opinion must be stated in the report."

Based on the retrospective market conditions and taking into account the subject's characteristics, we have reasonably concluded an exposure time of approximately 36 months for the subject, assuming adequate marketing efforts.

Marketing Time[2]
An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal. (Advisory Opinion 7 of the Appraisal Standards Board of the Appraisal Foundation and Statement on Appraisal Standards No. 6 "Reasonable Exposure Time in Real Property and Personal Property Market Value Opinions" address the determination of reasonable exposure and marketing time.

Based on the prospective market conditions and taking into account the subject's characteristics, we have reasonably concluded an exposure time of approximately 36 months for the subject, assuming adequate marketing efforts.

Extraordinary Assumptions
The foregoing term is defined by USPAP (2018-2019 Edition) as: an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions.

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[1] Appraisal Standards Board of The Appraisal Foundation, **Uniform Standards of the Professional Appraisal Practice (USPAP)**, 2016-2017 ed.
[2] Appraisal Standards Board of The Appraisal Foundation, **Uniform Standards of the Professional Appraisal Practice (USPAP)**, 2016-2017 ed.

- **Comment:** Extraordinary assumptions presume as fact otherwise uncertain information might include physical, legal, or economic characteristics of the subject property; or conditions external to the property, such as market conditions or trends; or the integrity of data used in an analysis.

Hypothetical Conditions

The foregoing term is defined by USPAP (2018-2019 Edition) as: 1. a condition directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results but is used for the purpose of analysis.

- **Comment:** Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.

Liquidation Value

The Dictionary of Real Estate Appraisal (Appraisal Institute 2015) defines liquidation value as follows. The most probable price that a specified interest in property should bring under the following conditions: consummation of a sale within a short time period, the property is subjected to market conditions prevailing as of the date of valuation, both the buyer and seller are acting prudently and knowledgeably, the seller is under extreme compulsion to sell, the buyer is typically motivated, both parties are acting in what they consider to be their best interests, a normal marketing effort is not possible due to the brief exposure time, payment will be made in cash in U.S. dollars (or the local currency) 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.

MARKET ANALYSIS

The Island of Puerto Rico

Puerto Rico, the fourth largest of the Caribbean Islands, is 100 miles long and 35 miles wide, with an area of 3,464 square miles. Puerto Rico officially the Commonwealth of Puerto Rico (Spanish: *Estado Libre Asociado de Puerto Rico*), is an unincorporated territory of the United States, located in the northeastern Caribbean, east of the Dominican Republic and west of both the United States Virgin Islands and the British Virgin Islands.

Puerto Rico (Spanish for "rich port") comprises an archipelago that includes the main island of Puerto Rico and a number of smaller islands, the largest of which are Vieques, Culebra, and Mona. The main island of Puerto Rico is the smallest by land area of the Greater Antilles. It ranks third in population among that group of four islands, which include Cuba, Hispaniola (Dominican Republic and Haiti), and Jamaica. Due to its location, Puerto Rico enjoys a tropical climate and is subject to the Atlantic hurricane season. Originally populated for centuries by indigenous aboriginal peoples known as Taínos, the island was claimed by Christopher Columbus for Spain during his second voyage to the Americas on November 19, 1943. Under Spanish rule, the island was colonized and the indigenous population was forced into slavery and wiped out due to, among other things, European infectious diseases.

Spain possessed Puerto Rico for over 400 years, despite attempts at capture of the island by the French, Dutch, and British. In 1898, Spain ceded the archipelago, as well as the Philippines, to the United States as a result of its defeat in the Spanish-American War under the terms of the Treaty of Paris of 1898. Since then Puerto Rico has remained under United States rule.

In 1917, Puerto Ricans were granted U.S. citizenship and since 1948 have elected their own governor. In 1952 the Constitution of Puerto Rico was adopted and ratified by the electorate. A democratically elected bicameral legislature is in place, but the United States Congress legislate many fundamental aspects of Puerto Rican life. The islanders may not vote in U.S. presidential elections because the territory is not a state. Official languages of the island are Spanish and English, with Spanish being the primary language.

General Information	
Capital	San Juan
Currency	U.S. dollar
Nationality	U.S. citizens
Government	Democratic system with general elections every 4-year
Ruling Party	New Progressive Party (PNP)
Time Zone	Atlantic Standard Time; Greenwich Mean Time -4
Area Codes	787, 939

Economic development in Puerto Rico has been accompanied, as in other developing countries, with an accelerated urban growth. Declining agriculture and the increased emphasis on manufacturing and services has motivated a mass migration to the cities.

Population

Puerto Rico's colonial history with Spain resulted in a racially mixed population (Spanish, African, and indigenous Taíno). Puerto Rico is a Caribbean country whose history has Christianity as its dominant religion. In 2019 the 96.9% of the island's population identified as Christian. The Catholic Church is the one with the largest number of followers. Christians make up the vast majority of the population and their influence is notable in culture, government and even education, although there is a separation between church and state. It is common to find colleges and universities that follow different Christian groups.

PUERTO RICO POPULATION	
Ethnicity	Hispanic/Puerto Rican
Official Languages	Spanish/English
Population	3,285,874 (2020 Census)
Numeric Change in Population (2010-2020)	-439,915
Percent Change in Population (2010-2020)	-11.80%
People per sq. mile	959.38 (2020 Census)
People per sq. kilometer	360.93 (2020 Census)

There are also other minority religions such as the Yoruba or Santeria religion, Islam and Wicca, among others. The so-called *Mitas* are another religious group with a very important presence in Puerto Rican daily life. The *Mita* Congregation considers itself a Christian church, although others differ from this opinion. Essentially the *Mitas* affirm that the Holy Spirit manifested itself again to humanity through a woman named Juanita García Peraza, having previously done so with Jesus. This religious trend has spread to other American countries such as Colombia, the United States, the Dominican Republic, Canada, Venezuela, Curacao and Mexico.

PUERTO RICO HISTORICAL POPULATION			
Year	Population	± Population	± Percentage
1765	44,883	-----	-----
1775	70,250	25,367	56.5%
1800	155,426	85,176	121.2%
1815	220,892	65,466	42.1%
1832	350,051	129,159	58.5%
1846	447,914	97,863	28.0%
1860	583,308	135,394	30.2%
1887	731,648	148,340	25.4%
1877	798,565	66,917	9.1%
1899	953,243	154,678	19.4%
1910	1,118,012	164,769	17.3%
1920	1,299,809	181,797	16.3%
1930	1,543,913	244,104	18.8%
1940	1,869,255	325,342	21.1%
1950	2,010,703	141,448	7.6%
1960	2,349,544	338,841	16.9%
1970	2,712,033	362,489	15.4%
1980	3,196,520	484,487	17.9%
1990	3,522,037	325,517	10.2%
2000	3,808,610	286,573	8.1%
2010	3,725,789	-82,821	-2.2%
2020	**3,195,153**	**-530,636**	**-14.2%**

The U.S. Census Bureau announced the changes in population that have occurred in U.S. States and territories over the past decade. Puerto Rico's population has fallen by 11.8%, to 3.285 million. Puerto Rico's population peak was 3.8 million people in 2004, but there has been a fairly steady decline since then.

The United States, including all States and territories, gained 7.1% in population. Puerto Rico's population loss was the largest of any State or territory. Among States, West Virginia showed the greatest population loss, with a drop of 3.2%. Utah showed the greatest growth, with 18.5% increase in population.

The most recent Certified Fiscal Plan for Puerto Rico predicted a 10% drop between 2019 and 2026, and a 33% drop between 2019 and 2051. The Census reported an 11.8% decline between 2010 and 2020. However, the Fiscal Oversight and Management Board estimated 3.03 million residents in 2020, a lower figure than that reported by the Census Bureau.

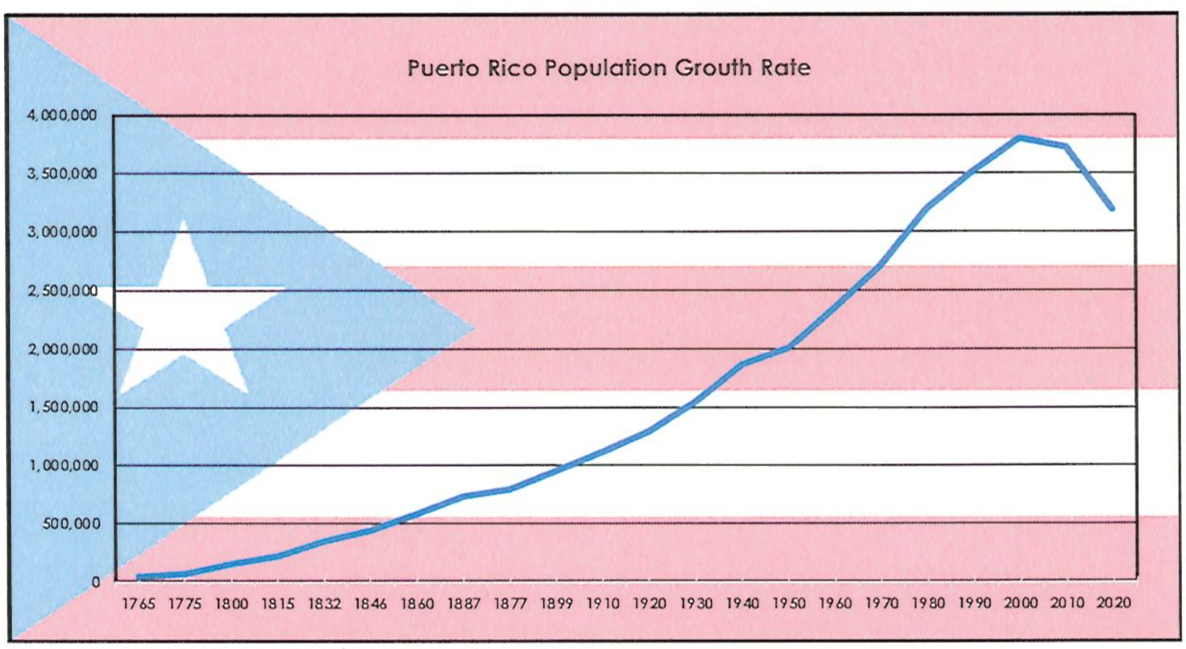
The Fiscal Plan mentions migration from Puerto Rico to the States as a major reason for the drop in population but suggests that this should balance out in the future. Hurricane Maria and the federal failure to respond to its devastation, last year's earthquakes, and COVID-19 are all listed as causes of migration from the Island.

However, the plan also points out the falling birth rate and the overall aging of the population have also led to a natural decrease in population which the board does not see ending. The combination of people moving away from Puerto Rico and the natural population decrease, the Board says, will maintain a 1 to 2% decrease in Puerto Rico's population every year in the foreseeable future. This may be unnecessarily pessimistic, based on the new Census data.

The population of Puerto Rico is currently about the same as in the 1970s; however, the Fiscal Plan points out that Puerto Rico is now "much poorer relative to" the United States as a whole than it was in the 1970s. The Board announced their intention to continue to analyze the data "as it becomes available" to see how it will affect financial plans.

The municipalities with the greatest losses were Guánica, with 29 percent; Maricao with 24 percent, Loíza with 21 percent, and Yabucoa with 20 percent. By contrast, the municipalities with the lowest population losses were Rincón with -0.1 percent, Culebra with 1 percent, and Naranjito and Barranquitas with nearly 4 percent.

In the metropolitan area, San Juan's population narrowed from 395,326 to 342,259 (-13.4%) during the 10-year period; while Guaynabo dropped in this regard from 97,924 to 89,780 (-8.3%); Carolina from 176,762 to 154,815 (-12.4%); Bayamón from 208,116 to 185,187 (-11%); Cataño from 28,140 to 23,155 (-17.7%); and Trujillo Alto from 74,842 to 67,740 (-9.5%). Moreover, Dorado's population declined from 38,165 to 35,879, or -6%. All in all, 74 municipalities - representing 95 percent - reflected a reduction in their local populations of at least 5% in the past decade



In addition, the population 18 years of age or older in Puerto Rico changed between the decennial censuses. The 2010 Census revealed that this demographic consisted of 2,822,494 residents, while the 2020 Census reported 2,724,903. This means that, island wide, this demographic dropped by 97,591 people or -3.5%. Meanwhile, 24 municipalities reflected an increase in this population group, which fluctuated between 0.1% and 9.2%.

The remaining 54 municipalities reflected population reductions of this demographic from -0.1% to -21.3%. The biggest population reductions occurred in Guánica (21%), Maricao (17%), Mayagüez (13%), Loíza (12%), and Yabucoa and Yauco with 10%.

Regarding housing units, the results published at the Puerto Rico level showcased 1,598,159 housing units. Of these, 1,598,159 were occupied and 257,625 were vacant.

Municipalities

There are 78 municipalities, with various degrees of autonomy from the central government. A recent development has been the creation of regional entities in different parts of the island, which are beginning to assume greater prominence, particularly with respect to economic-development incentives; four of these already exist and their names are INTECO (Iniciativa Tecnólogica Centro-Oriental), INTENE (Iniciativa Tecnólogica Del Noreste), INTENOR (Iniciativa Tecnólogica del Norte) and DISUR (Desarrollo Integral del Sur). A fifth regional initiative is PRTEC (Corredor Tecno-Económico de Puerto Rico), which brings together 15 municipalities in the west.

The governor signed an executive order recognizing these regional initiatives as the model to be followed in decentralizing government. Each initiative operates as a nonprofit corporation with a board of directors comprised of mayors, representatives from academia and private sector. PRTEC has a different makeup in that it was created originally by the Puerto Rico Industrial Development Co. (PRIDCO).

An interesting development is that each region has put in place a plan for assuming control over the permitting process, an area of concern for many years. A reflection for the importance of these regional initiatives is that the new Economic Incentives for the Development of Puerto Rico Act (Act 73 of May 2008) includes these initiatives as eligible for support from a special development fund.

Government Incentives

In 2012 two acts were established that have stimulated Puerto Rico's economy, Act 22 and Act 20. The acts are generally geared toward Americans. Americans can't find these incentives anywhere else in the world. Puerto Rico is unique because of a tax treaty between the US Government and Puerto Rico. As part of the terms of the territorial agreement, an American citizen living and working in Puerto Rico is not subject to any US income tax on the income earned while living and working in Puerto Rico. At present, is the only place an American citizen can go to avoid US income tax without renouncing their US citizenship.

Act 20

The Export Services Act 20 (Act 20 of 2012) looks to establish and develop in Puerto Rico an international export services center. This act seeks to encourage local service providers to expand their services to persons outside of Puerto Rico, promote the development of new businesses in Puerto Rico and stimulate the inbound transfer of foreign service providers to Puerto Rico. Many types of businesses fall under this including:

- 4% corporate tax rate, which may be reduced to 3%
- 100% tax emption on dividends or profit distribution from export services businesses
- 100% exemption on property taxes for certain export service business services
- Decree of 20 years, renewable for an additional 10 years, guaranteeing these rates

Act 60

In January 2020, Act 20 was repelled and replaced with Act 60 Export Services, which also incorporates Puerto Rico Act 22. Of particular interest are Chapter 2 of Act 60 for Resident Individual Investors and Chapter 3 for Export Services, which shield new residents who live in Puerto Rico for at least half the year from paying most federal income taxes. The U.S. Internal Revenue Code generously exempts Puerto Rico-sourced income from federal income tax and, under Chapter 2 of Act 60, Puerto Rico residents pay minimal or possibly no taxes on interest, dividends and certain capital gains. Additionally, property taxes are significantly lower than property taxes in the mainland U.S. Thus, Puerto Rico has become a mecca for the exportation of international services worldwide.

Tax Exemption Decrees for Act 60

To benefit from Chapters 2 and 3 of Act 60, a service provider and/or an individual must submit an online application through the Single Business Portal (SBP) online application platform. The government will issue a tax exemption decree that will provide full details of tax rates and conditions mandated by Act 60. This decree will be considered a contract between the Government of Puerto Rico and the applicant. Once granted benefits, these will be guaranteed during the term of the decree, regardless of subsequent changes to the applicable Puerto Rico tax laws. The Export Services decree will have a term of 15 years with a possible 15-year extension, and the Resident Individual Investor decree will be valid until December 31, 2035.

Incentives:

- Income derived by the IFE will be subject to a fixed income tax rate of 4%.
- Interest, financing charges, dividends or partnership benefits will not be considered gross income from Puerto Rico sources; thus, not subject to taxation or withholding provisions applicable to non-residents.
- Fixed income tax rate of 6% on dividends and other distributions of profits received by Puerto Rico residents that are shareholders or partners.
- 75% property tax exemption for real and personal property of an IFE.
- 50% tax exemption from municipal taxes.

Eligibility:

- Entity can be incorporated or organized under the laws of Puerto Rico, the United States or a foreign country.
- Must employ at least four full-time employees at its Puerto Rico business office.
- It is required to apply for a permit and license with the Office of the Commissioner of Financial Institutions ("Commissioner") and obtain a tax exemption decree from the Office of Incentives for Businesses. The Decree will be effective for 15 years, but one additional extension of 15 years may be available.
- Payment of an initial license fee of $5,000, renewable annually with payment of a $5,000 fee.
- The entity must comply with all requirements established in the Federal Anti-Money Laundering Laws and Regulations, and with OFAC sanctions programs.
- The amount of its authorized of capital stock cannot be less than $5 million, or $500,000 if limited to certain financial activities, or a higher amount, as required by the Commissioner, of which at least $250,000 must be paid before the license is issued.
- To obtain the license, in addition to the minimum capital requirement, must own at least $300,000 in restricted assets (generally, a CD with a local bank or other IFE) free of liens or financial guarantees.

Additional Incentives

The following incentives are being offered to those who buy newly constructed homes:

- No CRIM payments for 5 years
- No payments for internal revenue stamps and registration vouchers for the mortgage and purchase deeds
- 100% Tax Exemption on capital gain on sale of the property

Heavy Debt Load

In early 2017, the Puerto Rican government-debt crisis posed serious problems for the government which was saddled with outstanding bond debt that had climbed to $70 billion at a time with a 45 percent poverty rate and 12.4% unemployment that is more than twice the mainland U.S. average. The debt had been increasing during a decade long recession.

The Commonwealth had been defaulting on many debts, including bonds, since 2015. With debt payments due, the governor was facing the risk of a government shutdown and failure to fund the managed health care system.

"Without action before April, Puerto Rico's ability to execute contracts for Fiscal Year 2018 with its managed care organizations will be threatened, thereby putting at risk beginning July 1, 2017 the health care of up to 900,000 poor U.S. citizens living in Puerto Rico", according to a letter sent to Congress by the Secretary of the Treasury and the Secretary of Health and Human Services.

They also said that "Congress must enact measures recommended by both Republicans and Democrats that fix Puerto Rico's inequitable health care financing structure and promote sustained economic growth." Initially, the oversight board created under PROMESA called for Puerto Rico's governor Ricardo Rosselló to deliver a fiscal turnaround plan by January 28. Just before that deadline, the control board gave the Commonwealth government until February 28 to present a fiscal plan (including negotiations with creditors for restructuring debt) to solve the problems. A moratorium on lawsuits by debtors was extended to May 31. It is essential for Puerto Rico to reach restructuring deals to avoid a bankruptcy-like process under PROMESA. An internal survey conducted by the Puerto Rican Economists Association revealed that the majority of Puerto Rican economists reject the policy recommendations of the Board and the Rosselló government, with more than 80% of economists arguing in favor of auditing the debt.

In early August 2017, the island's financial oversight board (created by PROMESA) planned to institute two days off without pay per month for government employees, down from the original plan of four days per month; the latter had been expected to achieve $218 million in savings. Governor Rosselló rejected this plan as unjustified and unnecessary. Pension reforms were also discussed including a proposal for a 10% reduction in benefits to begin addressing the $50 billion in unfunded pension liabilities.

COVID-19 (Pandemic in Puerto Rico)

The first cases of COVID-19 in Puerto Rico were reported on March 13, 2020. The former governor, expressing concern that the curfew established on the 12th was not being followed, took stronger actions and asked all non-essential businesses be closed.

Indications of rent concessions and lower absorption rates, as expected, increased. While the crisis is still unfolding and some sectors of the economy or businesses began reopening after a quarantine imposed by government officials, several businesses are still closed. Instead, the injection of non-recurrent federal funds to deal with the pandemic, unemployment funds and a stimulus package are expected to create a balance on the market.

However, real estate in Puerto Rico industry has slowed down in most areas. The long-term effects are going to vary per sector and market, and will ultimately depend on the overall impact of the coronavirus outbreak on the economy, something that cannot yet be predicted.

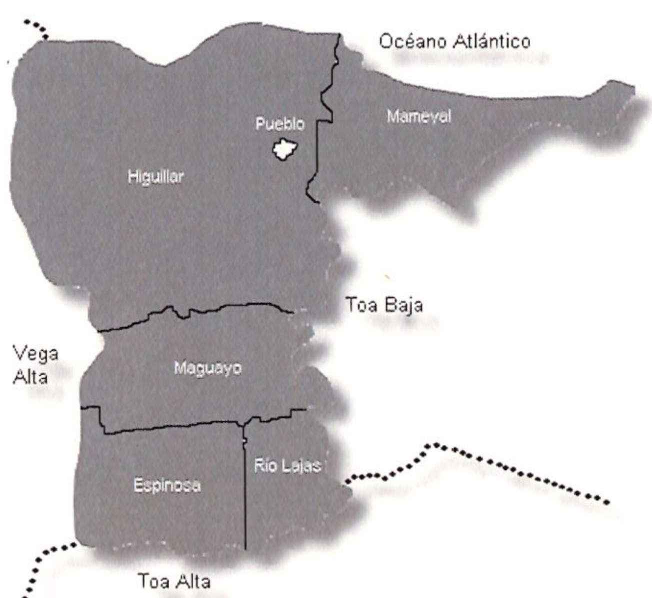
NEIGHBORHOOD ANALYSIS

DORADO MUNICIPALITY

The subject property forms part of the Dorado Municipality. Dorado is a small tourist town in the northern coast of Puerto Rico, about 15 miles (24 km) west of the San Juan Municipality, Puerto Rico's capital. It's known as a tourist destination with golf courses, hotels, and a beautiful municipal beach and forms part of the San Juan-Caguas-Guaynabo Metropolitan Statistical Area.

Area: 60.16 km^2 / 23.23 square miles
Population: 38,165 (census 2010)
Population Density: 630 per km^2 / 1,600 per square mile

Dorado is located in the northern central region of the Island, bounds to the North with the Atlantic Ocean; to the South with the Municipality of Toa Alta; to the East with the Municipality of Toa Baja; and to the West with the Municipality of Vega Alta. It's comprised by six (6) wards, which are Dorado Pueblo (the downtown area and the administrative center of the city), Espinosa, Higuillar, Maguayo, Mameyal and Río Lajas.



The town experimented a strong development of residential projects during the 2000's decade, evidencing a solid demand for housing in the Municipality. Some of the residential developments built during the 2000's include the Paseo Las Palmas, Paseo L Corales I y II, Brighton Country Club, Sabanera de Dora Paisajes de Dorado, Los Prados de Dorado Norte y Sur and Jardín Dorado within the Higuillar Ward, Bosque Dorado in the Maguayo Ward, Molinos del Río in the Río Lajas Ward and Valle Dorado, Los Montes Complex that includes Monte Mar, Monte Real, Monte Sol, Monte Verde, Monte Mayor and Monte Bello, Miraflores, Palmar Dorado and Altos De Miraflores Condominium and many others custom built developments.

As per 2010 Census of Population and Housing, published by the U.S. Department of Commerce (Bureau of the Census); the Municipality's has a population of 38,165 inhabitants, or 4,148 more persons than in the 2000 Census, a positive growth of 12.19% during the last ten (10) year period, or an average of 415 persons per year. The following table summarizes population of the Dorado wards in the last two censuses:

Dorado Municipality Population Trends			
Wards	Census 2010: Inhabitants	Census 2000: Inhabitants	% Change
Dorado Pueblo (City)	780	994	-21.53
Espinosa	4,534	3,222	40.72
Higuillar	25,785	22,481	14.70
Maguayo	4,496	4,711	-4.56
Mameyal	11	36	-69.44
Rio Lajas	2,559	2,573	-0.54
Total	**38,165**	**34,017**	**12.19%**

This population growth is fourth highest of the seventy-eight (78) municipalities of the island, only the municipalities of Gurabo (23.5%), Toa Alta (15.86%) and Naguabo (12.49%) had higher growth in population according to 2010 Census. This population growth in the municipality has been ongoing for decades. The population in the censuses of 1960, 1970, 1980, 1990, and 2000 was of 13,460, 17,388, 25,511, 30,759, and 34,017, respectively, which is projected to continue its increase.

Geography & Topography

Much of Dorado's geology consists of alluvial and coastal/estuarine sediments of Quaternary age and limestones of Tertiary age. The limestones are mostly in the south part of the municipality, in Espinosa, Maguayo and Rio Lajas Wards. These limestones exhibit mature karst topography of great beauty.

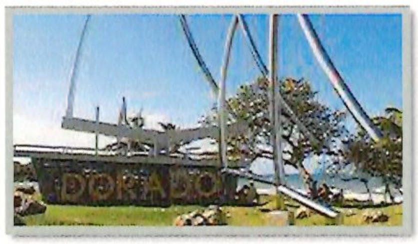
It has been subjected to extensive quarrying, which have left unsightly scars in the landscape. Some local communities have gathered efforts to minimize quarrying and improve land management to protect the remaining karst topography and the fauna and flora that lives in it.

Routes of Access

Dorado is located about 17 miles (27 km) west of the San Juan Capital and/or approximately 30-minutes. Due to its good location within the northern coast of the Island, the Municipality is reached by way of several main thoroughfares, which provide linkages to neighboring municipalities and other parts of the Island. These include the De Diego Expressway (PR-22), PR-2, PR-165 and PR-693.

The main access to Dorado is by way of De Diego Expressway (PR-22), a six-lane toll road that runs in an east to west direction from the core of the San Juan municipality, passing close to the northern boundary line between the Bayamón and Cataño municipalities and crosses the northern island municipalities in a western direction including Dorado, up to the Hatillo municipality.

The PR-2 runs in similar east to west manner from the San Juan municipality, crossing Dorado and all other northern municipalities of the island, up to Aguadilla, where it leads south crossing the western municipalities and then runs east to reach the southern municipality of Ponce. The PR-2 is a very heavily traveled route, subject to traffic jams, especially in the proximity of the center of the cities. However, the intense traffic activity on this road allows for good commercial exposure to the storefronts along its path, especially to those within the urban cores of the municipalities. This highway is also known as the Military Highway, for it was built by the military during World War II.



The PR-165 leads in a north-northeastern direction and starts at its intersection with PR-22 (De Diego Expressway) in Guaynabo Municipality, and in a south to northwest direction crosses PR-28, PR-5 and PR-167, among others, leading to the northern region of the adjacent/bounding Toa Baja Municipality and further south into the subject's Dorado Municipality, crossing boundary line between the Toa Baja and Dorado municipalities in a north to south direction, crosses PR-693, PR-867, PR-865, PR-22 (De Diego Expressway) and PR-2, leading to Toa Alta Town Core and further south direction until reaching PR-164 into the Naranjito Municipality.

Finally, the PR-693 leads in a south-north direction from its starts at the intersection with PR-2 and PR-165 in the "El Cruce La Virgencita" in Dorado, crossing the PR-22 (De Diego Expressway), PR-659, PR-694, PR-695 and PR-6693, until reaching the PR-854 into Dorado Town Core, where leads in east-west direction crossing the town core and the PR-696, among others, crossing boundary line of the Municipality of Vega Alta until reaching the PR-690.

All of the previously mentioned routes of access place the subject neighborhood in a good geographic position, for they provide adequate communication to and from the heart of the Dorado municipality, and to other state roads leading to other parts of the Island.

Public Transportation

Like most other towns in the island, it counts with a public transportation system consisting of public cars. Taxis are also available around the town. There's also a public trolley system around town and a shuttle service for handicapped people.

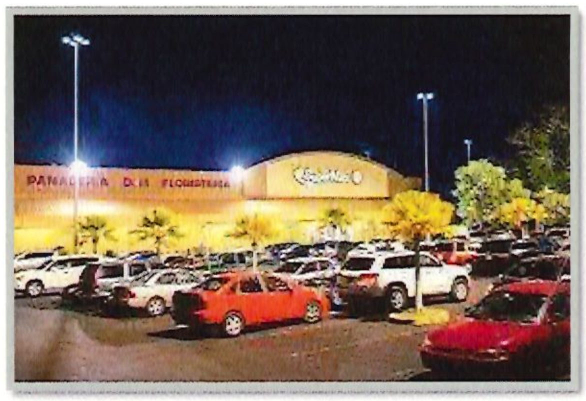
Economy

The economy of Dorado and adjacent municipalities rests fundamentally on service, small-scale commercial business, commerce tourism, pharmaceuticals, and several industries dedicated to the manufacturing of clothing and medical equipment, among others. Among the industrial facilities located in the subject Dorado municipality are Boston Scientific Corporation, Heraeus Medical Components Caribe, Inc., Neill Pharmaceutical Company, CPI del Caribe Ltd. (an Affiliate of Eli Lilly & Company), Upjohn Interamerican Corporation, Ecolab Inc., Dorado Carton Company, Inc., White Rodgers Division (Emerson Electric Company).

Within the adjacent/adjoining Vega Alta Municipality, at the intersection of PR-22 and the PR-690, are located Isomedix and Pharmagraphic. Other pharmaceutical and manufacturing operations established within the nearby Barceloneta, Florida, Manatí and Vega Baja municipalities are UpJohn Manufacturing Co., Pfizer Pharmaceuticals, & Gamble, Bristol Myers Squibb, Du-Pont, Inyx, Marion, Ortho McNeill, Abbot Laboratories, Chemical of P.R., Merck Sharp & Dohme, Nycomed of P.R., Parke Davis Pharmaceuticals Limited, Puracap, and Frito-Lay Company, among others.

The commercial activity of the municipality of Dorado is complemented by several small-scale commercial centers and free-standing-retail constructions. Among the participants of such activity are Dorado del Mar Shopping Center, Mahi Mahi Shopping Village, Plaza Dorada, Paseo del Plata, Dorado Classic Court, Doramar Plaza and CVS Pharmacy.

Dorado Del Mar Shopping Center located at PR-693 Km. 8.0 refers to a traditional community shopping center of approximately 138,364 square feet situated on a 7.0 cuerdas site that includes numerous national credit tenants, banks and restaurants. The center tenants include a variety of many well-known of Puerto Rico's favorite local retailers including Supermax Supermarket, Subway, Foot Locker, Payless Shoe Source, Advance Auto Parts, Kress, Game Stop, Rainbow, and Marianne, among others, and with several anchored free-standing tenants such as, Burger King, Taco Bell, Pizza Hut, KFC, Baskin Robbins, McDonald's and Santander Bank. The property is operated/managed by Blackpoint Partners.



Mahi-Mahi Shopping Village located at PR-693 just across from the Dorado del Mar Shopping Center is a community type center that combines retail and office spaces at its main building including Ponderosa, Quizno's Sub, Martin's B.B.Q., Oriental Palace, La Hacienda Meat Center and Glidden, among others, and Walgreen's and Firstbank (out-parcels). CVS Pharmacy is located in the opposite corner of Walgreen's in the same block at the intersection of the PR-693 and the PR-696, but is not part of the mall.

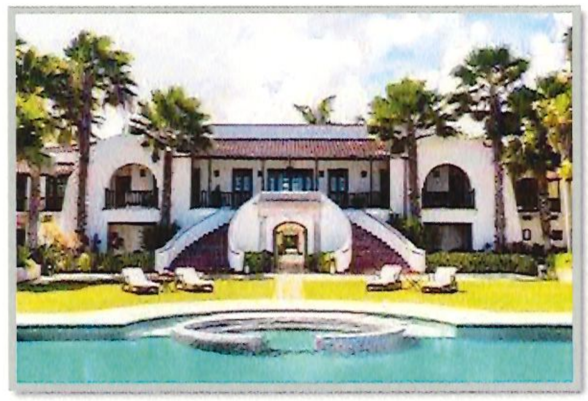
Dorado Classic Court is a small strip mall located at PR-693 Km. 8.3 of approximately 8,000 square feet that combines retail and office spaces at its main building including Toro Loco Bar and Grill and Verde Natura Pharmacy, among others, and Church's Chicken (out-parcel).

Plaza Dorada Shopping Center is one of newest shopping centers in Dorado located at the corner of PR-693 and the José Efrón Avenue. This community type center of approximately 58,000 square feet, combines retail and office spaces in its three buildings including Wendy's, Pearl Vision, Pequeña Ola, Essential Organics, Sweet Ann Cakes, Starbucks Coffee, Laboratorio Clínico Borinquen, Maggie Moo's, Faccio's Pizza, Ikebana Sushi Bar and Metropol restaurant, among others, and Applebee's, Popeye's.

Paseo Del Plata Shopping Village is a community-type center located at the northwestern corner of intersection of PR-696 and the José Efrón Avenue, combines retail and office spaces with Caribbean Cinemas and Amigo Supermarket as anchor tenants. Paseo Del Plata and Plaza Dorada located just at opposite corners along the José Efrón Avenue combine to form a mega strip mall.

Finally, *Doramar Plaza* is the newest strip mall in Dorado, which combines a retail building occupied by Capri, Denny's Restaurant, and several out-parcel free-standing tenants, such as, Wendy's, Krispy Kreme, Chili's, Church's Chicken, El Meson Sandwich, Great Taste and Sizzler, among others.

Tourism



Dorado is highly regarded as a tourist destination with golf courses, hotels, and beaches. It has long been known as a golf haven. The immediate surrounding area is full of local eateries and high end restaurants specializing in Puerto Rican foods, seafood, and steak. Its tourist industry includes the Dorado Beach Ritz-Carlton Reserve, one of the most exclusive Caribbean luxury resorts which includes a Spa, Fitness and Wellness Center, tennis courts, and privileges at 'The Watermill' and three (3) Dorado Beach golf courses that form part of the Plantation Village. This is the second hotel under the Ritz-Carlton Reserve label in the world.

Also, there is the Embassy Suites Dorado Beach Resort and Golf Club (with a Casino opened on January 2011) in the Dorado Del Mar neighborhood. Currently the golf course is closed.

As a matter of fact, these are the most significant sectors providing employment for the residents of Dorado and adjacent municipalities, as well as, government related agencies provide sources of employment for the area residents.

Education

Dorado has several public and private schools distributed through several regions. Including TASIS, Dorado Academy, New Testament Christian Academy of Dorado, and Public education is handled by the Puerto Rico Department of Education. José S. Alegría is the public High School, located in the town center. Ricardo Arroyo Laracuente is the Middle School 7th through 9th Grade. In the town next to the town square is the elementary School named Jacinto López Martínez.

Schools & Academies

- Dorado Academy
- TASIS Dorado
- Jose S. Alegria High School
- Pedro Lopez Canino Elementary and Middle School
- Luis Muñoz Marin Elementary School
- Ricardo Arroyo Middle School
- Marcelino Canino Canino – Middle School
- Jacinto Lopez Martinez – Elementary school and first school building to be founded in Dorado. It is over a hundred years old and still in use and one of the biggest schools.
- Luisa Valderrama Martinez – Elementary School

The Jane Stern Dorado Community Library, founded in 1974, is Puerto Rico's first public bilingual library. Recipient of a 2008 National Medal for Museum and Library Service.

Sports

Dorado has their very own Double A baseball team called "Los Guardianes" (The Guardians) and it's still one of the main places in the island to play golf or tennis.

Landmarks & Places of Interest

Some of the places to visit in Dorado are located downtown. For example, the Museum Casa del Rey is the house built in most towns controlled by Spain during their colonization, which was intended for the King and Queen to stay if they visited. The museum includes several artifacts from the era. There's also the Distinguished Doradeños Plaza, and the Juan Boria Theater. The last one was recently reopened after a long period of restoration.

Some of the most visited beaches in Dorado are Sardinera, Kikita and El Unico is other beaches frequented by surfers. The Ojo del Buey Park is a park located at the base level of the La Plata River. The name comes from a rock formation that has the shape of an ox.

Dorado also has a church called the Sanctuary of Christ of the Reconciliation, that has the third largest statue of Jesus Christ in the Caribbean, inside its temple.

Festivals & Events

Dorado's Fiestas Patronales are held in June. Other traditional festivals held at the city are "El Carnaval del Plata" which is celebrated in the beginnings of February and the "Cocolía" Festival which is celebrated in the end of June/beginning of August, etc.

Immediate Neighborhood Analysis

The subject property is located in the Pueblo Ward in the Dorado Municipality. Its main access is PR-6165, which runs through the area in an east-to-west direction through the Dorado town core and provides easy access to PR-165 and PR-693, among others. The neighborhood is an urban area with commercial and institutional concerns supporting services, facilities and amenities are available within reasonable walking and/or driving distances.

The Pueblo ward serves as Dorado's central district, often considered the cultural and administrative hub of the municipality. It is where government buildings, schools, churches, and local markets converge to form a lively center of activity. The Pueblo ward is a microcosm of Dorado's essence, reflecting the blend of historical charm and modern development.

Conclusion

In summary, the Dorado Municipality and the subject's neighborhood enjoy an adequate location within an overall good district in the municipality, served by adequate routes of access and with availability of supporting facilities and services, including retail centers, restaurants, educational, transportation, industrial and residential uses. All the typical public utilities such as potable water, electricity, telephone, sanitary and storm sewer systems are available. Other services such as police protection, firefighting, street clean-up and postal services are rendered by the Commonwealth, Municipal and Federal Governments. Public transportation is adequate and is available by taxis, buses and publics at reasonable fares.

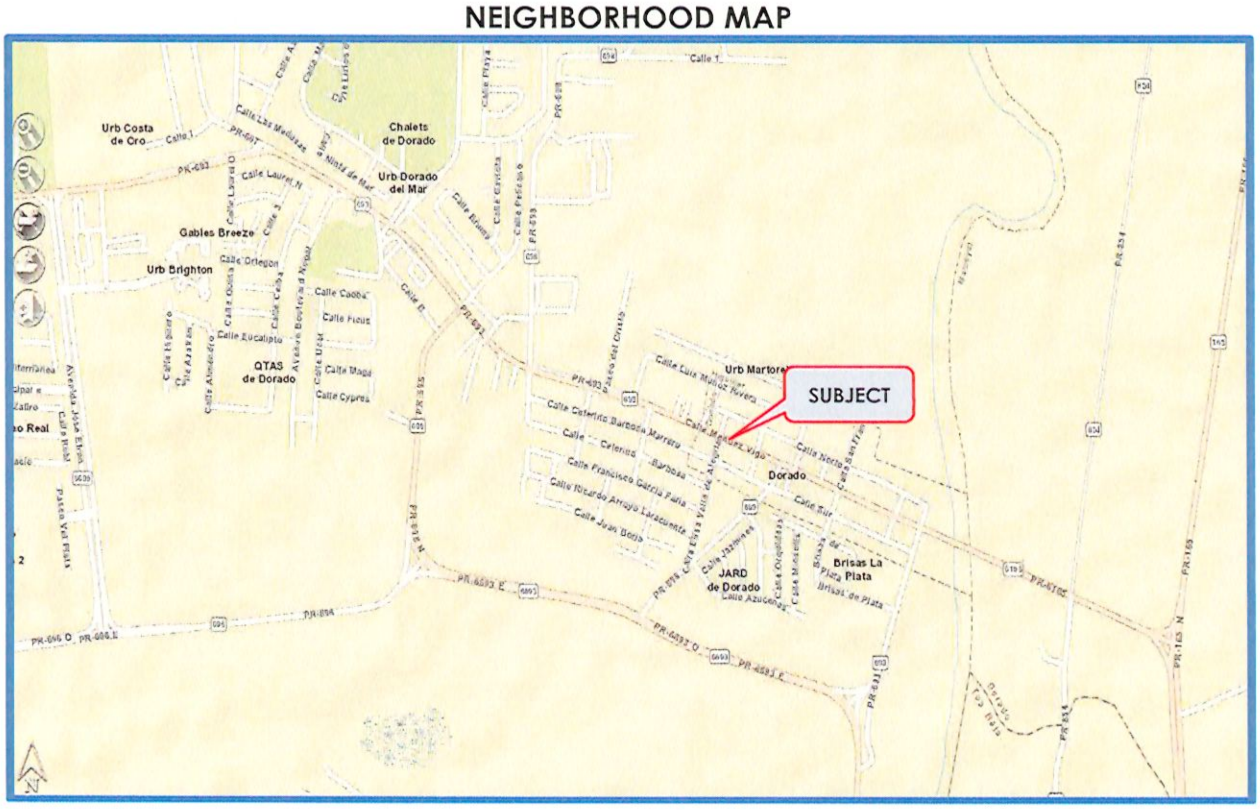
In general the neighborhood has a heterogeneous character, including a mix of commercial, residential, institutional, and industrial uses, as well as tourist-oriented properties. Supporting services, facilities and amenities are available within reasonable walking and/or driving distances.

NEIGHBORHOOD ANALYSIS

NEIGHBORHOOD DESCRIPTION	
Municipality	Dorado
Ward	Pueblo
Neighborhood Location	The subject property is located within the Pueblo Ward. Its main access is through Mendez Vigo Street. The vicinity is mainly a residential, commercial and industrial district as well as many public and institutional uses.
Boundaries: North South East West	 Mendez Vigo Street Extension Sur Street PR-6693 Jorge Cruz Amezquita Street
Road Linkages	PR-165, PR-693, PR-697, PR-693 Mendez Vigo Street and Jose Efron Avenue, among many others.
Zoning Parameters	Blends commercial and industrial (fronting main streets) as well as many public and institutional uses; residential concerns found for the most part in secondary roadways.
Land Uses	Residential, Commercial, Industrial & Institutional Uses.
Neighborhood Characteristics	The subject neighborhood is an urban area predominated by single family residential dwellings along with an adequate commercial trend such as restaurants, bars, retail stores, and gas service stations, among others. The location is in the Pueblo Ward of Dorado with good road linkages and across the street from the Mendez Vigo Street, which draws commercial and tourist related activity. In fact, many of the residential dwellings are used as short-term vacation rental properties. Furthermore, the area has a strong touristic related activity and there are several lodging facilities besides the subject including the Ritz Carlton Reserve and the Dorado Embassy Suites, among others. All typical services and public utilities are immediately available to the subject site. In summary, the subject property is located in an area of residential, commercial and touristic related activity, enjoying adequate routes of access..
Economic Base, Factors	Dorado has a strong commercial, industrial and institutional base.
Existing Construction	Residential, Commercial, Industrial & Institutional
New Construction	None Observed
Externalities	After a thorough investigation of all aspects affecting value in the subject neighborhood and the area in general, it was concluded that the area where the subject property is located does not suffer from known functional or external obsolescence.
Neighborhood Trends	There is an adequate market for properties in the sector evidencing average demand factors. Typical marketing and exposure times range from 12 to 36 months with an average of 24 months.
Conclusion	The subject enjoys an adequate location in the Dorado Municipality, within an urban area predominated by residential, commercial, industrial and institutional uses. It enjoys good access to major roads and adequate supporting facilities.

LOCATION MAP

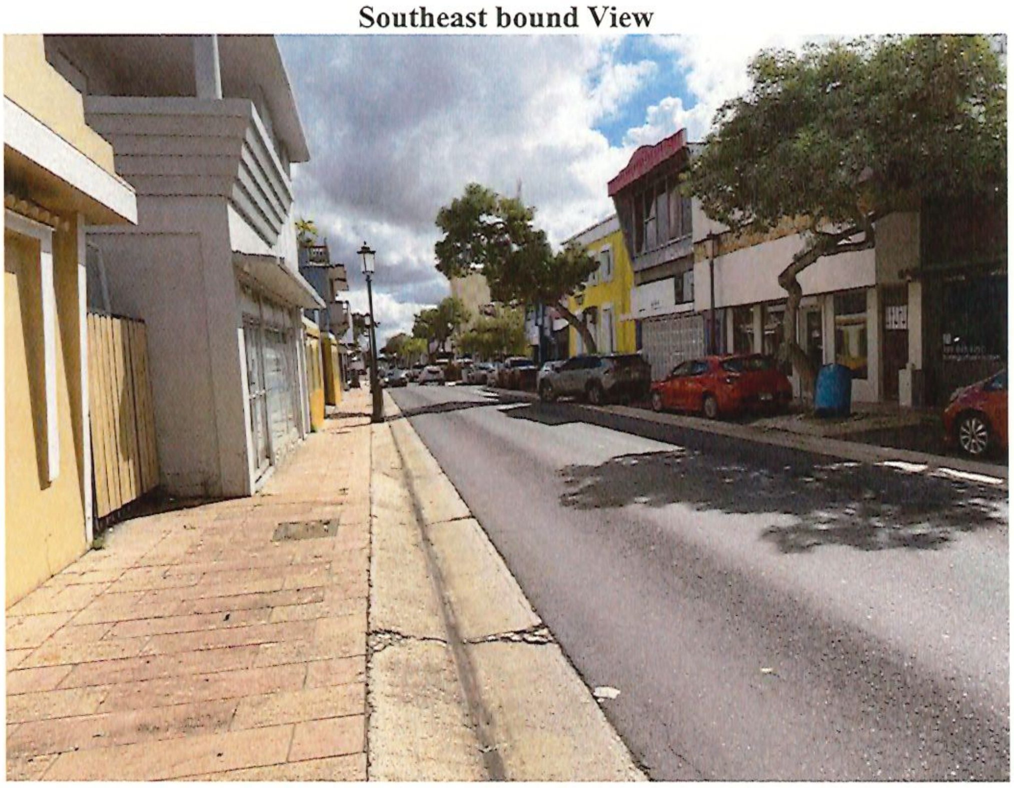
NEIGHBORHOOD MAP



STREET SCENE PHOTOS

Northwest bound View

Southeast bound View



Zoning Description

The subject property is located in a **CT** (Commercial Touristic) zone district, as defined by the Joint Regulation for Permits Evaluation and Issuing Related to Developing Land Use and Business Management issued by the Puerto Rico Planning Board with an effective date June 7, 2019.

Purpose

a. This district is established to classify existing commercial areas or to create new ones that meet the needs of various neighborhoods or residential communities, as well as existing commercial areas of a central nature, includes intermediate intensity commerce and areas to classify marketing centers developed through the process of consultation of location before the Adjudicative Board of the OGPe or Autonomous Municipality with Hierarchy from I to V.
b. The district allows centers for extensive commercial recreation developed via the location consultation process before the Adjudicatory Board of the OGPe or the Autonomous Municipality with Hierarchy I to V.

Uses

a. The uses to be permitted in this district will not jeopardize the health, safety, and well-being of the occupants of the property to be used and of neighboring properties; they will be compatible with the purposes and provisions of this Rule.
b. In addition, District CT uses will be allowed, if not in the following table.

COMMERCIALS	SERVICES	INDUSTRIALS	OTHERS
Retail and wholesale, alone or in combination	Services as defined in this regulation	Motor vehicle repair shops including body repair and painting	Location of cultivation centers, manufacturing, manufacturing, distribution of products and dispensary of Cannabis for medicinal use
Retail and wholesale club	Hostels		
Pawnshop	Specialized lodgings	Hardware stores	
	Professional offices	Light industries such as commercial laundry, bakeries, sewing workshop, handicraft production, provided that the involved industrial process does not produce smoke, dust, gases, noise, and other conditions that may be detrimental to adjacent areas.	
	Care Centers		Museums
	Cinemas		Theaters
	Sale of ready-made food, including sale of alcoholic beverages		Institutional, civic, and cultural uses, in lots large enough to meet parking requirements
	Restaurants		
	Gasoline Stations		Simple commercial recreation
	Parking		
	Mortuary		Dwelling
	Hospital for treatment of animals, noise-proof and no animals are kept outside the building		Supplemental short-term accommodation

Malls

The Adjudicatory Board of the OGPe will evaluate and adjudicate through the location consultation mechanism any commercial project that exceeds two hundred fifty thousand (250,000) square feet of gross floor area subject to the following:

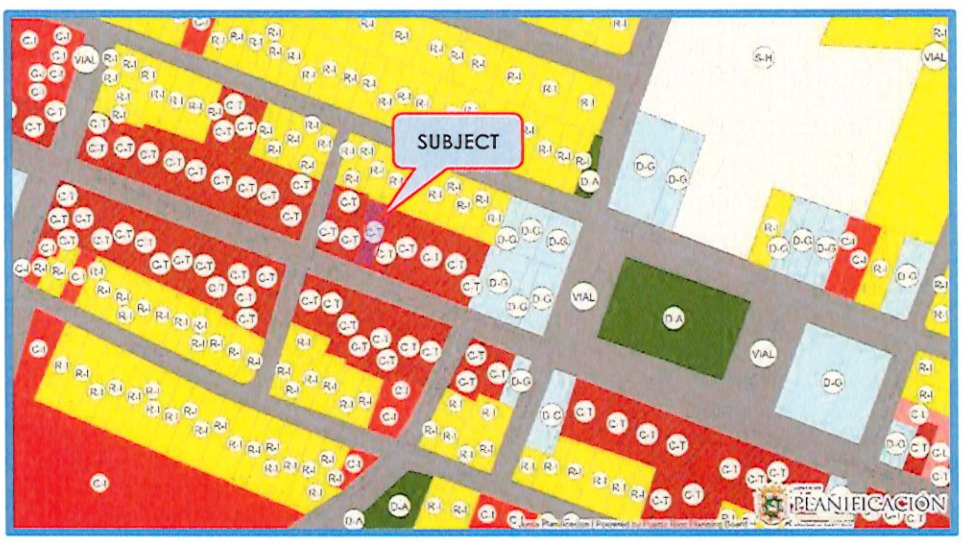
a. Any request for a location consultation for this use must be submitted to a public hearing.
b. When a commercial project does not establish in its request the area to be used for storage, it will be understood that one third of the gross floor area will be dedicated to these purposes for the calculation of required parking spaces.
c. If other main or complementary uses are included as part of the shopping center, it may be requested as part of the location consultation or in later stages to use the shared parking formulas (share parking) of the *Land Use Institute* and the *Institute of Transportation Engineers* or any other recognized entity with expertise in this matter.
d. These projects may allow offices and housing on the second floor, for the latter it will require once access to the development is gained, access to the residential area will be independent from the main one to the shopping center, while the parking lots will be independent from the shopping center, thus identified and dedicated to such ends.
e. The design parameters will be determined as part of the location consultation, the patios may not be smaller than those established for this district.
f. The location of independent structures (free standing) will be allowed, these must observe a separation in courtyards of no less than what is allowed for the district.

Extensive Commercial Recreation

a. The uses for extensive commercial recreation centers will be evaluated and authorized by the Adjudicatory Board via location consultation and public hearing.
b. The uses to be allowed will be compatible with the purposes of the district, the space of the property must allow the location of the parking spaces necessary to serve the use.

Uses Via Exception

a. Hospital, general medicine hospital, health home, sanatorium, and institution for the treatment of the insane: The buildings to be dedicated mainly to hospital or sanatorium for contagious diseases or treatment of the insane will be located at no less than fifty (50) meters from any line of property of the site.
b. The uses to be considered will be for docks or ramps in accordance with Subparagraph (e) of Section 6.1.1.7 of this Chapter.
c. Renewable energy projects in accordance with Chapter 9.2 in Volume IX of these Regulations.



Conformity Conclusion: Legal Conforming

The existing improvements appear to be conforming in terms of permitted use and most developmental standards. We assume that were built to code at the time of original construction and any subsequent additions, modifications, demolition, and / or change of use was done with the necessary permits. As such, the current use of the site is legally conforming.

PUERTO RICO TAX DATA

The Municipal Revenue Collection Center (CRIM), by its Spanish acronym) is responsible for assessing properties and collecting real estate taxes. Puerto Rico's real estate tax rates are based on two (2) separate factors, one is the rate fixed by the Legislature of Puerto Rico, standard for all parts of the Commonwealth, and the other, is the rate set by the Municipality wherein a given property is located. Real estate assessments are made at 1957-58 values using a cost approach-based mass appraisal methodology.

The law in Puerto Rico provides for a 10% discount on the property taxes, which are collected in two (2) yearly payments, if these are paid within the 30 days following the mailing of the tax invoice. The current tax rate for the Dorado Municipality is 10.58%. The tax rates are periodically revised.

In addition, the law also grants property tax exemption for the first $15,000 of assessed valuation on one (1) residence, if owner occupied. Special real estate tax exemptions are often granted to some type of commercial properties as an incentive for job creation.

We are assuming that property taxes are currently paid. We are no experts in tax matters. We are no responsible for any information referent to the real estate taxes and/or any pending or unpaid tax of the subject of this appraisal. The appraisers in this respect assume no responsibility and/or liability.

CRIM MAP

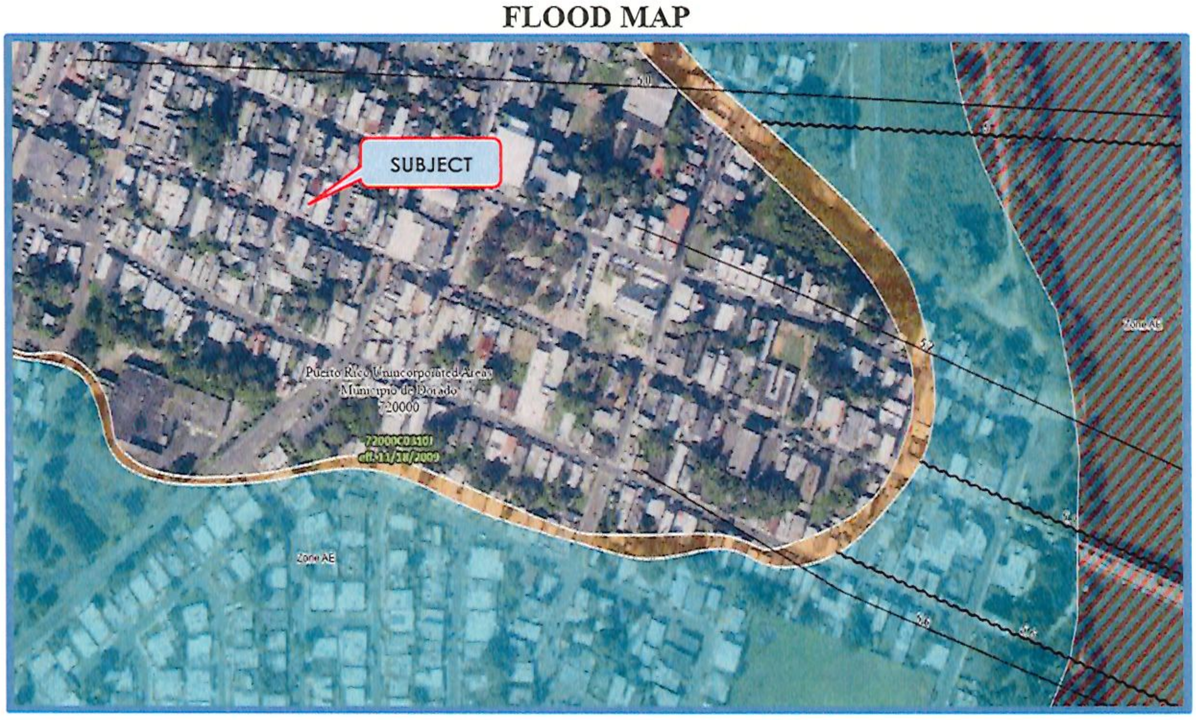
LEGAL DESCRIPTION

ALES	No. de orden de las inscripciones	FINCA No. 1685
	1ª	Urbana: Solar radicado en la calle Méndez Vigo del término municipal de Dorado compuesto de doscientos sesenta y tres metros cuadrados aproximadamente, en lindes: por el Norte en diez punto quince metros con solar municipal ocupado por Roque Miranda; por el Sur, en diez punto quince metros con la calle Méndez Vigo, por el Este, en veintisiete punto sesenta y cuatro metros con Antonio Montañez; y por el Oeste, en veinticuatro punto veinticinco metros con un solar municipal ocupado por Silero Lima. Se segrega de la finca número doscientos cuarenta y uno inscrita por su inscripción primera a favor del municipio de Dorado al folio ciento seis del tomo siete de Dorado. Libre de cargas. Por ordenanza número catorce serie mil novecientos cincuenta y ocho al cincuenta y nueve aprobada por la Asamblea Municipal de Dorado el día veintiocho de noviembre de mil novecientos cincuenta y ocho se concedió en usufructo y a perpetuidad el solar de este número a favor de Rosa Blaise Viuda de Quiñones. Será obligación también del cesionario mantener en buenas condiciones en el solar cedídole un edificio en buenas condiciones sanitarias y de ornato público, tanto para él como por sus sucesores que en el futuro puedan adquirir la propiedad. Será obligación proceder a la reconstrucción del edificio en caso de deterioro o destrucción del mismo, de acuerdo con las leyes sanitarias y

PUERTO RICO PLANNING BOARD MAP

This information was obtained from Puerto Rico Planning Board website. Nevertheless, the data to be utilized is the one provided by the client.

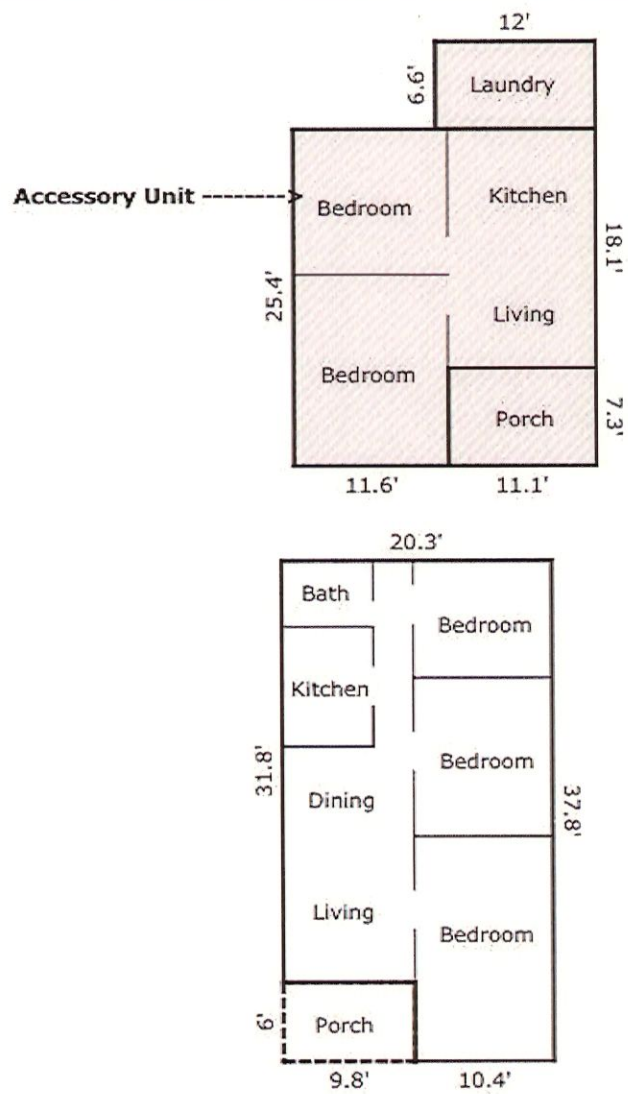
FLOOD MAP



DESCRIPTION OF THE IMPROVEMENTS

SUBJECT PROPERTY IMPROVEMENTS	
Year Built	Circa 1959's
Actual Age	About 66 years.
Building Type	Single Family Residential
Use	Residential Use
Building-to-Land Ratio	26% are based on gross building area.
Construction Type	Masonry concrete & concrete blocks.
Construction Finishes	Concrete plastered and painted walls with wood doors.
No. Stories	One (1)-story.
Improvements	**Area** / **Use / Description** / **Area in SF** First Floor / Single Family Residential / 707 **Total** / / **707**
Average Ceiling Height	8' feet.
Parking Facility / Index	None
Paving	Asphalt.
Luminaries	Fluorescent and incandescent.
Restrooms /Bathrooms	Average.
Security	Iron works/grills
Other Improvements	
Ceilings	Plastered concrete with concrete and iron beams.
Floors	Concrete / Ceramic.
Doors	Aluminum and Wood.
Windows	Aluminum / French-type.
Partitions	Concrete blocks.
Physical Condition	Average.
Functional Obsolescence	None observed.
External Obsolescence	None Observed.
Deferred Maintenance	Average deferred maintenance.
Additional Improvements	Iron grills/works, fence and accessory unit.
Ideal Improvement	Subject ideal improvements call for residential-use property.

BUILDING SKETCH



TOTAL Sketch by a la mode

Area Calculations Summary

Living Area		**Calculation Details**
First Floor	707.1 Sq ft	20.2 × 31.8 = 644.6 6 × 10.4 = 62.5
Total Living Area (Rounded):	**707 Sq ft**	
Non-living Area		
Porch	59 Sq ft	9.8 × 6 = 59
Wd Acc Unit	494.8 Sq ft	22.7 × 18.1 = 409.9 7.3 × 11.6 = 84.9
Laundry	79 Sq ft	12 × 6.6 = 79
Wd Porch	81.3 Sq ft	11.1 × 7.3 = 81.3

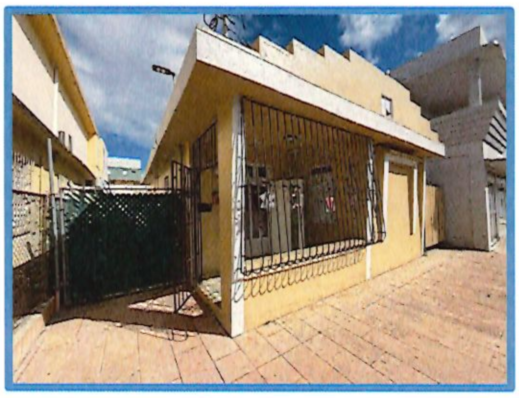
Functionality of Subject Property
The layout of the improvements and its location within the lot is adequate and functional. No element of functional obsolescence was found in the subject property during the physical inspection.

External Obsolescence (Property's Improvements)
External obsolescence can either be temporary or permanent. Temporary external obsolescence is caused by factors in the market such as an oversupplied of the type of space it provides. This is sometimes found in income producing (rental) properties such as apartments, hotels / motels, multiple residences, and retail commercial space such as shopping centers and downtown mercantile buildings. Permanent external obsolescence may be caused by the subject property's location to an encroaching land use. In this case, the subject property does not suffer from external obsolescence.

Ideal improvements
The subject property is currently zoned light commercial touristic district (CT), which allows commercial use.

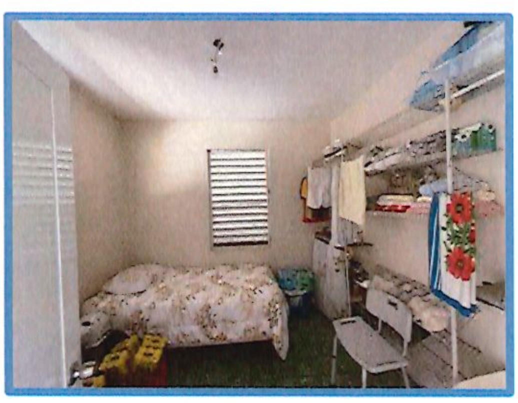
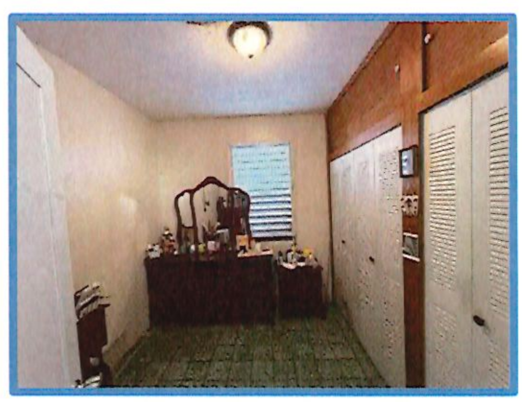
Conclusion of Analysis of Improvements
The subject property improvements contribute to the overall value of the property and can be considered functional and adequate for its former and proposed use.

SUBJECT PROPERTY PHOTOS

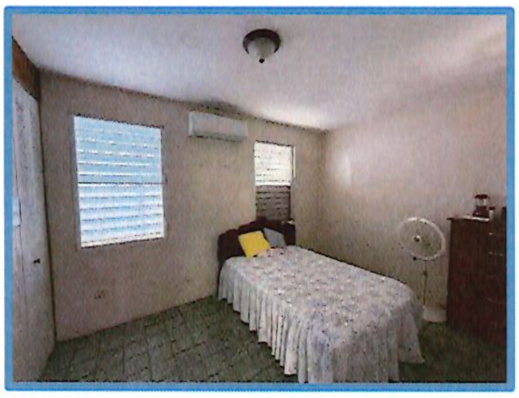


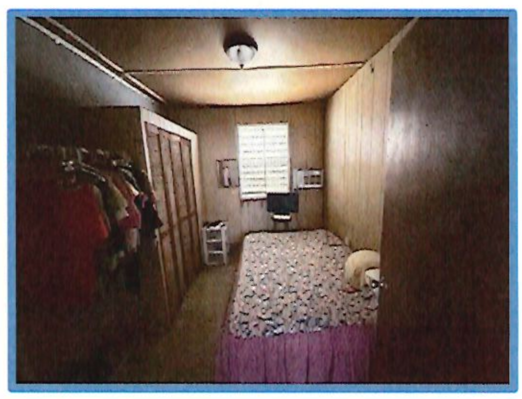


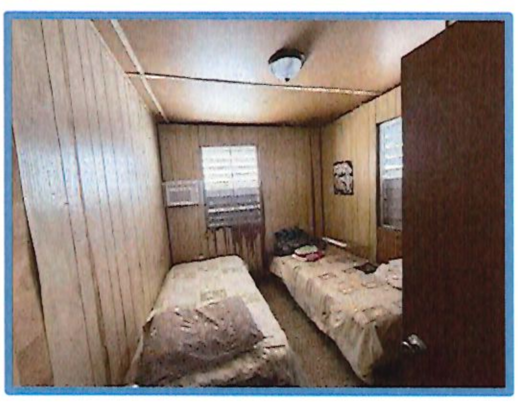


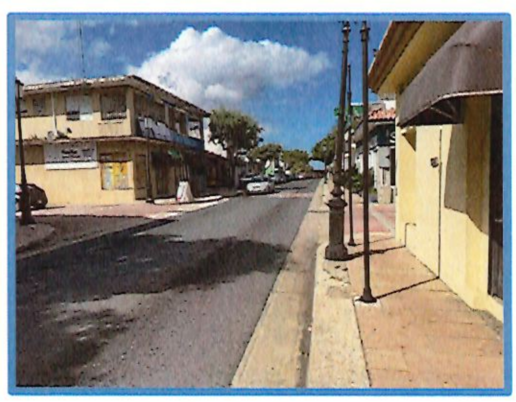



SUBJECT PROPERTY PHOTOS









HIGHEST AND BEST USE ANALYSIS

Highest and Best Use is defined by The Dictionary of Real Estate Appraisal (Appraisal Institute, Chicago, 6th Edition - 2015), as follows: *"The reasonably probable and legal use of vacant land or an improved property which is physically possible, appropriately supported, financially feasible and that results in the highest land value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum profitability."*

The Highest and Best Use is evaluated through the analysis of a site in terms of four (4) sequential criteria: *legal permissibility, physical possibility, financial feasibility* and *maximum productivity.*

Legal Permissibility – In this section the appraisers must determine which uses are legally permissible. Private restrictions, zoning, building codes, historic district controls, and environmental regulations must be investigated because they may preclude many potential uses.

Physical Possibility – Here the analysis considers how size, shape, area, and terrain of the site affects the uses of which can be developed. The analysis also considers the availability of public utilities (i.e. water, electricity, and telephone services).

Financial Feasibility – All uses that are expected to produce a positive return are regarded as financially feasible. If the net revenue being generated is enough to satisfy the required rate of return on investment and provide a return on the land, the present use is financially feasible as accepted by major lenders. Subject parcel can generate sufficient profit in order to attract investor this type of use.

Maximally Productive – Of the financially feasible uses, the use that produces the highest residential-commercial land value consistent with the rate of return warranted by the market for that use is the highest and best use.

The highest and best use analysis requires the appraiser to distinguish from among all possible uses that use which would represent the highest value as of the effective date of appraisal. The highest and best use of land or a site as though vacant is further defined in the Dictionary of Real Estate Appraisal as "among all reasonable, alternative uses, the use that yields the highest present land value, after payments are made for labor, capital and coordination. The use of a property based on the assumption that the parcel of land is vacant or can be made vacant by demolishing any improvements".

Typically, in estimating the highest and best use of a property, the highest and best use of the site is first considered as if vacant and available for use, and then the highest and best use of the improved property as a whole is considered. In this case, the subject property referred an improved facility, thus, both analyzes are required in this appraisal report.

There are four major types of urban land uses, namely residential, commercial, industrial and public. The distinguishing factor in the development of land value is its immobility. Therefore, its location is the concept, which determines its use and potential productivity.

Usually, land has to be used in conformity with the uses established by the Planning Board and / or the zoning maps that govern the area where a given property is located. The main reason for this is to limit the conversion to uses not in conformity with the neighborhood. In essence, the zoning of a given site represents the aspect of the concept of highest and best use, since it regulates the uses that said site could be potentially dedicated to.

AS VACANT	
Zoning	CT, which allows commercial, residential and other uses with OGPe permits.
Legally Permissible	The subject property lies within a CT (Commercial Touristic) use restriction or district as per Puerto Rico's Planning Board Map. Under this zoning ordinance, mixed commercial / residential use properties are permitted.
Physical Possibility	The subject comprises a site area of 263.00 square meters equivalent to 0.0669 cuerdas. The subject site physical characteristics include a level topography and a street frontage to Mendez Vigo Street of the Pueblo Ward. This street provides adequate ingress and egress access capabilities to / from the subject. This property has adequate width and depth relationship to develop a functional property. The subject site has no encroachments and is not affected by any special nuisances or hazards. It has an adequate location, within immediate and convenient access to major roads of the area. All necessary municipal public utilities are available and in service to the site. Based on the site's physical characteristics, the current zoning restrictions the highest and best any type of mixed commercial / residential development may be built on the site.
Financial Feasibility	In terms of financial feasibility, the current demand for commercial site uses within the subject market area produces an average cash flow, which makes it financially feasible possible and would provide an adequate financial return. The market activity for mixed commercial / residential use properties in the vicinity evidences an adequate level of demand for this property type.
Maximum Profitability	Current market trends in the sector point towards commercial / residential use. Considering the first tests, the one use that creates the most value is the development of the site with commercial / residential use property.
Conclusion	Based on the site's physical characteristics, the current zoning restrictions and its current location; the highest and best use points towards a commercial / residential use property.
AS IMPROVED	
Legally Permissible	The current improvements are in line with the permitted uses within its zone parameters.
Physical Possibility	The current improvements are functional for its use, which adequately fulfills the use that they were built for. Also, it seems to comply with all the setbacks and regulations as per OGPE regulations.
Financial Feasibility / Maximum Profitability	In terms of financial feasibility, the current demand for mixed commercial / residential concerns within the subject market area produces adequate cash flow, which makes the current venture financially feasible. Market data from the immediate market area or neighborhood evidenced adequate demand for such type properties. Thus, the subject property improvements, if fully occupied, would provide an adequate financial return.
Conclusion	In summary, after analyzing the subject's physical characteristics, the composition of the general and immediate neighborhood and its recent past development trends, other alternate uses, and property zoning, the highest and best use of the subject property as improved is a commercial concern.

APPROACHES TO VALUE

The appraiser may use three basic approaches in the estimation of market value. These three approaches provide data from the market from three different areas when all are available. These three approaches are the Cost Approach, the Sales Comparison Approach and the Income Approach.

The **Cost Approach** has as its premise the comparison of the subject site by comparison with other sites in the area that have sold in the recent past, making an analysis for differences to indicate a site value estimate. To this site value is added the estimate cost to reproduce or replace the improvements, less any loss of value (depreciation) that might have transpired or taken place. To derive a value indication by the sales comparison approach, the appraisers will use the relative comparison analysis qualitative technique, which studies the relationship indicated by the market data, without recourse to quantification.

The **Sales Comparison Approach** has at its premise the comparison of the subject property with other of similar design, utility and use that have sold within those last years. To indicate a value for the property, a ranking analysis is developed which consider the similarities and the dissimilarities of sales and subject property. This approach will provide a reliable indication of value whenever there's a strong market action and a considerable number of sales of relatively similar properties in competitive locations. They were analyzed on an all-inclusive per square foot comparison basis. To derive a value indication by the sales comparison approach, the appraisers will use the relative comparison analysis qualitative technique, which studies the relationship indicated by the market data, without recourse to quantification. This is the most commonly used technique in appraisal practice.

The **Income (Capitalization) Approach** as used for investment properties, has at its premise the estimation of the amount of the producing net income, which when capitalized in a manner that is commensurate with the risk and the life expectancy of the improvements will indicate the present value of the income stream. The income approach is most useful in the valuation of income producing properties because the average investor buys such properties based on the future benefits, in monetary terms, he is to receive.

Normally, these three approaches will each indicate a different value but should fall within a reasonable range. In this particular assignment, the appraisers developed the Sales Comparison Approach and the Cost Approach using Direct Capitalization as part of the Valuation Process contained in the body of this report.

The Income Approach has not been included because it is not considered relevant in estimating the market value for the subject property.

It is our professional opinion that the exclusion of the Income Approach from this assignment does not reduce in any way the credibility or reliability of the appraisal report for purposes of estimating the subject property's market value.

After all, the appraisers arrive at a conclusion of the **"as is"** market value of the usufruct rights in the subject property.

SALES COMPARISON APPROACH

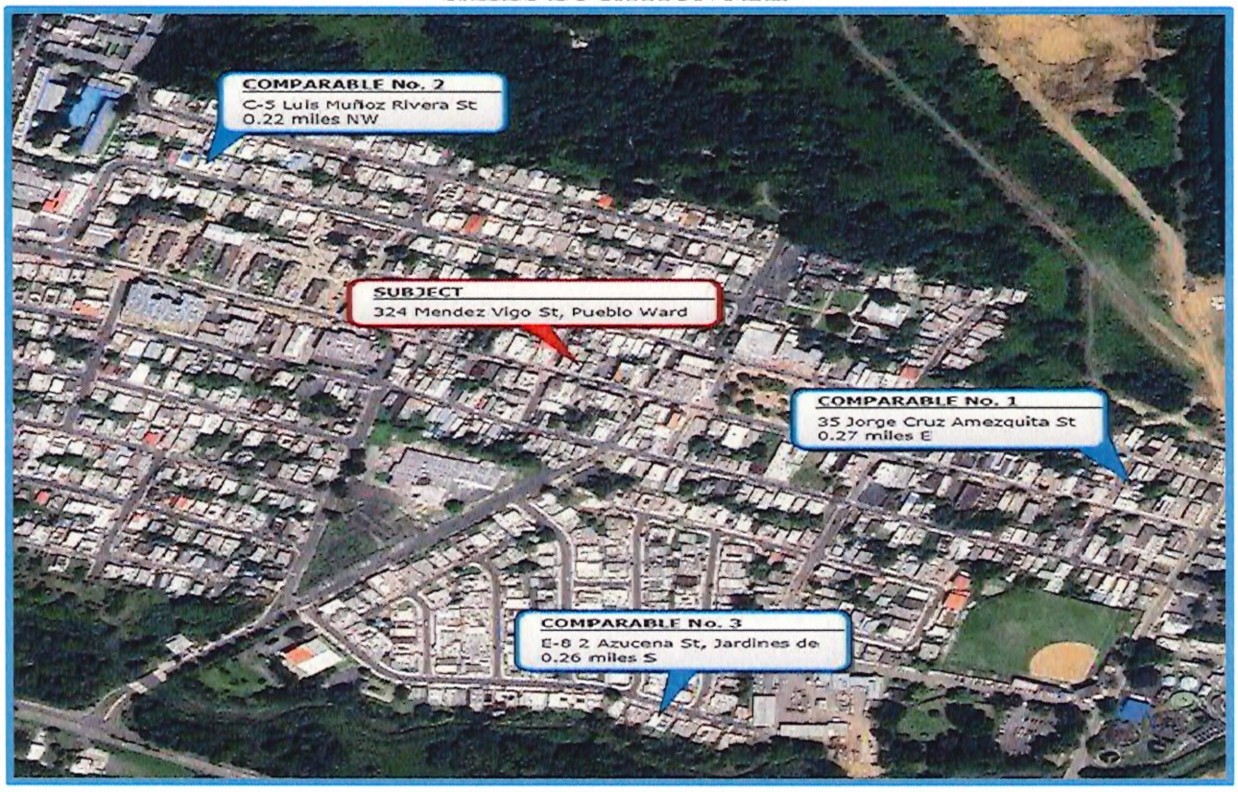
The action of well-informed purchasers normally reflects the principle of substitution, which states that no one is justified in acquiring a real property for a price higher than the price normally paid for an acceptable substitute. The sales comparison analysis is concentrated on recent transactions of comparable properties at competitive locations. We select and analyze three (3) sales transactions of comparable properties located within the same neighborhood. Following table contains the most relevant facts and/or main characteristics of properties, which will be compared to the subject.

SALES COMPARISON APPROACH

FEATURE	SUBJECT	COMPARABLE SALE # 1		COMPARABLE SALE # 2		COMPARABLE SALE # 3	
Address	324 Mendez Vigo St. Pueblo Wd Dorado, PR 00646	35 Jorge Cruz Amezquita St Pueblo Wd, Dorado		C-5 Luis Muñoz Rivera St Martorell, Pueblo Wd, Dorado		E-8 2 Azucena St, Jardines de Dorado, Pueblo Wd, Dorado	
Proximity to Subject		0.27 miles E		0.22 miles NW		0.26 miles S	
Sale Price	$ N/A		$ 135,000		$ 130,000		$ 150,000
Sale Price/GLA	$ /sq.ft.	$ 183.42 /sq.ft.		$ 182.07 /sq.ft.		$ 180.29 /sq.ft.	
Data Source(s)	Owner, Inspection	Tasamax 163415		Tasamax 182423		Tasamax 189906	
Verification Source(s)	Inspection	Ext. Inspection/First Equity Mtg		Ext. Inspection/Sun West Mtg		Ext. Inspection/Popular Mtg	
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) $ Adjust.	DESCRIPTION	+(-) $ Adjust.	DESCRIPTION	+(-) $ Adjust.
Sales or Financing	N/A	FHA		FHA		Conventional	
Concessions	N/A	None		None		$60,000	
Date of Sale/Time	N/A	04/05/2023		07/08/2024		04/22/2025	
Rights Appraised	Fee Simple	Fee Simple		Fee Simple		Fee Simple	
Location	Pueblo Ward	Pueblo Ward		Pueblo Ward		Pueblo Ward	
Site	263.00 sqm	168.00 sqm	+9,500	325.00 sqm	-6,200	328.00 sqm	-6,500
View	Residential	Residential		Residential		Residential	
Design (Style)	Tropical/Det.	Tropical/Det.		Tropical/Det.		Tropical/Det.	
Quality of Construction	Average/RC	Average/RC		Average/RC		Average/RC	
Age	60 years	55 years		48 years		46 years	
Condition	Average	Average to good	-6,800	Average		Average to good	-7,500
Above Grade	Total / Bdrms / Baths	Total / Bdrms / Baths		Total / Bdrms / Baths		Total / Bdrms / Baths	
Room Count	6 / 3 / 1	5 / 2 / 1		6 / 3 / 1		6 / 3 / 1	
Gross Living Area	707 sq.ft.	736 sq.ft.	-1,500	714 sq.ft.		832 sq.ft.	-6,300
Basement & Finished	N/A	N/A		N/A		N/A	
Rooms Below Grade	N/A	N/A		N/A		N/A	
Functional Utility	Adequate	Adequate		Adequate		Adequate	
Heating/Cooling	Split a/c	Wall a/c	+1,500	Wall a/c	+1,500	Split A/C	
Energy Efficient Items	None	None		None		None	
Garage/Carport	None	None		1 Car Carport	-4,000	1 Car Carport	-4,000
Porch/Patio/Deck	Porch,Wblc	Porch	+1,500	Porch	+1,500	Porch	+1,500
Additional Features	Fnc,lg,Pa,Wldry	Fnc,lg,Pa	+1,500	Fnc,lg,Pa	+1,500	Fnc,lg,Pa,Ldry	
Additional Features	Sec Sist,Stairs	Wterr,Oterr	-5,000	Utility	-2,500	Stor	-2,500
Additional Features	Wd.Accessory Unit	None	+15,000	None	+15,000	None	+15,000
Additional Features	None	None		None		None	
Net Adjustment (Total)		X + -	$ 15,700	X + -	$ 6,800	+ X -	$ -10,300
Adjusted Sale Price of Comparables			$ 150,700		$ 136,800		$ 139,700

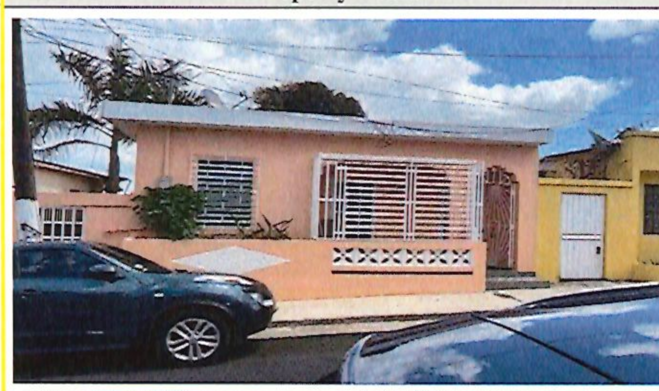
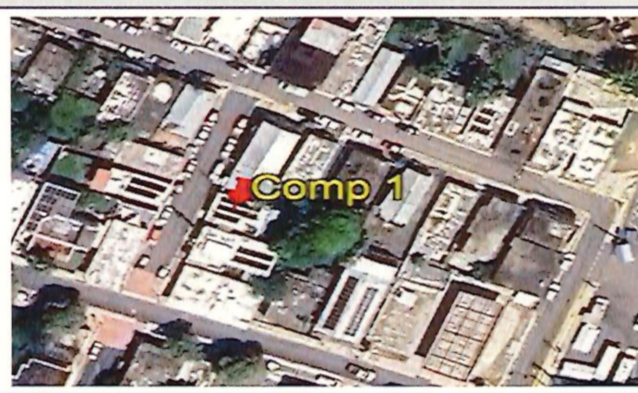
The listed sales are competitive from the same neighborhood to the subject property. These sales are considered reliable value indicators since they are the most recent sales with similar characteristics and same location. The value indications are from $135,700 to $150,700. The adjustments we considered are based on previous market extracted analysis for similar properties. The data pertaining to the sales listed was verified with at least one of the parties involved, and the public records at the Property Registry and / or the Municipal Revenues Collection Center (CRIM). The transactions represent fee simple "all cash to seller" transactions, requiring no adjustments for financing concessions.

SALES LOCATION MAP



Comparable Sales

Sale 1

Property Photo	Aerial View
	

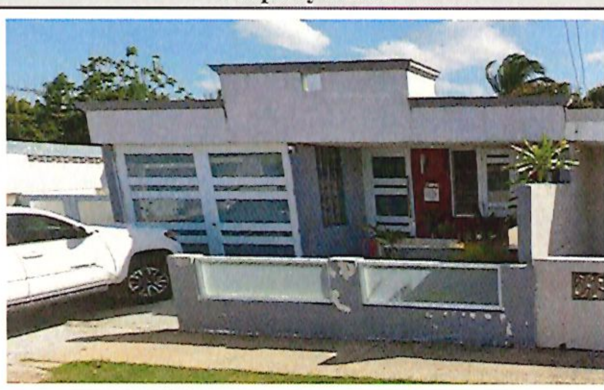
Sale 1 refers to the acquisition of residential use property, comprising a 1-story structure with a total GBA of 736 square feet, built of reinforced concrete and concrete blocks in a 168.00 square meters parcel. It is 55 years old and was acquired on April 5, 2023, for $135,000. It contains 3 bedrooms and one bathroom and was in average to good physical condition at the time of sale.

This property has some similar attributes to the subject property, such as market conditions, location, site shape, topography, exposure and accessibility to supporting infrastructure. Yet, it is similar in GBA. In short, this comparable sale provides a similar overall comparability to the subject.

Sale 2	
Property Photo	**Aerial View**
	

Sale 2 refers to the acquisition of residential use property, comprising a 1-story structure with a total GBA of 714 square feet, built of reinforced concrete and concrete blocks in a 325.00 square meters parcel. It is 48 years old and was acquired on July 8, 2024, for $130,000. It contains 3 bedrooms and one bathroom and was in average physical condition at the time of sale.

This property has some similar attributes to the subject property, such as market conditions, location, site shape, topography, exposure and accessibility to supporting infrastructure. Yet, it is similar in GBA. In short, this comparable sale provides a similar overall comparability to the subject.

Sale 3	
Property Photo	**Aerial View**
	

Sale 3 refers to the acquisition of residential use property, comprising a 1-story structure with a total GBA of 832 square feet, built of reinforced concrete and concrete blocks in a 328.00 square meters parcel. It is 46 years old and was acquired on April 22, 2025, for $150,000. It contains 3 bedrooms and one bathroom and was in average to good physical condition at the time of sale.

This property has some similar attributes to the subject property, such as market conditions, location, site shape, topography, exposure and accessibility to supporting infrastructure. Yet, it is similar in GBA. In short, this comparable sale provides a similar overall comparability to the subject.

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Comparison Analysis Reconciliation

In general, the comparable properties used in our analysis are similar and competitive to the subject in terms of most attributes and characteristics and are considered to provide a credible result for the value opinion of the subject property.

The listed sales are competitive from the same neighborhood to the subject property. These sales are considered reliable value indicators since they are the most recent sales with similar characteristics and same location. The value indications are from $135,700 to $150,700. Market activity reflects a most probable rounded market value estimate of $150,000 after rounded, for the subject property. The adjustments we considered are based on previous market extracted analysis for similar properties.

In general, these comparable sales are similar to the subject in terms of condition, zoning, flood zone and highest and best use, among others, the previous sales comparison analysis supports an average value between all comparable sales of $150,00.00.

The market value of the subject property by way of the sales comparison approach, as of December 10, 2025, is concluded at a rounded:

$150,000
(ONE HUNDRED FIFTY THOUSAND DOLLARS)

THE LAND COMPARISON APPROACH

SUMMARY OF LISTED COMPARABLE SITES					
	Subject	Sale 1	Sale 2	Sale 3	Sale 4
Location	324 Mendez Vigo St, Pueblo Ward, Dorado	180 Norte St, Pueblo Ward, Dorado	73 San Francisco St, Pueblo Ward, Dorado	45 San Francisco St, Pueblo Ward, Dorado	68 San Francisco St, Pueblo Ward, Dorado
Latitude / Longitude	18.4598 / -66.2634	18.4595 / -66.2609	18.4596 / -66.2609	18.4591 / -66.2611	18.4586 / -66.2615
Tract Number		10,416	10,416	10,413	3,369
Cadaster Number	037-028-006-25	037-029-007-42-000	037-029-007-41-000	037-029-016-30	037-029-015-15
Site Area SM	263.00	228.77	208.35	169.43	103.00
Seller		Iglesia Unity Dorado	Iglesia Unity Dorado	Elasticita LLC	Angel Cerrano Lopez
Buyer		Dorado Rentas Y Servicios	Dorado Rentas Y Servicios	Municipio de Dorado	Edgar Rosado Adorno
Sales Price		$84,000	$66,000	$59,000	$25,000
Date of Sale		Sep-21	Sep-21	Sep-25	Jan-26
Financing Terms		Fee Simple	Fee Simple	Fee Simple	Fee Simple
Rights Conveyed		All Cash to Seller	All Cash to Seller	All Cash to Seller	All Cash to Seller
Expenditure After Sale		None	None	None	None
Physical Condition	Average	Average	Average	Average	Average
Shape	Irregular	Rectangular	Rectangular	Irregular	Rectangular
Topography	Level	Level	Level	Level	Level
Flood Zone	Zone X	Zone X	Zone X	Zone X	Zone X
Zoning	CT	R-I	R-I	CT-L	R-I
Verification	Field Inspection	Public Registry / CRIM	Public Registry / CRIM	Public Registry / Office Files	Public Registry / Office Files
Price per SM	N/A	$367.18	$316.77	$348.23	$242.72

Relative Comparison Analysis For the Land Component Reconciliation

In general, the comparable properties used in our analysis are similar and competitive to the subject in terms of most attributes and characteristics and are considered to provide a credible result for the value opinion of the subject property. The relative comparison analysis previously presented is summarized in the following table.

Subject Property Positioning			
Transaction	Area in SM	Price Per SF	Relative Comparison
Sale 4	103.00	$242.72	Lower Level
Sale 2	208.35	$316.77	
Subject	**263.00**	**$320.00**	**Value Level**
Sale 3	169.43	348.23	
Sale 1	228.77	$367.18	Higher Level

In summary, the selected comparable properties provide adjusted price indications between $242.72 to $367.18 per square meter. In general, these comparable sales are similar to the subject in terms of condition, zoning, flood zone and highest and best use. Among others, the previous relative comparison analysis supports a unitary value of $320.00 per square meter. Therefore, a unitary value at **$320** per square meter is adequately supported by the market, providing a subject rounded value conclusion of $84,000 (263.00 SM x $320/SM = $84,160.00).

Consequently, after a thorough analysis of all components comprising the subject property, we concluded that the market value of the subject Land Component, supported by the Comparable land sales, under the market conditions prevailing as of December 10, 2025, is concluded at a rounded:

$84,000

(EIGTHY FOUR THOUSAND DOLLARS)

Land Sale 1

Land Sale 2

Land Sale 3

Land Sale 4

LAND SALES LOCATION MAP

RECONCILIATION OF THE USUFRUCT RIGHTS

Reconciliation involves the analysis of alternative conclusions to arrive at a final value. The property has been considered and analyzed with all the data available and factors which are believed to have an influence on its value.

This appraisal assignment covers the study, analyses and valuation of the usufruct rights for a residential property located within the Pueblo Ward of the Municipality of Dorado, PR. A detailed analysis of the location and physical characteristics of the subject property suggest a residential highest and best use "as is".

After the analysis performed of the subject property and its neighborhood, as well as after thorough research and analysis of the economic factors affecting values in the area, including comparable residential sales and land sales, the Appraiser arrived at the following "as is" value estimates for the subject property:

All Inclusive Value	**$150,000**
Land Value	**$84,000**

Finally, a market value of **$150,000** for the property less **$84,000.00** for the land value component, providing a subject rounded value conclusion of $66,000 (150,000 - 84,000 = $66,000.00).

Market Value (Usufruct Rights)	**$66,000**
	SIXTY-SIX THOUSAND DOLLARS

THE COST APPROACH

Introduction

The cost approach to value is based on comparison, since the cost to develop a property is compared with the value of the existing property or a similarly developed property. In this approach, the appraisers estimate the cost to construct a reproduction (exact replicas), or replacement (having similar utility with current materials and design) for the existing structure and site improvements (including direct costs, indirect costs, and an appropriate entrepreneurial profit). Then all accrued depreciation in the property is deducted as of the date of valuation from the total reproduction or replacement cost. When the value of the site is added to this figure, the result is an indication of value of the fee simple interest of the property.

The cost approach to value is related to the principle of substitution, which states that no prudent buyer would pay more for a property than the cost to acquire a similar site and construct improvements of similar utility without undue delay. This approach is also related to the principle of supply and demand. Shifts in supply and demand cause prices of properties to vary and if the costs do not shift in proportion to price changes, the construction of buildings will be more or less profitable. This in turn increases or decreases the value of existing buildings. Another important principle related to the cost approach is the principle of balance, which holds that the agents of production and the various property components must be in proper proportion if optimum value is to be achieved. Improper balance may result in under improvements or over improvements, which are measured as depreciation.

The cost approach takes into consideration the highest and best use conclusions reached before. The way in which the property differs from the ideal improvements on the land as though vacant are usually measures of depreciation, be it physical, functional or external.

Valuation of the Subject Project Site

In the valuation of vacant sites, such as the proposed subject project site, the most applicable approach and the one that typically tends to give the most reliable indication of value is the sales comparison approach, considering that a number of comparable and competitive transactions are available. Therefore, this is the approach that will be used to arrive at an indication of value for the subject site.

REPLACEMENT COST

The Cost Approach is based on the principal substitution and presumes an informed purchaser would pay no more than the cost to produce a similar property serving the same function and utility as the property appraised. The construction cost estimation here is developed through cost factors obtained from Marshall and Swift Valuation Service's Calculator Cost. The reproduction cost new is the cost to construct, at current prices as of the effective date of the appraisal, a substitute of the building being appraised, using modern materials and current standards, design and layout.

MARSHALL & SWIFT'S BUILDING COST ESTIMATE - CONCRETE RESIDENTIAL BUILDING	
Item	**Single-Family Residences (351)**
Gross Building Area	707
Perimeter	96
Wall Height	8
Class & Type Building	Class C -Low Cost Sec 12/ Pag 25
Base Cost	$132.00
Height - Story Multiplier	1.00
Floor Area - Shape or Perimeter Multiplier	1.03
Current Cost Multiplier	1.04
Local Multiplier	0.95
Cost / SF	$134.33
Area in SF	707
Replacement Cost	94,970
Additional Improvements (Balcony)	$2,000
Total Building Costs	**$96,970**
Depreciated Value (25/60=42%) - Actual Cash Value -Rd	**$56,000**

MARSHALL & SWIFT'S BUILDING COST ESTIMATE - WOOD ACCESSORY UNIT	
Item	**Single-Family Residences (351)**
Gross Building Area	495
Perimeter	96
Wall Height	8
Class & Type Building	Class C -Cheap Sec 12/ Pag 25
Base Cost	$79.50
Height - Story Multiplier	1.00
Floor Area - Shape or Perimeter Multiplier	1.054
Current Cost Multiplier	1.1
Local Multiplier	0.95
Cost / SF	$87.56
Area in SF	495
Repacement Cost	43,344
Total Building Costs	**$43,344**
Depreciated Value (30/45=67%) - Actual Cash Value -Rd	**$14,000**

RECONCILIATION OF COST APPROACH

The Cost approach comprises the valuation of the subject site as if vacant, and then the estimation of the depreciated value of the improvements. These figures are added to arrive at a market value indicator. The appraisers provided the value opinion of the site using comparable sales located in the subject market area and/or similar neighborhoods. Please refer to Land Value Estimate Section.

The replacement cost new of the improvements was estimated using the comparative unit method with the cost factors provided by the Marshall Valuation Services; an industry accepted cost estimation source, and market costs. The depreciation analysis was done using the age life method after a thorough inspection of the subject property.

After a thorough analysis of all components comprising the subject property, the market value of the subject property "as is", as per the Cost Approach, under conditions prevailing as of December 10, 2025, was concluded to be of:

$70,000
(SEVENTY THOUSAND DOLLARS)

FINAL RECONCILIATION

Reconciliation involves the analysis of alternative conclusions to arrive at a final value. The purpose of the reconciliation is to review the strengths and weakness of each of the valuation techniques to make a final value conclusion. Primarily focus is generally placed on the appropriateness, accuracy, and quality of the evidence for each valuation method. The property has been considered and analyzed with all the data available and factors which are believed to have an influence on its value. In this appraisal assignment two of the three approaches were developed: The Sales Comparison and Cost Approach.

This appraisal assignment covers the study, analyses and valuation of a residential property located within the Pueblo Ward of the Municipality of Dorado, PR. A detailed analysis of the location and physical characteristics of the subject property suggest a commercial highest and best use "as is".

After the analysis performed of the subject property and its neighborhood, as well as after thorough research and analysis of the economic factors affecting values in the area, including comparable sales and land sales, the Appraiser arrived at the following "as is" value estimates for the subject property:

Sales Comparison Approach-Usufruct Rights	**$66,000**
Cost Approach	**$70,000**

The Sales Comparison Approach

Regarding the Sales Comparison Approach, the appraisers were able to find three (3) transactions of similar and competitive properties in comparable neighborhood. These sales are considered reliable value indicators since they are the most recent sales with similar characteristics and same location. Therefore, the appraisers estimate that the Sales Comparison Approach carries significant importance in this analysis, since it is based on the principle of substitution, which states a typical purchaser will not pay for a property more than the price payable for similar properties with similar utility. The value indications are from $135,700 to $150,700. Market activity reflects a most probable rounded market value estimate of **$150,000** after rounded, for the subject property. The adjustments we considered are based on previous market extracted analysis for similar properties.

Finally, a market value of **$150,000** for the property less **$84,000.00** for the land value component, providing a subject rounded value conclusion of **$66,000** (150,000 - 80,000 = $66,000.00).

The Income Capitalization Approach

The indication of value obtained by the Cost Approach is representative of what it would cost a typical informed purchaser to build improvements similar to the subject property. The Cost Approach to value is based on an estimate of the market value of the site, assumed vacant and available for use, using the Sales Comparison Approach (Land Valuation) plus the Replacement Cost New of the improvements less depreciation. The market value of the land was extracted using the most recent comparable and competitive transactions of land purchased. In this particular case the land value was not included in the cost approach since this is a usufruct rights valuation.

The Replacement Cost New of the subject improvements was then estimated based on information furnished by the Marshall and Swift Valuation Service. Overall, the Cost Approach is a good supporting indicator that resulted in a value indication for the subject property of **$70,000**.

Market Value Conclusion

After analyzing physical, legal and economic aspects of the appraised property, its actual physical condition, the former commercial use constitutes the highest and best use of the subject property. In this particular case, the best indicator is to use the value obtained from the Sales Comparison Approach, providing a final value conclusion of **$66,000.00**

Consequently, after a thorough analysis of all components comprising the subject property, the final market value of the usufruct rights in the subject property, under the market conditions prevailing as of December 10, 2025is concluded at:

$66,000
(SIXTY-SIX THOUSAND DOLLARS)

CERTIFICATE OF THE APPRAISER

I certify, that to the best of our knowledge and belief,

1. The statements of facts contained in this report are true and correct.
2. The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and our personal, impartial, and unbiased professional analysis, opinions and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report, and we have no personal interest or bias with respect to the parties involved.
4. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
6. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice, applicable laws of the Commonwealth of Puerto Rico (ELA) Government, the Appraisal Foundation in compliance with Title XI of FIRREA and in compliance with Interagency Appraisal and Evaluation Guidelines (2010) and the appraisal requirements of the client.
8. The appraisal assignment was not based on the requested minimum valuation, specific valuation, or the approval of the loan.
9. Mr. Mr. Oscar A. Vazquez Vazquez (CGA) performed the interior inspection of the subject property.
10. Mr. José A. Martinez Del Valle (Appraiser) provided significant professional assistance to the person signing this appraisal report. The assistant appraiser provided important part regarding data recollection/analysis, neighborhood analysis and report writing.
11. We have performed prior service regarding the subject property as an appraiser within the three (3) year period immediately preceding the acceptance of this assignment.

Respectfully submitted,

Oscar A. Vazquez Vazquez
Real Estate Appraiser
Certificate No. 143GCA
State License No. 492EPA

CERTIFICACIÓN

YO, JOAN MANUEL RODRIGUEZ BLOISE, Secretario de la Legislatura Municipal de Dorado, Puerto Rico, por la presente **CERTIFICO:**

QUE la que antecede es copia fiel y exacta de la Resolución Núm. 127 Serie 2025-2028, Proyecto Núm. 340 Serie 2025-2028, aprobado por la Legislatura Municipal de Dorado, Puerto Rico, en la Cuarta Sesión Ordinaria- Tercera Reunión celebrada el día 10 de septiembre de 2026 y aprobada por el señor Aníbal José Torres, Alcalde del Municipio Autónomo de Dorado, el día 11 de septiembre de 2026.

CERTIFICO ADEMÁS, que dicha Resolución fue aprobada con el voto a favor de trece (13) legisladores municipales:

Hon. José Torres Archilla
Hon. Jonathan Medina Díaz
Hon. José E. Cartagena Rodríguez
Hon. Miguel A. Concepción Báez
Hon. Héctor J. López Salgado
Hon. Freyda Miranda Ríos
Hon. Fanny Morales Pérez
Hon. Ramón Hernández Morales
Hon. Adrián Huertas López
Hon. Gloria C. Pérez Reyes

QUE VOTARON ENCONTRA, los siguientes legisladores municipales:
Hon. Noel Matta Rodríguez
Hon. Elsa Melecio Freytes
Hon. Aníbal Rivera Acevedo

EN TESTIMONIO DE LO CUAL, libro la presente certificación bajo mi firma y sello oficial de la Legislatura, hoy 11 de septiembre de 2026.

Joan M. Rodríguez Bloise
Secretario Legislatura Municipal
LEGISLATURA MUNICIPAL DE DORADO

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