

**UNITED STATES DISTRICT COURT  
MIDDLE DISTRICT OF FLORIDA**

**SECURITIES AND EXCHANGE COMMISSION,**

**Plaintiff,**

**v.**

**KINETIC INVESTMENT GROUP, LLC and  
MICHAEL SCOTT WILLIAMS, CASE NO.: 8:20-cv-394-MSS-SPF**

**Defendants, and**

**KINETIC FUNDS I, LLC,  
KCL SERVICES, LLC d/b/a LENDACY,  
SCIPIO, LLC, LF 42, LLC, EL MORRO  
FINANCIAL GROUP, LLC, and KIH, INC.,  
f/k/a KINETIC INTERNATIONAL, LLC,**

**Relief Defendants.**

**RECEIVER’S MOTION FOR APPROVAL OF THE (1) PRIVATE SALE OF  
PUERTO RICO REAL PROPERTIES AND PARKING SPACES; AND (2)  
PROPOSED PUBLICATION, MARKETING, AND OVERBID PROCEDURES  
ASSOCIATED WITH THE SALE OF THE REAL PROPERTIES**

Mark A. Kornfeld, as Receiver and through the undersigned counsel, files this Motion seeking Court approval for both the proposed sale of, and specific procedures in the event there are statutory “bona fide offers” for, the following residential real property purchased in March 2017 by Defendant Michael Scott Williams in San Juan, Puerto Rico:

- Condominium Villa Gabriela, Apartment PH1-A/PH 1-B located at 109 De la Cruz Street, San Juan, Puerto Rico 00901;

- Condominium Villa Gabriella, Apartment 2-E located at 109 De la Cruz Street, San Juan, Puerto Rico 00901;
- Parking Space #321 located at Cochera San Francisco, Luna Street #204, San Juan, Puerto Rico 00901; and
- Parking Space #325 located at Cochera San Francisco, Luna Street #204, San Juan, Puerto Rico 00901.

(collectively, the “Properties”). Following extensive marketing efforts (which included indications of interest from over two dozen potential buyers), the Receiver ultimately agreed to sell the Properties for \$2,100,000.00 to Allan Rothstein (the “Purchaser”), as set forth in the Purchase and Sale Agreement attached as **Exhibit 1**.<sup>1</sup> The proposed sale price is 40% higher than the price previously paid by Williams using funds traceable to investor deposits. As detailed below, the Receiver seeks judicial confirmation of the sale of the Properties on a strictly “as is” basis either (i) to the Purchaser for a purchase price of \$2,100,000.00 pursuant to the Purchase and Sale Agreement; or (ii) to the highest, qualified buyer who hereafter timely submits the highest “bona fide offer” accepted by the Receiver pursuant to the terms and conditions set forth herein and approved by the Court (an “Overbidder”).

Regardless of whether the Properties are sold to Purchaser or any successful Overbidder, the Receiver requests entry of an Order allowing for the Receiver to proceed with the process set forth herein and complete the sale to Purchaser (or a successful Overbidder) without any further hearing or approval (but with notice

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<sup>1</sup> The specific legal descriptions (in Spanish) of each of the Properties are set forth in Exhibit A to the Purchase and Sale Agreement, which is incorporated herein for reference.

provided to the Court). The Receiver submits that the proposed sale and related procedures are commercially reasonable and will result in a net recovery of approximately **\$2 million** to the assets marshaled for the Receivership Estate. The Receiver requests that the Court (i) approve the proposed sale of the Properties along with the associated sale, notice, and overbid terms; and (ii) enter an Order, in substantially the form attached as **Exhibit 2**, authorizing him to sell the Properties free and clear of all claims, liens, and encumbrances.

In support, the Receiver states as follows:

## **I. INTRODUCTION**

In March 2017, Defendant Williams caused a purported loan of approximately \$1.5 million to be made to himself from several Receivership Entities, the proceeds of which were then used to purchase the Properties in Williams' personal capacity. The funds used to make the loan were directly traceable to investor deposits. Following the institution of this proceeding, Williams and/or his family members continued to reside in the penthouse unit of the Properties for a short time prior to the Receiver obtaining title and possession of the Properties in 2021 – as set forth in the Court-approved Stipulation entered into between the Receiver and Williams (Docs. 103, 105). Upon taking possession of the Properties, it was evident that both units were in need of repairs – including significant necessary repairs for the penthouse unit from delayed (or ignored) maintenance. The Receiver, with the assistance of his Puerto Rico listing agent, then worked to prepare the Properties to be listed for sale.

After being listed for sale in early 2022, the Properties received significant interest. The Receiver ultimately determined to enter into the Purchase Agreement to sell the Properties to Purchaser for \$2,100,000.00 – the highest offer received by the Receiver’s listing agent. As set forth in the Purchase Agreement, the sale of the Properties is subject to certain notice, overbid, and other procedures in accordance with 28 U.S.C. § 2001. *See* Exh. 1 at ¶ 2. After the expected payment of reduced broker commissions as well as standard costs deducted from the gross proceeds at closing, the Properties’ sale is expected to generate approximately \$2 million in net proceeds for the Receivership Estate. The Receiver submits that the proposed sale price is reasonable, represents fair value, and is without question, in the Receivership Estate’s best interests.

## **II. RELEVANT BACKGROUND**

On February 20, 2020, Plaintiff Securities and Exchange Commission (the “Commission”) filed a complaint (the “Complaint”) (Doc. 1) in the United States District Court for the Middle District of Florida (the “Court”) alleging violations of federal securities laws against Defendants Kinetic Investment Group, LLC (“Kinetic Investment Group”) and Michael S. Williams (“Williams”) and Relief Defendants Kinetic Funds I, LLC (“Kinetic Funds”), KCL Services, LLC d/b/a Lendacy (“Lendacy”), Scipio, LLC (“Scipio”), LF 42, LLC, El Morro Financial Group, LLC, and KIH Inc., f/k/a Kinetic International, LLC (collectively, the “Receivership Entities”). At the Commission’s request, the Court entered an Order on March 6, 2020 (Doc. 34), appointing Mark A. Kornfeld as Receiver (the “Receiver”) over the



Receivership Entities and directing him to, among other things, identify, secure and marshal the Receivership Entities' assets for the benefit of defrauded victims.

**A. Procedures Applicable To The Sale Of Real Property**

On June 4, 2020, the Receiver filed his Liquidation Plan setting forth his proposed plan to liquidate and distribute assets recovered for the Receivership Estate. Doc. 92. With respect to real property assets, the Liquidation Plan referenced Paragraphs 32 and 33 of the Order Appointing Receiver authorizing the Receiver to engage the services of a real estate broker and to list any real property asset for sale in the manner the Receiver deems most beneficial to the Receivership Estate. *Id.* at pp. 4-7. The Plan indicated that the Receiver will use commercially reasonable efforts to market any potential real property and subsequently seek the Court's approval of any offer the Receiver determines to accept pursuant to 28 U.S.C. § 2001.

Specifically, 28 U.S.C. § 2001(b) ("Section 2001(b)") establishes the following procedures for a private sale of real property:

After a hearing, of which notice to all interested parties shall be given by publication or otherwise as the court directs, the court may order the sale of such realty or interest or any part thereof at private sale for cash or other consideration and upon such terms and conditions as the court approves, if it finds that the best interests of the estate will be conserved thereby. Before confirmation of any private sale, the court shall appoint three disinterested persons to appraise such properties or different groups of three appraisers each to appraise properties of different classes or situated in different localities. No private sale shall be confirmed at a price less than two-thirds of the appraised value. Before confirmation of any private sale, the terms thereof shall be published in such newspaper or newspapers of general circulation as the court directs at least ten days before confirmation. **The private sale shall not be confirmed if a bona fide offer is made, under conditions prescribed by the court, which**

**guarantees at least a 10 per centum increase over the price offered in the private sale. 28 U.S.C. §2001(b).**

(emphasis added). The Receiver is, pursuant to his appointment, bound to comply with the statutory requirements, including (i) the appointment of three disinterested persons to appraise the Properties; (ii) the sale price must meet or exceed two-thirds (2/3) of the appraised value; (iii) the publication of the terms of the sale in a newspaper of general circulation as the Court directs at least ten (10) days before the final confirmation of the sale; and (iv) the private sale cannot be confirmed if a subsequent bona fide offer is made, under conditions approved by the Court, which guarantees at least a ten percent (10%) increase over the initial proposed sale price.

#### **B. The Properties**

As alleged by the Commission, investor monies were wrongfully converted and used by Williams to purchase at least two parcels of real estate located in San Juan, Puerto Rico. Doc. 1 ¶¶ 34-36. One of these purchases included two condo units and associated parking at Villa Gabriella in San Juan, Puerto Rico, which were purchased by Williams on or around March 22, 2017 for \$1,500,000. *See* Doc. 72 ¶ 11. The Properties consist of (i) penthouse units PH-1A and PH-1B, which were combined into a single three-bedroom, two-and-a-half bedroom unit with over 5,000 square feet of living space; (ii) a two-bedroom, one-bathroom unit with 1,232 square feet; and (iii) two reserved parking spaces across the street from Villa Gabriela.

When Williams purchased the Properties in March 2017, the purchase agreement signed by Williams provided (and the recorded deed confirmed) that

Williams – not Kinetic Funds or any Receivership Entity – would be purchasing the property in his personal capacity. Given that the titling of the Properties in Williams’ personal capacity initially placed them out of the Receiver’s authority, the Receiver was not able to immediately secure and/or visit the Properties upon his appointment. After investigating the circumstances surrounding the Properties, the Receiver filed his Motion for Possession of and Title to Residential Real Property Purchased by Defendant Williams in San Juan, Puerto Rico and the supporting Declaration (collectively, the “Turnover Motion”) (Docs. 71-72). The Turnover Motion alleged that Williams directed the transfer of approximately \$1.5 million in investor funds from Kinetic Funds’ primary bank account to ultimately be paid to various third parties for the purpose of purchasing the Properties. Doc. 72 ¶ 12. The Receiver thus requested that the Court order that title and possession of the Properties be turned over from Williams to the Receiver.

Before the Court ruled on the Turnover Motion, the Receiver and Williams entered into a Stipulation to resolve the Turnover Motion which, in relevant part, provided for Williams’ agreement to maintain the Properties and to vacate the Properties in the event that the case was not resolved at a later mediation. Notably, the Stipulation also provided that (i) any tenants or personal guests in the penthouse unit would vacate the property within 15 days after an unsuccessful mediation, (ii) sufficient insurance coverage would be maintained on the Condominium Units at all times, (iii) Mr. Williams would immediately notify the Receiver of any defect, necessary repair, or damage to the units, and (iv) in the event the Receiver sought to

sell the Properties, Mr. Williams agreed that “any arguments regarding the propriety of or basis for turnover of the Puerto Rico Condos to the Receiver (\*or the status of the Tenants) are precluded and moot as a result of this Stipulation.” Doc 103.

The Court subsequently approved the Stipulation (Doc. 105). After the mediation resulted in an impasse, the Receiver began taking steps to market and sell the Properties which are further discussed below. However, Williams resisted the Receiver’s efforts to prepare the Properties to be listed for sale, claiming that several of his family members were residing in the penthouse unit of the Properties – including Williams’ girlfriend’s mother who was purportedly undergoing various medical treatment.<sup>2</sup> Given the ongoing COVID-19 pandemic and the significant restrictions implemented in Puerto Rico, including an extended lockdown, the Receiver initially attempted to work with Williams to negotiate a resolution whereby Williams’ family members would vacate the unit.

The Receiver was subsequently made aware of information causing him to question Williams’ representations that his family members were continuing to reside in the penthouse unit, including information that the unit had been vacant for some time and that there had been complaints about overdue repairs. Based on this information, the Receiver commenced efforts to transfer title of the Properties from Williams to the Receiver pursuant to the Stipulation. During that process, it was

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<sup>2</sup> This was despite Williams’ agreement in the Stipulation that “any Tenants or personal guests in the Penthouse unit will vacate the Condominium on or before 15 calendar days” following an unsuccessful mediation. Doc. 103 ¶ 12.

discovered that two previous mortgages which encumbered the Properties prior to Defendant Williams' purchase had been satisfied at the time of Williams' purchase but that appropriate documentation had not been prepared evidencing that satisfaction. The Receiver understood that this deficiency could complicate or prevent any future sale of the Properties. As a result, the Receiver's local counsel in Puerto Rico undertook efforts to (i) transfer title of the Properties from Williams to the Receiver, and (ii) identify and communicate with the appropriate party responsible for ensuring that necessary documents were prepared and filed reflecting the satisfaction of the previous mortgages.

These efforts ultimately were successful and resulted in the successful transfer of title of the Properties to the Receiver and the resolution of the lingering title issues. After the Receiver's listing agent obtained access to the Villa Gabriela units in early December 2021, it was apparent that the units had been vacant for some time and were in need of various and significant repairs from the failure to perform regular maintenance and upkeep. Indeed, the Receiver was contacted by the owner of the unit directly below the penthouse unit who indicated he had unsuccessfully asked Williams for several years to fix various issues – including water leaks. The Receiver also learned from counsel for the Villa Gabriela homeowner's association that the required monthly fees were delinquent and in arrears since at least 2020.

**C. The Receiver's Marketing Efforts and Offers to Purchase the Properties**

Following the unsuccessful mediation between the Commission and Defendant Williams in late 2020, the Receiver began efforts to market and list the Properties for sale. This included taking steps to comply with Section 2001(b)'s requirement that three appraisals be obtained of the real property to be sold. These efforts were complicated given the significant preventative measures imposed by the Puerto Rican government as a result of the COVID-19 pandemic, including lockdowns, curfews, and restrictions on in-person contact. As a result, the Receiver determined to initially commission two appraisals that were based only on exterior inspections and comparisons with previous similar sales.<sup>3</sup> These two appraisals were provided to the Receiver in late 2020, and estimated that the two condos and the corresponding parking spaces comprising the Properties had an "as-is" value of \$1,580,000.00 and \$1,771,000.00, respectively.

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<sup>3</sup> Courts have approved a court-appointed receiver's compliance with Section 2001(b)'s appraisal requirement by using one or more broker price opinions, which is a written analysis prepared by a licensed real estate professional who provides an estimated market price for a specific piece of real property based upon, among other things, a site inspection and a comparison to similar completed and current property listings, with courts noting that the property was listed on the open market with the assistance of a listing agent and a sales price was obtained after a competitive bidding process. *See SEC v. Equialt LLC, et al.*, Case No. 8:20-cv-00325, Doc. 189 (M.D. Fla. 2020) (approving sale of real estate based on three BPO's); *CFTC v. Oasis International Group, Limited, et al.*, Case No. 8:19-cv-886, Doc. 330 (M.D. Fla. 2020) (same); *SEC v. Property Income Investors, LLC et al.*, Case No. 0:21-cv-61176, Docs. 32-33, 40-42, 69 (S.D. Fla. 2021) (same); *Stooksbury v. Ross*, 2014 WL 11638563, at \*2 (E.D. Tenn. 2014) (approving request to waive appraisal requirement given Court's discretion to determine appropriate relief in receivership and fact that property was for sale on open market and exceeded property assessor's appraised value.)

The Receiver was subsequently able to arrange for a third appraisal in 2021 in which the appraiser had access to the interior of the Properties' condo units. That appraisal estimated the as-is value of the combined Properties to be \$1,523,000.00, observing "physical deterioration noted" as well as normal wear and tear in both condo units. Copies of each of the three appraisals are attached hereto as **Exhibit 3**.

After obtaining the three appraisals, which estimated the average value of the Properties to be \$1.624 million, the Receiver then was able to gain access to the Properties following his successful efforts to obtain title and possession to the Properties. The listing agent, Benjamin Rivera from ODV Appraisal Group, had previously assisted the Receiver with the sale of the Banco Espanol building (Doc. 206) and again agreed to a discounted commission rate of three percent (3%) of the purchase price. Mr. Rivera visited the Properties, prepared necessary marketing materials and prepared and listed the Properties for sale in February 2022 for a total price of \$3 million (with the understanding that significant repairs would be necessary for the penthouse unit). A copy of those marketing materials was also published on the Receiver's public website at [www.kineticreceivership.com/assets-for-sale](http://www.kineticreceivership.com/assets-for-sale). These efforts were complicated given the onset of the Omicron COVID-19 variant in late 2021 and early 2022.

The Receiver received numerous expressions of interest as a result of the Listing Agent's efforts, including over two dozen sales leads that resulted in twelve showings of the Properties to prospective buyers. These efforts resulted in multiple offers from interested parties ranging from \$1.08 million to \$2.1 million. Of note,

many of the prospective buyers declined to make an offer given the numerous repairs that would need to be made to the penthouse (and, to some extent, also to the smaller unit). The Receiver ultimately determined to accept Purchaser's \$2.1 million offer, which was a cash offer, did not contain any inspection or financing contingencies, and was **three hundred thousand dollars (\$300,000)** above the next-highest offer. After arms-length negotiations over material terms, the Receiver and Purchaser entered into the fully-executed Purchase Agreement during March 2022, and thereafter Purchaser deposited sixty-three thousand dollars (\$63,000.00) as earnest money with the Receiver's Listing Agent. The Purchase Agreement provides that the sale of the Properties is contingent upon the Court's approval as well as the satisfaction of the requirements set forth in 28 U.S.C. § 2001.

**D. Encumbrances on the Properties to be Resolved at or Before Closing**

The Receiver understands that the monthly homeowner's association fees for both of the condo units are significantly delinquent, and the Receiver intends to satisfy these outstanding amounts at or before closing. In addition, the Receiver intends to ensure that all outstanding real estate taxes are paid at or before closing. With the exception of these issues, the Receiver is not aware of any other liens or encumbrances on the Properties. In the event that any administrative liens or other encumbrances are discovered, to the fullest extent possible, they will be resolved efficiently and routinely at closing.



## **E. Proposed Publication And Overbid Procedures**

Section 2001(b) sets forth specific publication and overbid procedures governing a receiver's private sale of real property. The Receiver respectfully proposes the following publication and overbid procedures for the sale of the Properties:

### **1. Publication/Notice**

Section 2001(b) provides that the terms of a Receiver's proposed private sale of real property "shall be published in such newspaper or newspapers of general circulation as the court directs at least ten days before confirmation." The Receiver proposes that he publish the terms of the sale of the Properties for one day at least ten days prior to confirmation of any sale in the *Sarasota Herald Tribune* and the *El Nuevo Dia* (collectively, the "Newspapers"), which are each newspapers of general circulation in Sarasota, Florida, and Puerto Rico, respectively.<sup>4</sup> A copy of the proposed notice (the "Notice") is attached as **Exhibit 4**. The Receiver will also publish this Motion and the Notice on his website – [www.kineticreceivership.com](http://www.kineticreceivership.com) – within two business days of the Court's entry of an Order on this Motion.

### **2. Overbid Procedures**

Section 2001(b) also provides that a proposed private sale of real property cannot be confirmed if a higher bona fide offer is subsequently made "under conditions prescribed from the Court." The Receiver respectfully proposes the following overbid procedures govern any and all third party interest for submitting a formal bona fide

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<sup>4</sup> *El Nuevo Dia* is a newspaper of general circulation in Puerto Rico where the Properties are located.

offer to purchase the Properties after publication and notice and during the ten-day statutory window:

- Any party wishing to submit an overbid in excess of the current purchase price (an “Overbidder”) must provide Receiver’s Listing Agent with a qualified, written bona fide offer to purchase the Properties on or before the tenth day following publication of the Notice in the Newspapers consisting of a **cash offer** equal to or greater than two million three hundred ten thousand dollars (**\$2,310,000.00**) (the “Written Overbid”) (reflecting at least a ten percent (10%) increase over the purchase price set forth in the Purchase Agreement);
- Any Overbidder must then provide the Receiver’s Listing Agent with an earnest money deposit consisting of 3% of the proposed purchase price (the “Deposit”) to be delivered to the Listing Agent via certified check or wire transfer within 48 hours of the Written Overbid being submitted, with the Deposit applied to and credited towards the final purchase price if Overbidder is selected by the Receiver as the ultimate purchasing party. In the event Overbidder is not selected by the Receiver as the ultimate purchasing party, the Deposit shall be fully refundable;
- Any Overbidder must timely provide any and all financial and banking information required by the Receiver to demonstrate, in the Receiver’s sole opinion and judgment, the prospective Overbidder’s ability to complete and close a **cash purchase** of the Properties, including but not limited to a Bank Comfort Letter and/or “Proof of Funds” confirmation;
- Any Overbidder submitting a bona fide offer to purchase the Properties to the Receiver shall also be deemed to have (i) completed and/or have waived all inspections of the Properties, (ii) waived and/or removed all contingencies in favor of the buyer under any Purchase and Sale Agreement including without limitation, any contingencies pertaining to inspection of title, and (iii) agreed to timely execute a Purchase and Sale Agreement in substantially the same form, and with all of the same governing terms and conditions, as exist in the current Purchase Agreement attached as **Exhibit 1**;
- In the event any Overbidder(s) submits any offer(s) on or before the tenth day following publication of the Notice in the Newspapers, the Receiver shall negotiate in good faith and confidentially with any Overbidder(s) as well as the original Purchaser. In the Receiver’s sole discretion and business

judgment, communicated strictly through his Listing Agent, this may result in the Receiver's request for all interested parties to submit a confidential "best and final" offer and purchase terms. Upon the receipt of all timely best and final offers, and in the Receiver's sole discretion and through his exercise of business judgment, the Receiver shall choose a final purchaser that he deems to have provided the offer that is in the best interests of the Receivership Estate and submit notice to the Court without the need for any further order from this Court<sup>5</sup>; and

- In the event that the Receiver is not provided with any timely bona fide offer(s) on or before the tenth day following publication of the Notice in the Newspapers, the Receiver will notify the Court and proceed with closing the sale of the Properties to Purchaser as set forth in the Purchase Agreement without the need for any further order from this Court.

The Receiver believes these proposed procedures both comply with Section 2001(b) and also provide for an efficient roadmap to complete the sale of the Properties.

### III. ARGUMENT

#### A. Legal Standard

Federal courts have broad powers and wide discretion to determine relief in an equity receivership, including the authority to authorize the sale or transfer of real estate within a receivership. *SEC v. Elliott*, 953 F.2d 1560, 1566 (11th Cir. 1992); *SEC v. Hardy*, 803 F.2d 1034, 1038 (9th Cir. 1986). The Court's wide discretion derives from the inherent powers of an equity court to fashion relief. *Elliott*, 953 F.2d at 1566; *SEC v. Safety Finance Service, Inc.*, 674 F.2d 368, 372 (5th Cir. 1982). A court imposing a receivership assumes custody and control of all assets and Properties of the receivership, and it has broad equitable authority to issue all orders necessary for the

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<sup>5</sup> In the event the final purchaser is not Purchaser, the Receiver will return Purchaser's earnest money deposit.

proper administration of the receivership estate. *See SEC v. Credit Bancorp Ltd.*, 290 F.3d 80, 82-83 (2d Cir. 2002); *SEC v. Wencke*, 622 F.2d 1363, 1370 (9th Cir. 1980).

The court may enter such orders as may be appropriate and necessary for a receiver to fulfill his duty to preserve and maintain any real property(ies) and funds within the receivership estate. *See, e.g., Official Comm. Of Unsecured Creditors of Worldcom, Inc. v. SEC.*, 467 F.3d 73, 81 (2d Cir. 2006). Any action taken by a district court in the exercise of its discretion is subject to great deference by appellate courts. *See United States v. Branch Coal*, 390 F.2d 7, 10 (3d Cir. 1969). Such discretion is especially important considering that one of the ultimate purposes of a receiver's appointment is to provide a method of gathering, preserving, and ultimately liquidating assets to return funds to creditors. *See Safety Fin. Serv., Inc.*, 674 F.2d 368, 372 (5th Cir. 1982) (court overseeing equity receivership enjoys "wide discretionary power" related to its "concern for orderly administration") (citations omitted).

Courts routinely approve a receiver's request to sell real property based on compliance with Section 2001. *See, e.g., U.S. v. Brewer*, Case No. 07-cr-90, Doc. 541 at \*2 (M.D. Fla. May 12, 2009) (granting private sale of real Properties after compliance with Section 2001 requirements); *SEC v. Nadel*, Case No. 09-cv-00087, Doc. 1446 (M.D. Fla. October 28, 2020) (same); *FTC v. NPB Advertising, Inc. at al.*, Case No. 14-cv-01155, Doc. 158 (M.D. Fla. Aug. 1, 2017) (same). Courts have also exercised their discretion to approve the sale of real Properties based on substantial compliance with Section 2001, including cases where the receiver obtained less than three appraisals.

*See, e.g., SEC v. Patrick Kirkland et al.*, 2009 WL 1439087 (M.D. Fla. 2009) (finding substantial compliance with Section 2001(b)'s appraisal requirements based on a single appraisal); *SEC v. Global Online Direct, Inc.*, Case No. 1:07-CV-0767-WSD, Order Granting Receiver's Mot. For Order Authorizing the Sale of Certain Properties (N.D. Ga. 2009) ("The Court hereby relieves the Receiver from the provisions of 28 U.S.C. §§ 2001-2002"); *SEC v. Stanley J. Kowalewski et al.*, Case No. 1:11-cv-0056-TCB, Order Granting Receiver's Motion for Approval of Private Sale of Real Properties (N.D. Ga. 2012) (finding compliance with 28 U.S.C. § 2001(b) despite receiver not obtaining three appraisals for the property). This Court has also approved identical procedures in the Receiver's previous sale of a separate parcel of real property in this proceeding. *See* Doc. 206.

**B. The Court Should Approve The Proposed Sale And Overbid Procedures**

As noted above, the Receiver is authorized to proceed with a private sale of real estate (the Properties) under 28 U.S.C. § 2001 provided that:

- (a) The sale is for at least two-thirds of the average appraised value of the Properties;
- (b) The appraised value of the Properties was established by three disinterested appraisals of the Properties;
- (c) The Court finds the sale serves the best interests of the Receivership Estate;

(d) The terms of the proposed sale are published in a newspaper of general circulation as directed by the Court and at least ten days before confirmation; and

(e) There is no bona fide offer made at least ten (10%) higher than the proposed sale price made under the Court's prescribed conditions.

The Receiver submits that the proposed sale and related sale, publication, and overbid procedures fully comply with 28 U.S.C. § 2001 and that this Motion should be granted.

**First**, the Receiver has satisfied the appraisal and publication requirements by (i) presenting three appraisals of the Properties prepared by disinterested individuals, (ii) securing a sale price that is in excess of the required two-thirds of the average appraised value of the Properties; and (iii) proposing the publication of the proposed sale and its terms in the *Sarasota Herald Tribune* and the *El Nuevo Dia* at least ten days prior to confirmation. The Receiver has attached the three appraisals of the Properties as **Exhibit 3**. The proposed \$2.1 million sale price satisfies Section 2001(b)'s appraisal requirement because it exceeds (and is nearly double) \$1,088,526.67, which represents two-thirds of the average of the three appraisals.<sup>6</sup> The proposed sale price is also higher than each of the three appraisals. The Receiver has attached his proposed Notice, attached as **Exhibit 4**, to be published in the *Sarasota Herald Tribune* and *El Nuevo Dia* as directed by the Court. The Receiver requests that the Court approve the appointment of the three appraisers and the

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<sup>6</sup> The average of the three appraisals is \$1,624,666.67. 67% of that amount is \$1,088,526.67.

Receiver's compliance with Section 2001(b)'s appraisal and publication requirements.

**Second**, the Receiver submits that he has proposed fair, equitable and sufficient procedures in the event that a third party seeks to submit a bona fide offer as an Overbidder pursuant to Section 2001(b).

**Third**, the sale of the Properties is in the best interest of, and will result in significant benefits to, the Receivership Estate. The Receiver has used his good faith and business judgment to realize what he believes is the highest price possible for the Properties in an arms' length transaction with an independent third-party Purchaser and with the opportunity to receive a higher amount if a timely and qualified bona fide offer is submitted by, and ultimately accepted from, an Overbidder.

The Court's approval of the Properties' sale will also accomplish a principal objective of the Receivership to secure and convert sizeable recovered assets to cash that can be distributed to approved claimants through the Court-approved claims process. The proposed sale to Purchaser, or an Overbidder, will result in the additional deposit of approximately **\$2 million** of net proceeds into the Estate. The proposed sale will also relieve the Receiver from any further maintenance, costs or expenses related to the Properties, including what the Receiver understands to be various necessary repairs. The Receiver is not aware of any lien or other encumbrance on the Properties, and the sale of the Properties free and clear of any such liens or

encumbrances will result in the maximum benefit for the Receivership Estate.<sup>7</sup> In sum, the Receiver submits that the proposed Purchase and Sale Agreement, including the proposed notice, overbid, and publication procedures, is commercially reasonable and in the best interests of the Estate.

**WHEREFORE**, the Receiver respectfully requests that this Court enter an order substantially similar to the proposed order attached as **Exhibit 2**:

1. Accepting and taking judicial notice of the three attached appraisals of the Properties attached as **Exhibit 3**;
2. Approving and authorizing the Purchase Agreement attached as **Exhibit 1** to this Motion or any purchase agreement entered into with a successful Overbidder containing similar terms and conditions as the Purchase Agreement;
3. Approving and authorizing the form and manner of publication of the Notice attached as **Exhibit 4** to this Motion;
4. Approving and authorizing the private sale of the below-described Properties to Purchaser, or Overbidder if a bona fide and written offer to purchase the Properties is received and ultimately accepted pursuant to the overbid procedures set forth above:

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<sup>7</sup> This Court's broad authority over the Receivership Estate includes the equitable power "to sell Properties free of liens, transferring the lien to the proceeds." *Seaboard Nat'l Bank v. Rodgers Milk Products Co.*, 21 F.2d 414, 416 (2nd Cir. 1927). "It has long been recognized that under appropriate circumstances, a federal court presiding over a receivership may authorize the assets of the receivership to be sold free and clear of liens and related claims." *Regions Bank v. Egyptian Concrete Co.*, 2009 U.S. Dist. LEXIS 111381 at \*18-19 (E.D. Mo. Dec. 1, 2009) (citations omitted).



- Condominium Villa Gabriela, Apartment PH1-A/PH 1-B located at 109 De la Cruz Street, San Juan, Puerto Rico 00901;
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- Parking Space #321 located at Cochera San Francisco, Luna Street #204, San Juan, Puerto Rico 00901; and
- Parking Space #325 located at Cochera San Francisco, Luna Street #204, San Juan, Puerto Rico 00901

5. Ordering the Receiver to transfer title to the Properties to the Purchaser (or successful Overbidder) free and clear of liens, claims, encumbrances and other interests;

6. Granting this Motion without a hearing if there is no objection; and

7. Granting any and all such other and further relief as may be just, proper and equitable in carrying out the intent and purposes of this Motion.

**LOCAL RULE 3.01(g) CERTIFICATION**

Pursuant to Local Rule 3.01(g), the undersigned certifies that counsel for the Receiver conferred with counsel for the Commission and counsel for Defendant Michael Williams prior to filing this Motion. Counsel for the Commission has indicated they do not object to the requested relief, while counsel for Defendant Williams indicated they oppose the requested relief.

Respectfully submitted,

**BUCHANAN INGERSOLL & ROONEY**

**PC**

By: /s/ Lauren V. Humphries, Esq.

Lauren V. Humphries, Esq.

(FBN 117517)

401 E. Jackson St., Suite 2400

Tampa, FL 33602

Telephone: (813) 222-1141

Facsimile: (813) 222-8189

Email: [lauren.humphries@bipc.com](mailto:lauren.humphries@bipc.com)

*Attorneys for Receiver Mark A. Kornfeld*

**CERTIFICATE OF SERVICE**

**I HEREBY CERTIFY** that on this 1st day of April, 2022, I electronically filed the foregoing with the Clerk of the Court by using the CM/ECF system which will send a Notice of Electronic Filing to the following counsel of record:

Christine Nestor, Esq.  
Stephanie N. Moot, Esq.  
John T. Houchin, Esq.  
Barbara Viniegra, Esq.  
Securities and Exchange Commission  
801 Brickell Avenue, Suite 1950  
Miami, FL 33131  
[nestorc@sec.gov](mailto:nestorc@sec.gov)  
[moots@sec.gov](mailto:moots@sec.gov)  
[houchinj@sec.gov](mailto:houchinj@sec.gov)  
[viniegrab@sec.gov](mailto:viniegrab@sec.gov)  
*Counsel for Plaintiff*

Timothy W. Schulz, Esq.  
Timothy W. Schulz, P.A.  
224 Datura Street, Suite 815  
West Palm Beach, FL 33401  
[e-service@twsllegal.com](mailto:e-service@twsllegal.com)

Jon A. Jacobson, Esq.  
Jacobson Law, P.A.  
224 Datura Street, Suite 812  
West Palm Beach, FL 33401  
[jjacobson@jlpa.com](mailto:jjacobson@jlpa.com)  
[e-service@jlpa.com](mailto:e-service@jlpa.com)  
*Counsel for Defendant Michael Williams*

/s/ Lauren V. Humphries

Attorney

SEC vs. Kinetic Investment Group, LLC, et al  
CASE NO.: 8:20-cv-394

## EXHIBIT “1”

## **PURCHASE AND SALE AGREEMENT**

**THIS PURCHASE AND SALE AGREEMENT** (this "Agreement") dated March 18, 2022 is entered into by and between Mr. Mark Kornfeld, solely as the Court-appointed SEC Federal Equity Receiver of Kinetic Investment Group, LLC, et al., under case number 8:20-cv-00394-WFJ-SPF (the "Seller"), of legal age, married and resident of Tampa, FL and Allan Rothstein, a \_\_\_\_\_, duly organized under the laws of the commonwealth of Puerto Rico, represented by \_\_\_\_\_, (the "Purchaser"), of legal age, \_\_\_\_\_ (collectively, the "Parties").

### **WITNESSETH**

**WHEREAS**, Mark A. Kornfeld, as Receiver of Kinetic Investment Group, LLC is the owner in fee simple ("*pleno dominio*") of the real property more particularly described in Exhibit A attached hereto and made to form a part hereof (the "Property");

**WHEREAS**, on March 6, 2020, United States District Judge William F. Jung entered an Order in the case styled *Securities and Exchange Commission v. Kinetic Investment Group, LLC et al*, Case No. 8:20-cv-394-T-35SPF (M.D. Fla.) (the "Receivership Action") appointing Mr. Mark A. Kornfeld as Receiver over various entities including Kinetic Investment Group, LLC ("Kinetic"), and directed him to, among other things, marshal assets for the entities placed in receivership including Kinetic (the "Receivership Entities"). The Receiver has full authority to sell the Property with approval of the United States District Court for the Middle District of Florida overseeing the Receivership Action (the "Receivership Court"). Mr. Mark A. Kornfeld is acting solely in his capacity as Receiver of Kinetic and, as such, shall have no personal or individual liability of any kind, and makes no representation of any kind whatsoever in his personal or individual capacity;

**WHEREAS**, on October 6, 2021, the United States District Court for the District of Puerto Rico entered an Order and Writ to the Registrar of Property in San Juan, Puerto Rico directing the Registrar to transfer title of the Property in fee simple in favor of "Mark A. Kornfeld, as Receiver for Kinetic Investment Group, LLC et al.";

**WHEREAS**, on July 6, 2020, the Receiver Mark A. Kornfeld and Defendant Michael Scott Williams, entered a Joint Stipulation in which Mr. Williams transfers title to the property herein described in Exhibit A to the Receiver.

**WHEREAS**, the Registrar of Property in San Juan, Puerto Rico transferred title to the Property to the Seller on November 15, 2021;

**WHEREAS**, Seller has agreed to sell the Property (as such term is hereinafter defined) to Purchaser and Purchaser has agreed to purchase the Property from Seller, on the terms and conditions hereinafter provided;

**NOW, THEREFORE**, in consideration of the mutual covenants herein contained and other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged by the Parties, the Parties hereto, intending to be legally bound, hereby agree as follows:

1. **Property**: The Seller agrees to sell and convey, and Purchaser agrees to purchase and pay for, all pursuant to the terms and conditions hereinafter set forth, the Property consisting of all of Seller's right, title, and interest in and to the Property, more particularly described on Exhibit "A" attached hereto.

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The Property shall include all appurtenant rights, privileges, and easements, all buildings and improvements, free from all encumbrances whatsoever, except restrictions and easements of record, zoning ordinances, and taxes and assessments, both general and special, not currently due and payable.  
**PROPERTY SOLD "AS IS".**

(a) **As-Is Sale.** Purchaser hereby agrees that to the maximum extent permitted by applicable law, the purchase and sale of the Property is made and shall be made without recourse on Seller or based on any representation or warranty of any kind (whether express, implied or statutory) by Seller. The purchase and sale of the Property shall be on an "**AS IS, WHERE IS**" basis, with all faults and without any representation or warranty (all of which Seller hereby disclaims). The Purchaser understands and agrees that the property is offered, purchased, and accepted by the Purchaser **AS IS** and **WITH ALL FAULTS** including any structural or cosmetic faults or hazards as well as any building violations for the building as a whole that may apply. The Seller makes no warranties or guarantees whatsoever whether written, oral, or implied as to quality, condition or habitability. Purchaser acknowledges that they have entirely relied on their own information, judgment and inspection of the Property and do not and have not relied on any representations or warranties by Seller. The Purchaser also represents that it has had the opportunity to conduct ample due diligence into the Property.

(b) **Condition of the Property.** Purchaser acknowledges and agrees to purchase the Property on an "As Is, Where Is" basis, with all faults and without representations, express or implied, of any type, kind, character or nature, including but not limited to the suitability of the Property for any use, and without warranties, express or implied, of any type, kind, character or nature, including but not limited to, suitability of the Property for any use, and without recourse, express or implied, of any type, kind, character or nature. The Seller has not made, makes or has authorized anyone to make, any representation or warranty as to any environmental condition, under or around the Property, including whether the Property contains asbestos, radon or any hazardous materials or harmful or toxic substances, or pertaining to the extent, location or nature of the same, if any. Purchaser will not make any claims or bring any cost recovery action or claim for contribution or other action against the Seller for any reason, including structural, cosmetic, or environmental issues including any issues arising from or relating to the presence or alleged presence, discharge, disposal, release or escape of any hazardous materials or harmful or toxic substances in, on, under or about the Property, including claims under or on account of (i) the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as the same may have been or may hereafter be amended, and similar state statutes, and any regulations promulgated thereunder, (ii) any other federal, state, or local law, ordinance, rule or regulation, now or hereafter in effect, that deals with or otherwise in any manner relates to environmental matters of any kind, (iii) this Agreement or (iv) the common law.

(c) **Possession of the Property.** Unless otherwise agreed to by the Parties, Purchaser shall take possession of the Property on the Closing Date. Seller agrees to vacate the Property on or prior to the Closing Date.

2. **Purchase Price And Contingencies:** The Purchase Price shall be Two Million One Hundred <sup>THOUSAND</sup> <sup>MDK</sup> Dollars and 00/100 (\$ 2,100,000 .00).

This Agreement is contingent upon (1) approval by the Receivership Court, (2) compliance with the requirements set forth by 28 U.S.C. § 2001, and (3) the non-receipt by Seller of a bona fide offer, under conditions prescribed by the Court, as described in 28 U.S.C. § 2001(b) (a "Bona Fide Offer"). Purchaser understands and acknowledges that 28 U.S.C. § 2001(b) prohibits the Receivership Court's approval and confirmation of the transaction contemplated by this Agreement if Seller receives a Bona Fide Offer. As such, upon receipt of a Bona Fide Offer, Seller shall have the exclusive right to terminate this Agreement, and Purchaser's sole and exclusive remedy for such termination is limited to the return of its Earnest Money Deposit, as defined and set forth below. If the Seller does not receive a Bona Fide



Offer after compliance with the publication procedures required by 28 U.S.C. § 2001(b), this Agreement is further contingent upon Seller obtaining an Order in substantially the form as the Order attached as Exhibit B (the "Order") approving the sale of the Property described in Exhibit A to Purchaser free and clear of all liens, claims, encumbrances, and restrictions as provided for in the order of the Receivership Court approving this transaction (collectively, the "Contingencies").

In the event that Seller receives a Bona Fide Offer or the Receivership Court does not approve of the sale of the Property, i.e., if the Contingencies are not satisfied on or before the Closing Date, Purchaser acknowledges and agrees that its sole and exclusive remedy is to seek return of the Earnest Money Deposit, as defined below, from Seller. This Agreement, when duly executed by the Parties, constitutes the express waiver in writing of any other remedy, whether legal or equitable, that may be available to the Purchaser.

3. **Escrow Agent and Earnest Money Deposits:** On or before the date of execution of this Agreement, Purchaser shall deliver to Seller a deposit of ————Sixty Three Thousand Dollars (\$——63,000.00) (the "Earnest Money Deposit") in immediately available funds which shall be held in escrow by Benjamin Rivera Iglesias ("BRI") in his escrow account (the "Escrow Account") until the Closing Date or the date of any early termination of this Agreement. The Earnest Money Deposit shall be applied to the Purchase Price on the Closing Date. Seller and Purchaser hereby acknowledge and agree that interest shall not accumulate or be payable on any amounts held by BRI in connection with any Earnest Money Deposit or otherwise. Purchaser shall pay the balance of the Purchase Price to Seller in immediately available funds on the Closing Date.

4. **Transaction Documents.** At Closing, Seller and Purchaser shall execute, as applicable, (i) a Deed of Purchase and Sale, pursuant to which Seller conveys, transfers and sells to Purchaser fee simple title to the Property (the "Deed of Purchase and Sale"); (ii) any deeds, instruments and documents necessary for the cancellation and/or release of record of any liens and encumbrances on the Property, other than the Permitted Encumbrances; (iii) any other such deeds, instruments and documents as shall be necessary and appropriate to transfer and convey to Purchaser all of Seller's right, title and interest in and to the Real Property and the Personal Property, free and clear of all tenancies, liens, encumbrances, mortgages, options, claims, litigation, judgments, rights of third parties and other restrictions or limitations affecting the ability to use or transfer, other than the Permitted Encumbrances (collectively, the "Transaction Documents"); and any deeds, instruments and documents as shall be necessary and appropriate to effectively register the Property in the Puerto Rico Property Registry.

5. **Representations and Warranties of Seller.** Seller represents and warrants to Purchaser that:

(a) **Title to the Property.** Seller represents that, to the best of its knowledge, title to the Property is good, marketable and recordable in fee simple ("*pleno dominio*"), free and clear of all tenancies, liens, encumbrances, mortgages, options, claims, litigation, judgments, rights of third parties and other restrictions or limitations affecting the ability to use or transfer, with the exception of the Permitted Encumbrances. Purchaser, at Purchaser's cost and expense, may obtain evidence of title, a title abstract, title insurance and/or a survey of the Property. At Closing, Purchaser shall pay (as necessary): (i) all title examination fees for mortgage; (ii) survey costs or any costs to update surveys requested by Purchaser; (iii) any premiums for a title insurance policy; (iv) all survey and appraisal costs required by mortgage bank (v) mortgage taxes (if any); (vi) the cost of any environmental reports procured by Purchaser; and (vii) Purchaser's legal, accounting and other professional fees and expenses and the cost of all certificates, instruments, documents and papers required to be delivered, or to cause to be delivered, by Purchaser hereunder, including without limitation, the cost of performance by Purchaser and the obligations hereunder.

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(b) **Execution and Delivery.** This Agreement constitutes a legal, valid and binding obligation of Seller and Purchaser enforceable in accordance with its terms subject, as to the enforcement of remedies, to applicable bankruptcy, insolvency, moratorium or other similar laws affecting the enforcement of creditors' rights generally from time to time in effect.

(c) **Receivership and Authority to Act.** Pursuant to the March 6, 2020 Order entered in the Receivership Action (Doc. 34), the Receiver was authorized to act on behalf of Kinetic and other Receivership Entities and to, among other things, "locate, list for sale or lease, engage a broker for sale or lease, cause the sale or lease, and take all necessary and reasonable actions to cause the sale or lease of all real property in the Receivership Estates, either at public or private sale, on terms and in the manner the Receiver deems most beneficial to the Receivership Estate, and with due regard to the realization of the true and proper value of such real property." The Purchaser acknowledges and agrees that in all matters pertaining to this Agreement, including in its execution, Mr. Mark A. Kornfeld is acting solely in his capacity as Receiver of Kinetic Funds and, as such, shall have no personal or liability of any kind, whether in contract, in tort or otherwise and in no circumstance will the Seller be liable for any consequential damages including loss of profit, arising out of, or relating to any claim brought in connection with this Agreement or the condition of the Property.

6. **Representations and Warranties of Purchaser.** Purchaser represents and warrants to Seller that:

(a) **Execution and Delivery.** This Agreement constitutes a legal, valid and binding obligation of Purchaser enforceable in accordance with its terms subject, as to the enforcement of remedies, to applicable bankruptcy, insolvency, moratorium or other similar laws affecting the enforcement of creditors' rights generally from time to time in effect.

(b) **Approvals and Consents.** No approval, authorization, consent or other order or action of or filing with any court, administrative agency or other governmental authority is required for the execution and delivery of this Agreement or the consummation of the transactions contemplated herein.

(c) **Absence of Litigation.** No action, suit, proceeding or investigation by or before any court, administrative agency or other governmental authority involving Purchaser has been threatened or instituted which could restrain, prohibit or invalidate any of the transactions contemplated by this Agreement.

7. **Seller Covenants.** Seller covenants and agrees that:

(a) **No New Liens.** From and after the date of this Agreement and through the Closing Date, Seller shall not constitute, create or permit to exist upon the Property any tenancies, liens, encumbrances, mortgages, easements, restrictions, litigation, judgments, claims, options and rights of third parties, other than the encumbrances mandated by law and any mortgages existing as of the date of execution of this Agreement.

(b) **Cancellation of Liens, Encumbrances and Mortgages.** On or before the Closing Date, Seller shall pay in full and cause the cancellation and/or release of any and all existing liens, encumbrances and mortgages on the Property, other than the Permitted Encumbrances.

(c) **Real Property Taxes and Assessments.** All real property taxes and other assessments of any kind and nature due and payable (including interest and penalties thereon) with respect to the Property (the "Real Property Taxes and Assessments") corresponding to the period prior to the Closing Date shall



have been paid in full by Seller on or prior to the Closing Date. Effective as of the Closing Date, Purchaser shall be defended, indemnified and held harmless by Seller from all real property taxes and assessments, penalties, interest and surcharges and costs and expenses assessed against the Property corresponding up to the period prior to the Closing Date.

(d) **Utilities and Maintenance Charges.** All utility charges, including, but not limited to, water, sewerage, electricity, gas, telephone, internet and cable television service charges (collectively, the "Utility Charges") and any maintenance charges and fees (collectively, the "Maintenance Charges") with respect to the Property corresponding to the period prior to the Closing Date shall have been paid in full by Seller on or prior to the Closing Date. Effective as of the Closing Date, Purchaser shall be defended, indemnified and held harmless by Seller from all Utility Charges and any Maintenance Charges, including, but not limited to, any penalties, interest and surcharges and costs and expenses, with respect to the Property corresponding up to the period prior to the Closing Date.

(e) **Improvements and Alterations.** Unless otherwise agreed to by the Parties, from and after the date of this Agreement and through the Closing Date, Seller shall not perform any improvements; alterations or additions to the Property other than maintain the property in good conditions and the removal of any personal property or furnishings.

(f) **Preparation of Deed of Purchase and Sale.** Seller agrees to provide all the documentation necessary for the preparation of the Deed of Purchase and Sale.

8. **Lead-Based Paint Disclosure.** Federal law mandates that sellers of real property constructed prior to nineteen seventy-eight (1978) must complete certain lead-based paint disclosure requirements. Such disclosure requirements should be completed before a purchaser makes an offer and before a seller accepts a purchase offer, otherwise a purchaser may not be obligated under any purchase and sale agreement. A seller of any real property is required to provide a purchaser with any information on lead-based paint hazards from risk assessments or inspections in a seller's possession and notify a purchaser of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase.

9. **Closing.** Unless extended by mutual agreement of the Parties, the Closing shall take place within thirty (30) days after Receivership Court's approval of the sale, with Purchaser to provide written notice specifying the actual closing date at least three (3) business days before such closing date. All funds and documents required to be deposited hereunder shall be deposited into escrow prior to the Closing. The Parties agree that they shall fully cooperate with each other in connection with any steps required to be taken as part of their obligations under this Agreement, and to effect Closing, including the execution and delivery of such documents and the taking of such actions at Closing as shall reasonably be requested by one party or the other.

10. **Closing Deliveries of Seller.** At Closing, Seller shall tender to Purchaser each of the following:

(a) The Transaction Documents.

(b) Negative tax certificates from the Puerto Rico Municipal Tax Collection Center, the Puerto Rico Department of the Treasury and any other applicable government agencies certifying that the Real Property Taxes and Assessments assessed and owed in respect of the Property through the Closing Date have been paid in full and any other evidence of compliance with the Seller's covenants.

(c) Evidence that Utility Charges and Maintenance Charges with respect to the Property corresponding to the period prior to the Closing Date have been paid in full.

[ ] Seller's Initials

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(d) Such additional documents as may be necessary to otherwise consummate and register at the Puerto Rico Property Registry the transactions contemplated hereby.

**11. Closing Deliveries of Purchaser.** At Closing, Purchaser shall tender to Seller each of the following:

(a) The Purchase Price.

(b) The Transaction Documents.

(c) Such additional documents as may be necessary to otherwise consummate the transactions contemplated hereby.

**12. Post Closing Covenant.** From time to time after Closing, Seller and Purchaser agree to execute and deliver, without further consideration, such documents as either party hereto may reasonably request, in such form as may be appropriate, if necessary or advisable in connection with the consummation of the transactions contemplated hereby or any other agreement delivered in connection herewith.

**13. Closing Costs.** (a) Except as otherwise expressly provided herein, each party shall bear its own costs and expenses in connection with the transaction contemplated in this Agreement, including, without limitation, attorneys' fees, appraisal fees, inspection costs and expenses, title studies and title insurance premiums.

(b) The Deed of Purchase and Sale shall be executed before a Notary Public from IRW LAW OFFICE as per court order granted on \_\_\_\_\_, 2022 under case number 8:20-cv-00394-WFJ-SPF. The notarial tariff corresponding to the original of the Deed of Purchase and Sale and the cost of the internal revenue, legal aid and notarial assistance stamps required to be cancelled on the original of the Deed of Purchase and Sale shall be paid by Seller. The cost of the internal revenue, legal aid and notarial assistance stamps required to be cancelled on the first certified copy of the Deed of Purchase and Sale and the recordation costs of the Deed of Purchase and Sale in the Registry of Property of Puerto Rico shall be paid by Purchaser.

(c) All costs and expenses related to the cancellation and/or release of record of the liens, encumbrances and mortgages on the Property, other than the Permitted Encumbrances, shall be paid by Seller.

**14. Default; Termination.**

(a) **Seller Default.** If Closing shall not occur due to any causes attributable to Seller, or Seller defaults on any of its obligations under this Agreement (any one of such events, a "Seller Event of Default"), Purchaser may declare Seller to be in default under the terms of this Agreement and may elect to give written notice to Seller (the "Seller Default Notice"), with a copy to BRI, specifying the Seller's default or defaults and stating that this Agreement shall expire and terminate on the date specified in the Seller Default Notice, which shall be at least five (5) days after the giving of the Seller Default Notice. On the date specified in the Seller Default Notice, this Agreement shall expire and terminate and thereafter Purchaser and Seller shall return the entire Earnest Money Deposit within the five (5) days of the expiration of the Agreement and have no further rights and obligations to Purchaser under this Agreement.

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Purchaser agrees that its sole remedy or relief in the event of any termination of this Agreement due to a Seller Event of Default shall be its right to have the Earnest Money Deposit returned to Purchaser without any deductions.

(b) **Purchaser Default.** If Closing shall not occur due to causes attributable to Purchaser and/or Purchaser defaults on any of its obligations under this Agreement (any one of such events, a "**Purchaser Event of Default**"), Seller may declare Purchaser to be in default under the terms of this Agreement and give written notice to Purchaser (the "**Purchaser Default Notice**"), with a copy to BRI, specifying the Purchaser's default or defaults and stating that this Agreement shall expire and terminate on the date specified in the Purchaser Default Notice, which shall be at least five (5) days after the giving of the Purchaser Default Notice. On the date specified in the Purchaser Default Notice, this Agreement shall expire and terminate and thereafter Purchaser and Seller shall have no further rights and obligations under this Agreement. Upon the expiration of the Inspection Period and any termination of this Agreement due to a Purchaser Event of Default, Seller shall be entitled to retain the Earnest Money Deposit.

(c) **Termination without Default.** If Closing does not occur due to any causes not directly attributable to either Purchaser or Seller, the Earnest Deposit held in escrow will be returned in its entirety to Purchaser no later than five (5) days of the event and not further liability or obligations shall exist between the parties.

15. **Commission.** The commission payable to Mr. Benjamín Rivera Iglesias, License #C-18918 in connection with the purchase and sale transaction contemplated herein shall be equivalent to Sixty Three Thousand Dollars (\$ — — 63,000.00), equal to three percent (3%) of the Purchase Price (the "**Commission**"). The Commission shall be payable to by the Seller at Closing.

16. **Assignment.** This Agreement may not be assigned by any of the Parties hereto, without the prior written consent of the other party.

17. **Notices.**

(a) All notices, requests, consents and other communications required or permitted under this Agreement shall be in writing and shall be, as elected by the person giving notice, hand delivered by messenger or courier service (including overnight delivery) or mailed by registered or certified mail (postage prepaid), return receipt requested, addressed to:

If to Seller at:  
Mr. Mark Kornfeld  
c/o Jordan D. Maglich, Esq.  
Buchanan Ingersoll & Rooney PC  
401 E. Jackson Street., Suite 2400  
Tampa, FL 33602  
813-222-2098

If to Purchaser at:

If to Benjamin Rivera Iglesias:  
#B-4 Calle 9, La Sierra del Rio,  
San Juan, PR 00926  
787-632-5150

[ ] Seller's Initials

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(b) Each such notice shall be deemed delivered and received (i) on the date delivered if by personal delivery or courier; or (ii) on the date upon which the return receipt is signed or delivery is refused, as the case may be, if mailed.

(c) By giving to the other party at least fifteen (15) days written notice thereof, a party shall have the right from time to time and at any time during the term of this Agreement to change its address.

**18. Governing Law and Venue.** The Agreement and the rights and obligations of the Parties hereto shall be governed by the laws of the state of Florida. Any disputes that relate to the registration and title of the subject property, and notwithstanding any conflict of law provisions, shall be governed by the laws of Puerto Rico. Purchaser and Seller hereby (i) agree that all disputes and matters whatsoever arising under, in connection with, or incident to this Agreement shall be exclusively litigated as a summary proceeding in *Securities and Exchange Commission v. Kinetic Investment Group, LLC et al.*; United States District Court, Middle District of Florida, Tampa Division, Case No. 8:20-CV-394, to the exclusion of the courts of or in any other territory, province, state or country, and (ii) irrevocably submit to the exclusive jurisdiction of the United States District Court, Middle District of Florida, in any action or proceeding arising out of or relating to this Agreement, and hereby irrevocably waive any objection to submission to venue of any such action or proceeding in any such court and any claim that any such action or proceeding has been brought in an inconvenient forum. A final judgment in any such action or proceeding shall be conclusive and may be enforced in any other jurisdiction by suit on the judgment or in any other manner provided by law.

**19. Pronouns.** Wherever from the context it appears appropriate, each term stated in either the singular or the plural shall include the singular and the plural, and pronouns authorized in either the masculine, the feminine or the neuter gender shall include the masculine, feminine and neuter.

**20. Severability.** If any provision of this Agreement, or the application of such provision to any person or circumstances, shall to any extent be invalid or unenforceable, the remainder of this Agreement, or the application of such provision to persons or circumstances other than those to which it is held invalid, shall not be affected thereby.

**21. Counterparts.** This Agreement may be executed in several counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument.

**22. Entire Agreement and Amendments.** This Agreement contains the entire agreement between the Parties hereto with respect to the subject matter hereof and may not be amended except by an instrument in writing signed by the Parties.

**23. Waiver.** Failure of a party hereto to complain of any act, omission, course of action or continued acts or omissions, no matter how long such may continue, shall not be deemed a waiver by such party of its rights hereunder, and all waivers of the provisions hereof shall be effective only if in writing, signed by the party so waiving. No waiver of any breach of this Agreement shall be deemed a waiver of any other breach of this Agreement or consent to any subsequent breach of this Agreement.

**24. Further Assurances.** The Parties agree to execute and deliver any and all other instruments and documents and do any and all other acts and things as may be necessary or expedient to more fully effectuate this Agreement and consummate the transactions contemplated hereunder.


25. **Construction.** The Parties expressly acknowledge that the terms and conditions of this Agreement have been the subject of review, discussion and negotiation by the Parties, and consequently, in the event of any conflict or inconsistency in the provisions of this Agreement, those conflicts or inconsistencies shall not be construed against the party that caused this Agreement to be drafted.

26. **Headings.** The headings of the Sections are for convenience and are not to be deemed controlling over the text of any Section of this Agreement.

27. **Effect of Other Agreements.** This Agreement supersedes all prior conversations, understandings, agreements and negotiations between the Parties with respect to the matters contemplated herein.

**IN WITNESS WHEREOF**, the Parties hereto have caused this Agreement to be duly executed as of the day and year first written above.

**SELLER**

By: 

Name: Mark A. Kornfeld, As Receiver

DL Number: \_\_\_\_\_

**PURCHASER**

By: 

Name: Allan Rothstein

DL Number: \_\_\_\_\_



**EXHIBIT A**

**DESCRIPTION OF REAL PROPERTY**

- a. **—URBANA: Propiedad Horizontal: Apartamento Pent-house “A” (PH-A)** localizado en el tercer piso del Condominio GABRIELA’S HOUSE con una cabida de superficial de tres mil dieciocho punto siete pies cuadrados (3,018.7 p.c.) equivalentes a doscientos ochenta punto cuatro metros cuadrados (280.4 m.c.). Colinda por el NORTE, en una distancia de setenta y un pies nueve pulgadas (71’ 9”), equivalentes a veintiuno punto nueve metros (21.9 m.) con la pared exterior del Condominio que da hacia la colindancia con la propiedad marcada con el número ciento siete (107) de la Calle Cruz; por el SUR, en una distancia de setenta y un pies nueve pulgadas (71’ 9”), equivalentes a veintiuno punto nueve metros (21.9 m.) con la pared exterior del Condominio que da hacia la colindancia con la Calle Luna; por el ESTE, en una distancia de cincuenta y dos pies seis pulgadas (52’ 6”), equivalentes a dieciséis punto cero metros (16.0 m.) con el Apartamento Pent-house “B” (PH-B); y por el OESTE, en una distancia de cincuenta y dos pies seis pulgadas (52’ 6”), equivalentes a dieciséis punto cero metros (16.0 m.) con la pared exterior del Condominio que da hacia la colindancia con la Calle Cruz. Le corresponde a este apartamento el dieciséis punto nueve nueve cinco ocho por ciento (16.9958%) en los elementos comunes del edificio.

--Se segrega de la finca #232, inscrita al folio 99 del tomo 195 de San Juan.

--FINCA : Número 5231 inscrita al Folio 122 de Tomo 195 de San Juan Registro de la Propiedad de San Juan, Sección I

- b. **—URBANA: Propiedad Horizontal: Apartamento Pent-house “B” (PH-B)** localizado en el tercer piso del Condominio GABRIELA’S HOUSE con una cabida de superficial de dos mil cuarenta y dos punto ocho pies cuadrados (2,042.8 p.c.) equivalentes a ciento ochenta y nueve punto ocho metros cuadrados (189.8 m.c.). Colinda por el NORTE, en una distancia de cincuenta y nueve pies nueve punto cinco pulgadas (59’9.5”), equivalentes a dieciocho punto dos metros (18.2 m.) con la pared exterior del Condominio que da hacia la colindancia con la propiedad marcada con el número ciento siete (107) de la Calle Cruz; por el SUR, en una distancia de cincuenta y nueve pies nueve punto cinco pulgadas (59’9.5”), equivalentes a dieciocho punto dos metros (18.2 m.) con la pared exterior del Condominio que da hacia la colindancia de la Calle Luna; por el ESTE, en una distancia de cincuenta y dos pies seis pulgadas (52’ 6”), equivalentes a dieciséis punto cero metros (16.0 m.) con la pared exterior del Condominio que da hacia la colindancia con la propiedad marcada con el número doscientos uno (201) de la Calle Luna; y por el OESTE, en una distancia de cincuenta y dos pies seis pulgadas (52’ 6”), equivalentes a dieciséis punto cero metros (16.0 m.) con la pared exterior del Condominio que da hacia la colindancia con el Apartamento Pent-house “B” (PH-B). Le corresponde a este apartamento el once punto cinco cero uno tres por ciento (11.5013%) en los elementos comunes del edificio.

--Se segrega de la finca #232, inscrita al folio 99 del tomo 195 de San Juan.

--FINCA : Número 5232 inscrita al Folio 124 de Tomo 195 de San Juan Registro de la Propiedad de San Juan, Sección I

- c. **--URBANA: Propiedad Horizontal: Apartamento Dos "E" (2-E)** localizado en el segundo piso del Condominio GABRIELA'S HOUSE con una cabida de superficial de mil doscientos treinta y uno punto nueve pies cuadrados (1,231.9 p.c.) equivalentes a ciento catorce punto cuatro metros cuadrados (114.4 m.c.). Colinda por el **NORTE**, en una distancia de veinticuatro pies cinco punto cinco pulgadas (24'5.5") equivalentes a siete punto cuarenta y cinco metros (7.45 m.) con la pared exterior del Condominio que da hacia la colindancia con la propiedad marcada con el número ciento siete (107) de la Calle Cruz; por el **SUR**, en una distancia de veinticuatro pies cinco punto cinco pulgadas (24'5.5), equivalentes a siete punto cuarenta y cinco metros (7.45 m.) con el Apartamento Dos "D" (2-D) y con área comunal; por el **ESTE**, en una distancia de treinta y siete pies una pulgada (37'1"), equivalentes a once punto tres metros (11.3 m.) con la pared exterior del Condominio que da hacia la propiedad marcada con el número doscientos uno (201) de la Calle Luna; por el **OESTE**, en una distancia de treinta y siete pies una pulgada (37'1"), equivalentes a once punto tres metros (11.3 m.) con el Apartamento Dos "C" (2-C) y con el Apartamento Dos "D" (2-D). Le corresponde a este apartamento el seis punto nueve tres cinco ocho (6.9358%) por ciento en los elementos comunes del edificio.

--Se segrega de la finca #232, inscrita al folio 99 del tomo 195 de San Juan.

--**FINCA** : Número 5229 inscrita al Folio 118 de Tomo 195 de San Juan Registro de la Propiedad de San Juan, Sección I

- d. **--PROPIEDAD HORIZONTAL: Apartamento Dieciséis (16):** Unidad Comercial de Estacionamiento localizada en el tercer nivel del Edificio A del **CONDOMINIO COCHERA SAN FRANCISCO** ubicado en el Doscientos Cuatro de la Calle Luna, Viejo San Juan, con un área superficial de Ciento Cuarentiocho Punto Cincuenta Pies Cuadrados (148.50 p.c.); colinda por el **Norte**, con el Apartamento Diecisiete (17); por el **Sur**, con área comunal; por el **Este**, con área comunal y por el **Oeste**, con área comunal. Tiene acceso por el tramo de tránsito vehicular central comunal del tercer nivel que conecta con la rampa desembocando en el antiguo Pasaje Matienzo hoy área comunal de tránsito vehicular y peatonal y finalmente a la vía pública Calle Luna. La unidad tiene acceso peatonal a la Calle San Francisco a través de las escaleras y el ascensor común. Corresponde a dicho Apartamento una participación indivisa en los elementos comunes general del Condominio equivalente al cero punto seis seis cero tres por ciento (0.6603%).

--Se segrega de la finca #4429, inscrita al folio 224 del tomo 164 de San Juan.

--**FINCA** : Número 5434 inscrita al Folio 32 de Tomo 199 de San Juan Registro de la Propiedad de San Juan, Sección I.

- e. **--PROPIEDAD HORIZONTAL: Apartamento Diecinueve (19):** Unidad Comercial de Estacionamiento localizada en el tercer nivel del Edificio A del **CONDOMINIO COCHERA SAN FRANCISCO** ubicado en el Doscientos Cuatro de la Calle Luna, Viejo San Juan, con un área superficial de Ciento Cuarentiocho Punto Cincuenta Pies Cuadrados (48.50 p.c.); colinda por el **Norte**, con área comunal; por el **Sur**, con el apartamento dieciocho (18); por el **Este**, con área comunal y por el **Oeste**, con área comunal. Tiene acceso por el tramo de tránsito vehicular central comunal del tercer nivel que conecta con la rampa desembocando en el antiguo Pasaje Matienzo hoy área comunal de tránsito vehicular y peatonal y finalmente a la vía pública Calle Luna. La unidad tiene acceso peatonal a la Calle San Francisco a través de las escaleras y el ascensor común.

*MSX*



Corresponde a dicho Apartamento una participación indivisa en los elementos comunes general del Condominio equivalente al cero punto seis seis cero tres por ciento (0.6603%).

--Se segrega de la finca #4429, inscrita al folio 224 del tomo 164 de San Juan.

--**FINCA** : Número 5432 inscrita al Folio 28 de Tomo 199 de San Juan Registro de la Propiedad de San Juan, Sección I.

MDX

**EXHIBIT B**

**COURT ORDER**

**UNITED STATES DISTRICT COURT  
MIDDLE DISTRICT OF FLORIDA**

**SECURITIES AND EXCHANGE COMMISSION,**

**Plaintiff,**

**v.**

**KINETIC INVESTMENT GROUP, LLC and  
MICHAEL SCOTT WILLIAMS,**

**CASE NO.: 8:20-cv-394**

**Defendants, and**

**KINETIC FUNDS I, LLC,  
KCL SERVICES, LLC d/b/a LENDACY,  
SCIPIO, LLC, LF 42, LLC, EL MORRO  
FINANCIAL GROUP, LLC, and KIH, INC.,  
f/k/a KINETIC INTERNATIONAL, LLC,**

**Relief Defendants.**

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**ORDER**

**THIS CAUSE** comes before the Court for consideration of the Receiver's Motion for Approval of the (1) Private Sale of Villa Gabriella Property Located in San Juan, Puerto Rico; and (2) Proposed Publication, Marketing, and Overbid Procedures Associated With the Sale of the Property (the "Motion") (Doc. \_\_\_\_). Upon review of the Motion, its exhibits, the entire file, and being otherwise duly advised on the premises, the Court finds granting the Motion to be in the Receivership Estate's best interests. Accordingly, it is hereby **ORDERED** and **ADJUDGED** that:

1. The Receiver's Motion for Approval of the (1) Private Sale of Villa Gabriella Property Located in San Juan, Puerto Rico; and (2) Proposed Publication, Marketing, and Overbid Procedures Associated With the Sale of the Property (Doc. \_\_\_\_ ) is **GRANTED**;

[ ][ ] Seller's Initials [ ][ ] Purchaser's Initials

*MSH*



2. The Court appoints and takes judicial notice of the three appraisals attached as Exhibits 4-6 to the Motion of the following parcels constituting the "Property":

- a. Condominium Villa Gabriela, Apartment PH1-A/PH 1-B located at 109 De la Cruz Street, San Juan, Puerto Rico 00901;
- b. Condominium Villa Gabriella, Apartment 2-E located at 109 De la Cruz Street, San Juan, Puerto Rico 00901;
- c. Parking Space #321 located at Cochera San Francisco, Luna Street #204, San Juan, Puerto Rico 00901; and
- d. Parking Space #325 located at Cochera San Francisco, Luna Street #204, San Juan, Puerto Rico 00901.

The legal descriptions of the Property, as set forth in **Exhibit A** to the Motion, are incorporated herein;

3. The Court finds that the Receiver has satisfied the requirements of 28 U.S.C. § 2001 regarding the marketing and proposed sale terms and procedures for the Property;

4. The Court finds that the form and substance of the Notice attached as Exhibit 8 to the Motion is sufficient to provide notice of the proposed sale of the Property as well as the procedures and timeframe for the submission of any bona fide offer pursuant to 28 U.S.C. § 2001;

5. The Court finds that the publication of the approved Notice attached as Exhibit 8 to the Motion in the *Sarasota Herald Tribune* and the *El Nuevo Dia* newspapers for one day at least ten days prior to any sale of the Property is sufficient to satisfy the notice requirements set forth under 28 U.S.C. § 2001;

6. The Receiver is authorized and empowered to take such steps, incur and pay such costs and expenses from the Receivership Estate, and do such things as may be reasonably necessary to implement and effect the terms and requirements of this Order, including publishing the Notice;

7. The Court finds the \$\_\_\_\_\_ million offer in the Purchase and Sale Agreement to be commercially reasonable, in the Receivership Estate's best interests, and in compliance with the price requirements set forth in 28 U.S.C. § 2001. The Court also finds that the Receiver has made substantial and sufficient efforts to market and sell the Property. Accordingly, if no qualified bid (other

MPX

than the offer in the Purchase and Sale Agreement) is received by the overbid deadline, the Receiver shall report the same to the Court, and he is approved and authorized to deem the \$ \_\_\_\_\_ million offer as the highest offer for the Property and, without further order from this Court, to sell, close and transfer title of the Property free and clear of all liens, claims, interests, and encumbrances, in accordance with the Purchase and Sale Agreement attached as Exhibit 1 to the Motion; and

8. In the event the Receiver is provided with any timely and qualified overbid(s) pursuant to 28 U.S.C. §2001 and consistent with the procedures outlined in the Motion, the Receiver is authorized to negotiate in good faith with any party(ies) submitting such bid(s) and the original Purchaser and to use his sole discretion and business judgment to select a final purchaser that he deems to have provided the offer that is in the best interest of the Receivership Estate. Following the Receiver's determination, he shall report the same to the Court, and, without further order from this Court, is approved and authorized to sell, close and transfer title of the Property free and clear of all liens, claims, interests, and encumbrances, in accordance with the Purchase and Sale Agreement entered into with the final purchaser.

**DONE AND ORDERED** at Tampa, Florida, this \_\_\_\_ day of \_\_\_\_\_, 2022.

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**MARY S. SCRIVEN**  
**UNITED STATES DISTRICT JUDGE**

SEC vs. Kinetic Investment Group, LLC, et al  
CASE NO.: 8:20-cv-394

## EXHIBIT “2”

**UNITED STATES DISTRICT COURT  
MIDDLE DISTRICT OF FLORIDA**

**SECURITIES AND EXCHANGE COMMISSION,**

**Plaintiff,**

**v.**

**KINETIC INVESTMENT GROUP, LLC and  
MICHAEL SCOTT WILLIAMS,**

**CASE NO.: 8:20-cv-394-MSS-SPF**

**Defendants, and**

**KINETIC FUNDS I, LLC,  
KCL SERVICES, LLC d/b/a LENDACY,  
SCIPIO, LLC, LF 42, LLC, EL MORRO  
FINANCIAL GROUP, LLC, and KIH, INC.,  
f/k/a KINETIC INTERNATIONAL, LLC,**

**Relief Defendants.**

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**ORDER**

**THIS CAUSE** comes before the Court for consideration of the Receiver's Motion for Approval of the (1) Private Sale of Puerto Rico Real Properties and Parking Spaces; and (2) Proposed Publication, Marketing, and Overbid Procedures Associated With The Sale Of the Real Properties (the "Motion") (Doc. \_\_\_\_). Upon review of the Motion, its exhibits, the entire file, and being otherwise duly advised on the premises, the Court finds granting the Motion to be in the Receivership Estate's best interests. Accordingly, it is hereby **ORDERED** and **ADJUDGED** that:

1. The Receiver's Motion for Approval of the (1) Private Sale of Puerto Rico Properties and Parking Spaces; and (2) Proposed Publication, Marketing, and Overbid Procedures Associated With The Sale Of the Properties (Doc. \_\_\_\_ ) is **GRANTED**;

2. The Court appoints and takes judicial notice of the three appraisals attached as **Exhibit 3** to the Motion of the following real estate parcels constituting the "Properties":

- a. Condominium Villa Gabriela, Apartment PH1-A/PH 1-B located at 109 De la Cruz Street, San Juan, Puerto Rico 00901;
- b. Condominium Villa Gabriella, Apartment 2-E located at 109 De la Cruz Street, San Juan, Puerto Rico 00901;
- c. Parking Space #321 located at Cochera San Francisco, Luna Street #204, San Juan, Puerto Rico 00901; and
- d. Parking Space #325 located at Cochera San Francisco, Luna Street #204, San Juan, Puerto Rico 00901.

The legal descriptions of the Properties, as set forth in the Purchase and Sale Agreement attached as **Exhibit 1** to the Motion, are incorporated herein;

3. The Court finds that the Receiver has satisfied the requirements of 28 U.S.C. § 2001 regarding the marketing and proposed sale terms and procedures for the Properties;

4. The Court finds that the form and substance of the Notice attached as **Exhibit 4** to the Motion is sufficient to provide notice of the proposed sale of the Properties as well as the procedures and timeframe for the submission of any bona fide offer pursuant to 28 U.S.C. § 2001;

5. The Court finds that the publication of the approved Notice attached as **Exhibit 4** to the Motion in the *Sarasota Herald Tribune* and the *El Nuevo Dia* newspapers for one day

at least ten days prior to any sale of the Properties is sufficient to satisfy the notice requirements set forth under 28 U.S.C. § 2001;

6. The Receiver is authorized and empowered to take such steps, incur and pay such costs and expenses from the Receivership Estate, and do such things as may be reasonably necessary to implement and effect the terms and requirements of this Order, including publishing the Notice;

7. The Court finds the \$2,100,000.00 offer in the Purchase and Sale Agreement to be commercially reasonable, in the Receivership Estate's best interests, and in compliance with the price requirements set forth in 28 U.S.C. § 2001. The Court also finds that the Receiver has made substantial and sufficient efforts to market and sell the Properties. Accordingly, if no qualified bid (other than the offer in the Purchase and Sale Agreement) is received by the overbid deadline, the Receiver shall report the same to the Court, and he is approved and authorized to deem the \$2,100,000.00 offer as the highest offer for the Properties and, without further order from this Court, to sell, close and transfer title of the Properties free and clear of all liens, claims, interests, and encumbrances, in accordance with the Purchase and Sale Agreement attached as Exhibit 1 to the Motion; and

8. In the event the Receiver is provided with any timely and qualified overbid(s) for the Properties pursuant to 28 U.S.C. §2001 and consistent with the procedures outlined in the Motion, the Receiver is authorized to negotiate in good faith with any party(ies) submitting such bid(s) and the original Purchaser and to use his sole discretion and business judgment to select a final purchaser that he deems to have provided the offer that is in the best interest of the Receivership Estate. Following the Receiver's determination, he shall report the same to

the Court, and, without further order from this Court, is approved and authorized to sell, close and transfer title of the Properties free and clear of all liens, claims, interests, and encumbrances, in accordance with the Purchase and Sale Agreement entered into with the final purchaser.

**DONE AND ORDERED** at Tampa, Florida, this \_\_\_\_ day of \_\_\_\_\_, 2022.

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**MARY S. SCRIVEN**  
**UNITED STATES DISTRICT JUDGE**

SEC vs. Kinetic Investment Group, LLC, et al  
CASE NO.: 8:20-cv-394

## EXHIBIT “3”

### Part 1



## APPRAISAL OF REAL PROPERTY



### LOCATED AT

Gabriela's House Cond. Apt. 2-E  
San Juan, PR 00901

### FOR

Quarles & Brady LLP

### OPINION OF VALUE

362,000

### AS OF

02/03/2021

### BY

Antonio S. Torres Fidalgo  
ATF Tasadores  
PMB 510, 405 Esmeralda Ave., Ste 2,  
Guaynabo, PR 00969  
T.787-946-7966, M.939-645-6263  
[info@atftasadores.com](mailto:info@atftasadores.com)



ATF Tasadores  
PMB 510, 405 Esmeralda Ave., Ste 2,  
Guaynabo, PR 00969  
T.787-946-7966, M.939-645-6263

03/17/2021

Quarles & Brady LLP

Re: Property: Gabriela's House Cond. , # 2-E  
San Juan, PR 00901  
Borrower: None  
File No.: 917201

Opinion of Value: \$ 362,000  
Effective Date: 02/03/2021

In accordance with your request, I have appraised the above referenced property. The report of that appraisal is attached. The purpose of the appraisal is to develop an opinion of market value for the property described in this appraisal report, as improved, in unencumbered fee simple title of ownership.

This appraisal report was made based on Extraordinary Assumptions listed on the Assumptions, Limiting Conditions & Scope of Work page of the report. If the Extraordinary Assumptions were found to be false or incorrect, the reported value conclusion would be invalid.

Possession of this letter, or a copy thereof, does not carry with it the right of publication. This letter may not be used for any purpose by any person other than the party to whom it is addressed without our written consent, and in any event, only with proper written qualification and only in its entirety. We are not responsible for unauthorized use of this report, and no one except the client is allowed to use it or its findings for decision-making. I accept no responsibility for use of this report by any person or entity other than the client, or for any other intended use than the one stated in the report.

Sincerely,

A handwritten signature in blue ink, which appears to read 'Atf:ch/got', is followed by the alphanumeric string '1211EPA' in a blue, sans-serif font.

Antonio S. Torres Fidalgo  
License or Certification #: 301CR  
State: PR Expires: 04/08/2023  
[info@atftasadores.com](mailto:info@atftasadores.com)

## INDIVIDUAL CONDO UNIT APPRAISAL REPORT

File No.: 917201

SUBJECT	Property Address: Gabriela's House Cond.		Unit #: 2-E		City: San Juan		State: PR													
	Zip Code: 00901		County: San Juan		Legal Description: Refer to legal description attached.															
	Assessor's Parcel #: 040-002-026-15-011.																			
	Tax Year: 2021		R.E. Taxes: \$ 1,286		Special Assessments: \$ Unk		Borrower (if applicable): None													
	Current Owner of Record: Michael Scott Williams		Occupant: <input checked="" type="checkbox"/> Owner <input type="checkbox"/> Tenant (Market Rent) <input type="checkbox"/> Tenant (Regulated Rent) <input type="checkbox"/> Vacant																	
ASSIGNMENT	Project Type: <input checked="" type="checkbox"/> Condominium <input type="checkbox"/> Other (describe)		HOA: \$ Not provided <input type="checkbox"/> per year <input type="checkbox"/> per month																	
	Market Area Name: Old San Juan		Map Reference: 18.4662, -66.1163		Census Tract: 9803.00															
	Project Name: Gabriela's House Cond.		Phase: One																	
	The purpose of this appraisal is to develop an opinion of: <input checked="" type="checkbox"/> Market Value (as defined), or <input type="checkbox"/> other type of value (describe)																			
	This report reflects the following value (if not Current, see comments): <input checked="" type="checkbox"/> Current (the Inspection Date is the Effective Date) <input type="checkbox"/> Retrospective <input type="checkbox"/> Prospective																			
MARKET AREA DESCRIPTION	Approaches developed for this appraisal: <input checked="" type="checkbox"/> Sales Comparison Approach <input type="checkbox"/> Cost Approach <input type="checkbox"/> Income Approach (See Reconciliation Comments and Scope of Work)																			
	Property Rights Appraised: <input checked="" type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold <input type="checkbox"/> Leased Fee <input type="checkbox"/> Other (describe)																			
	Intended Use: Provide an opinion of market value of the subject property for the referenced client in this report. This report is not for financing purposes.																			
	Intended User(s) (by name or type): Quarles & Brady LLP																			
	Client: Quarles & Brady LLP		Address: 411 East Wisconsin Avenue, Suite 2400, Milwaukee, WI 53202-4426																	
PROJECT SITE DESCRIPTION	Appraiser: Antonio S. Torres Fidalgo		Address: PMB 510, 405 Esmeralda Ave., Ste 2,, Guaynabo, PR 00969																	
	Location: <input checked="" type="checkbox"/> Urban <input type="checkbox"/> Suburban <input type="checkbox"/> Rural		Predominant Occupancy		Condominium Housing		Present Land Use		Change in Land Use											
	Built up: <input checked="" type="checkbox"/> Over 75% <input type="checkbox"/> 25-75% <input type="checkbox"/> Under 25%		<input checked="" type="checkbox"/> Owner 85		PRICE AGE		One-Unit 5 %		<input checked="" type="checkbox"/> Not Likely											
	Growth rate: <input type="checkbox"/> Rapid <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Slow		<input checked="" type="checkbox"/> Tenant 13		\$(000) (yrs)		2-4 Unit 10 %		<input type="checkbox"/> Likely * <input type="checkbox"/> In Process *											
	Property values: <input type="checkbox"/> Increasing <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Declining		<input checked="" type="checkbox"/> Vacant (0-5%)		105 Low 10		Multi-Unit 66 %		* To: _____											
MARKET AREA DESCRIPTION	Demand/supply: <input type="checkbox"/> Shortage <input checked="" type="checkbox"/> In Balance <input type="checkbox"/> Over Supply		<input checked="" type="checkbox"/> Vacant (>5%)		1,200 High 380		Comm'l 16 %													
	Marketing time: <input type="checkbox"/> Under 3 Mos. <input checked="" type="checkbox"/> 3-6 Mos. <input type="checkbox"/> Over 6 Mos.		<input type="checkbox"/> Vacant (>5%)		300 Pred 100		3er 3 %													
	Market Area Boundaries, Description, and Market Conditions (including support for the above characteristics and trends):		North: Atlantic ocean, South: La Puntilla,																	
	East: Norzagaray street, West: Del Cristo street. Gabriela's House Cond. is located at De la Cruz corner Luna streets in the Old San Juan.																			
	The neighborhood has access to community facilities and utilities including schools, hotels, restaurants, pharmacy, bakeries and supermarkets, Etc. Also El Morro and San Cristobal fortresses are located nearby. Also several bars and convenience stores are at short walking distance. All of these are considered employment centers for the residents of the sector. The neighborhood mostly consists of commercial and single-family residential dwellings. The appraiser identify that property values in this market segment have been stable over the course of the year. Interview with local brokers and owners indicates that marketing time is between three to six month. Demand and supply seems to be in balance. No adverse factors observed that may affect the marketability of the properties in the neighborhood.																			
PROJECT SITE DESCRIPTION	Zoning Classification: C-3		Description: Commercial Central																	
	Zoning Compliance: <input checked="" type="checkbox"/> Legal <input type="checkbox"/> Legal nonconforming (grandfathered) <input type="checkbox"/> Illegal <input type="checkbox"/> No zoning																			
	Ground Rent (if applicable) \$ N/A/		Comments:																	
	Highest & Best Use as improved (or as proposed per plans & specifications): <input checked="" type="checkbox"/> Present use, or <input type="checkbox"/> Other use (explain)																			
	Actual Use as of Effective Date: Residential		Use as appraised in this report: Residential																	
PROJECT SITE DESCRIPTION	Summary of Highest & Best Use: The subject appears to be in harmony with the zoning codes, and its vicinity. It is the Appraiser's opinion that the highest and best use of the subject property is residential use. In order to estimate if the alternate use is the highest and best use, a development (investment) analysis would be required.																			
	Utilities		Public		Other		Provider/Description		Off-site Improvements		Type		Public		Private		Density		High density	
	Electricity		<input checked="" type="checkbox"/>		<input type="checkbox"/>		PREPA		Street		Asphalt		<input checked="" type="checkbox"/>		<input type="checkbox"/>		Size		Typical/Cond.	
	Gas		<input type="checkbox"/>		<input checked="" type="checkbox"/>		Private		Curb/Gutter		Concrete		<input checked="" type="checkbox"/>		<input type="checkbox"/>		Topography		Semi-Level	
	Water		<input checked="" type="checkbox"/>		<input type="checkbox"/>		PRASA		Sidewalk		Concrete		<input checked="" type="checkbox"/>		<input type="checkbox"/>		View		N;Res	
PROJECT SITE DESCRIPTION	Sanitary Sewer		<input checked="" type="checkbox"/>		<input type="checkbox"/>		PRASA		Street Lights		Sodium Bulb		<input checked="" type="checkbox"/>		<input type="checkbox"/>					
	Storm Sewer		<input checked="" type="checkbox"/>		<input type="checkbox"/>		PRASA		Alley		None		<input type="checkbox"/>		<input type="checkbox"/>					
	Other site elements: <input type="checkbox"/> Inside Lot <input checked="" type="checkbox"/> Corner Lot <input type="checkbox"/> Cul de Sac <input type="checkbox"/> Underground Utilities <input type="checkbox"/> Other (describe)																			
	FEMA Spec'l Flood Hazard Area <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		FEMA Flood Zone X		FEMA Map # 72000C0355J		FEMA Map Date 11/18/2009													
	Site Comments: I haven't noticed any significant adverse environmental conditions during the data collection process in performing the appraisal that may affect the subject property. The appraiser is not an expert in the field of environmental hazards. Flood maps prepared by FEMA were examined to determine the probability of flooding at the subject site. However the appraiser is not an expert in this field. Verify Fema Flood Map. The zoning maps, prepared by the Municipality of San Juan of the subject and immediate neighborhood were also examined.																			
PROJECT INFORMATION	Data source(s) for project information		Field Inspection.																	
	Project Description <input type="checkbox"/> Detached <input type="checkbox"/> Row or Townhouse <input type="checkbox"/> Garden <input type="checkbox"/> Mid-Rise <input type="checkbox"/> High-Rise <input checked="" type="checkbox"/> Other (describe) W-Up																			
	General Description of Project		Subject Phase		#		If Project Completed		#		If Project Incomplete		#							
	# of Stories 3		Exterior Walls RC		Units 12		Phases 1		Planned Phases											
	# of Elevators 0 / 1*		Roof Surface RC		Units Completed 12		Units 12		Planned Units											
PROJECT INFORMATION	<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Und.Cons.		Total # Parking 0		Units For Sale 0		Units for Sale 0		Units for Sale											
	Design (Style) Colonial		Ratio (spaces/unit) 0		Units Sold 12		Units Sold 12		Units Sold											
	Actual Age (Yrs.) >100		Parking Type(s) None		Units Rented +/-1		Units Rented +/-1		Units Rented											
	Effective Age (Yrs.) 25		Guest Parking None		Owner Occup. Units +/-11		Owner Occup. Units +/-11		Owner Occup. Units											
	Project Primary Occupancy <input checked="" type="checkbox"/> Principal Residence <input type="checkbox"/> Second Home or Recreational <input type="checkbox"/> Tenant 1*-There is one private elevator, however it was not tested.																			
PROJECT INFORMATION	Is the developer/builder in control of the Homeowners' Association (HOA)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No																			
	Management Group: <input checked="" type="checkbox"/> Homeowners' Association <input type="checkbox"/> Developer <input type="checkbox"/> Management Agent (name of management agent or company):																			
	Was the project created by the conversion of existing building(s) into a condominium? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		If Yes, describe the original use and date of conversion.																	
	Are CC&Rs applicable? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Unknown		Have the documents been reviewed? <input type="checkbox"/> Yes <input type="checkbox"/> No		Comments:															
	Project Comments (condition, quality of construction, completion status, etc.): Condominium is in average condition with average quality of construction and good appeal to market due to its location.																			
PROJECT INFORMATION	Common Elements and Recreational Facilities: Stairs.																			

PROJECT ANALYSIS

Summary of condominium project budget analysis for the current year (if analyzed):

Not provided during the normal course of business.

Other fees for the use of the project facilities (other than regular HOA charges):

None.

Compared to other competitive projects of similar quality and design, the subject unit charge appears

☐ High

☒ Average

☐ Low

(If High or Low, describe)

Are there any special or unusual characteristics of the project (based on the condominium documents, HOA meetings, or other information) known to the appraiser?

☐ Yes

☒ No

If Yes, describe and explain the effect on value and marketability.

DESCRIPTION OF THE UNIT IMPROVEMENTS

Unit Charge: \$ 594.08 per month X 12 = \$ 7,128.96 per year. Annual assessment charge per year per SF of GLA = \$ 5.79

Utilities included in the Unit Charge: ☒ None ☐ Heat ☐ Air Conditioning ☐ Electricity ☐ Gas ☐ Water ☐ Sewer ☐ Cable ☐ Other

Source(s) used for physical characteristics of property: ☒ New Inspection ☐ Previous Appraisal Files ☐ MLS ☐ Assessment and Tax Records ☐ Prior Inspection

☐ Property Owner ☐ Other (describe)

Data Source for Gross Living Area Deed.

General Description	Exterior Description	Foundation	<input checked="" type="checkbox"/> N/A	Basement	<input checked="" type="checkbox"/> N/A	Heating	None
Floor Location 2nd floor	Foundation RC	Slab		Area Sq. Ft. 0sf		Type	
# of Levels 1	Exterior Walls RC	Crawl Space		% Finished		Fuel	
Design (Style) Colonial/Condo.	Roof Surface RC	Basement		Ceiling			
<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed	Gutters & Dwnspts. Plastic	Sump Pump	<input type="checkbox"/>	Walls		Cooling	Yes
<input type="checkbox"/> Under Construction	Window Type Glass	Dampness	<input type="checkbox"/>	Floor		Central	
Actual Age (Yrs.) >100	Storm/Screens None / None	Settlement		Outside Entry		Other	S/U
Effective Age (Yrs.) 25		Infestation					

Interior Description	Appliances	Attic	<input checked="" type="checkbox"/> N/A	Amenities		Car Storage	<input checked="" type="checkbox"/> None
Floors CT/Good	Refrigerator <input checked="" type="checkbox"/>	Stairs	<input type="checkbox"/>	Fireplace(s) # 0	Woodstove(s) # 0	<input type="checkbox"/> Garage #	
Walls C-plaster/Avg.	Range/Oven <input checked="" type="checkbox"/>	Drop Stair	<input type="checkbox"/>	Patio None		<input type="checkbox"/> Covered #	
Trim/Finish C-P,Wd,Met/Avg.	Disposal <input type="checkbox"/>	Scuttle	<input type="checkbox"/>	Deck None		<input type="checkbox"/> Open #	
Bath Floor Ceramic tiles/Avg.	Dishwasher <input type="checkbox"/>	Doorway	<input type="checkbox"/>	Porch None		Total # of cars	
Bath Wainscot Ceramic tiles/Avg.	Fan/Hood <input type="checkbox"/>	Floor	<input type="checkbox"/>	Fence None		<input type="checkbox"/> Assigned	
Doors Wood-Glass/Avg.	Microwave <input checked="" type="checkbox"/>	Heated	<input type="checkbox"/>	Pool None		<input type="checkbox"/> Owned	
	Washer/Dryer <input checked="" type="checkbox"/>	Finished	<input type="checkbox"/>	Balcony None		Space #(s)	

Finished area above grade contains: 4 Rooms 2 Bedrooms 1 Bath(s) 1,232 Square Feet of Gross Living Area Above Grade

Are the heating and cooling for the individual units separately metered? ☒ Yes ☐ No (If No, describe)

Additional features: Appliances and furniture are considered personal property. Therefore not included in final value estimate.

Describe the condition of the property (including physical, functional and external obsolescence): Unit is in good condition. It has ceramic tiles in the apartment's floor. Physical deterioration noted, was considered normal of wear and tear. Water and electric systems were connected at the moment of physical inspection. Plot Plan and/or recent Title Study were not provided during normal course of business.

TRANSFER HISTORY

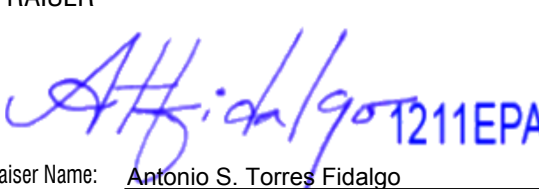
My research ☐ did ☒ did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.

Data Source(s): Private data and public records

1st Prior Subject Sale/Transfer	Analysis of sale/transfer history and/or any current agreement of sale/listing:	No prior sale or transfer history of the
Date:	comparable sales nor the subject revealed.	
Price:		
Source(s): Public & private data		
2nd Prior Subject Sale/Transfer		
Date:		
Price:		
Source(s):		



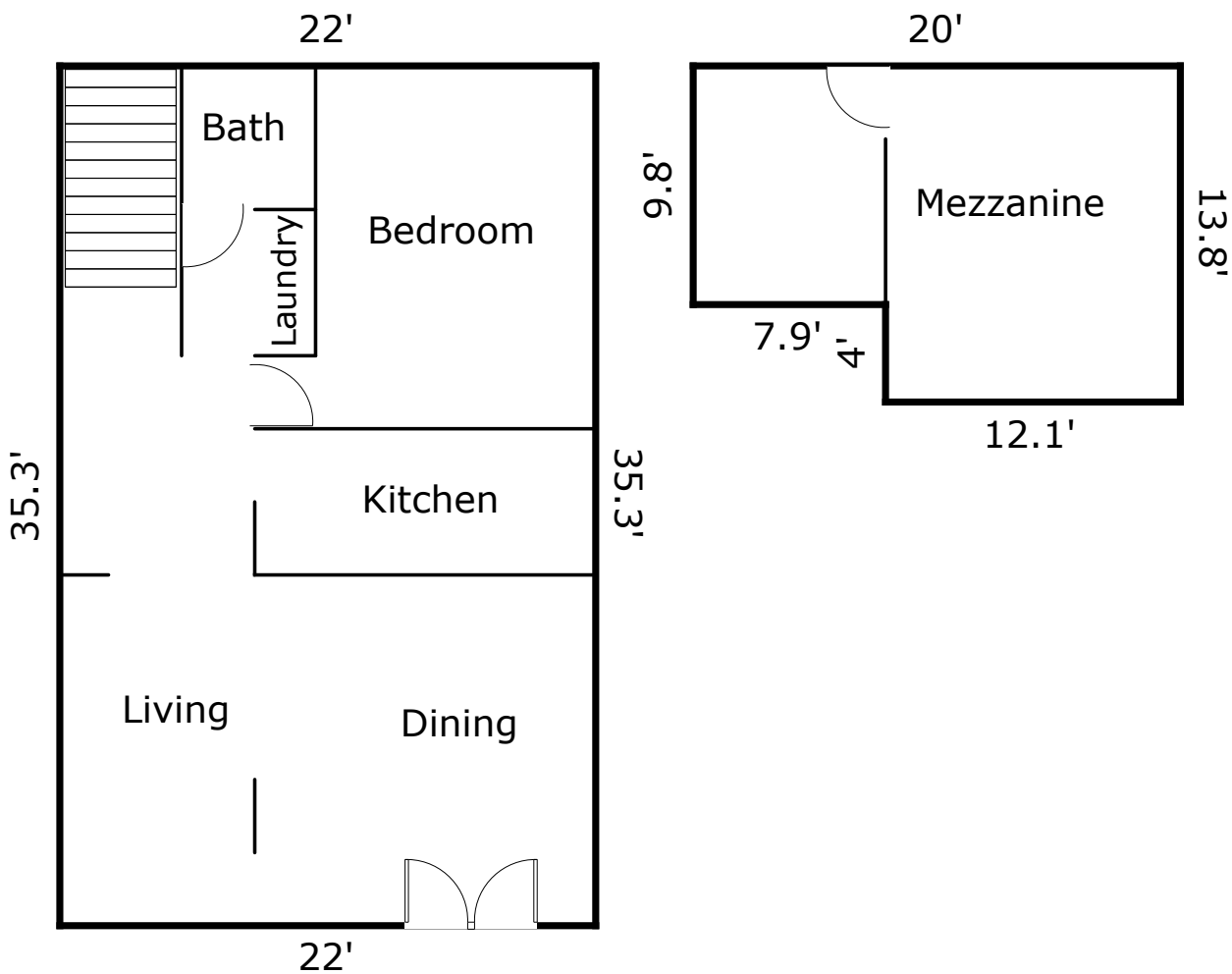
## **SALES COMPARISON APPROACH**

INCOME APPROACH	INCOME APPROACH TO VALUE (if developed) <input checked="" type="checkbox"/> The Income Approach was not developed for this appraisal.														
	FEATURE			SUBJECT			COMPARABLE RENTAL # 1			COMPARABLE RENTAL # 2			COMPARABLE RENTAL # 3		
	Address Gabriela's House Cond. , # 2-E San Juan, PR 00901														
	Project Gabriela's House Cond.														
	Phase One														
	Proximity to Subject														
	Current Monthly Rent \$						\$			\$					
	Rent/GLA \$ /sq.ft.						\$ /sq.ft.			\$ /sq.ft.					
	Rent Control <input type="checkbox"/> Yes <input type="checkbox"/> No			<input type="checkbox"/> Yes <input type="checkbox"/> No						<input type="checkbox"/> Yes <input type="checkbox"/> No					
	Data Source(s)														
	Date of Lease(s)														
	Location N;Res;														
	View														
	Age >100														
	Condition Good														
COST	Above Grade			Total	Bdrms	Baths	Total	Bdrms	Baths	Total	Bdrms	Baths			
	Room Count			4	2	1									
	Gross Living Area			1,232 sq.ft.			sq.ft.			sq.ft.					
	Utilities Included														
Summary of Income Approach (including support for market rent and GRM): The Income Approach is not included in this report, as the market area is predominantly owner-occupied housing. Moreover, this approach doesn't produce credible results.															
Opinion of Monthly Market Rent \$ X Gross Rent Multiplier = \$ Indicated Value by Income Approach															
COST APPROACH TO VALUE (if developed) <input checked="" type="checkbox"/> The Cost Approach was not developed for this appraisal.															
Summary of Cost Approach: Cost Approach is not developed for condominium units.															
RECONCILIATION	Indicated Value by: Sales Comparison Approach \$ 362,000 Cost Approach (if developed) \$ Income Approach (if developed) \$														
	Final Reconciliation The final estimate of value was based on the results provided by the Sales Comparison Approach method of valuation which typically reflects the current market trends. The Appraiser is not responsible for structural or mechanical deficiencies of the property. The appraiser does not act as a home inspector nor an engineer. For a more detailed condition of subject, a home inspection is suggested. This is not a home inspection, therefore all apparent or hidden defects may not be included in this report.														
	This appraisal is made <input checked="" type="checkbox"/> "as is", <input type="checkbox"/> subject to completion per plans and specifications on the basis of a Hypothetical Condition that the improvements have been completed, <input type="checkbox"/> subject to the following repairs or alterations on the basis of a Hypothetical Condition that the repairs or alterations have been completed, <input type="checkbox"/> subject to the following required inspection based on the Extraordinary Assumption that the condition or deficiency does not require alteration or repair:														
	<input checked="" type="checkbox"/> This report is also subject to other Hypothetical Conditions and/or Extraordinary Assumptions as specified in the attached addenda.														
	Based on the degree of inspection of the subject property, as indicated below, defined Scope of Work, Statement of Assumptions and Limiting Conditions, and Appraiser's Certifications, my (our) Opinion of the Market Value (or other specified value type), as defined herein, of the real property that is the subject of this report is: \$ 362,000 , as of: 02/03/2021 , which is the effective date of this appraisal. If indicated above, this Opinion of Value is subject to Hypothetical Conditions and/or Extraordinary Assumptions included in this report. See attached addenda.														
ATTACHMENTS	A true and complete copy of this report contains 16 pages, including exhibits which are considered an integral part of the report. This appraisal report may not be properly understood without reference to the information contained in the complete report.														
	Attached Exhibits:														
	<input checked="" type="checkbox"/> Scope of Work <input checked="" type="checkbox"/> Limiting Cond./Certifications <input type="checkbox"/> Narrative Addendum <input checked="" type="checkbox"/> Photograph Addenda <input checked="" type="checkbox"/> Sketch Addendum <input type="checkbox"/> Map Addenda <input type="checkbox"/> Additional Sales <input type="checkbox"/> Additional Rentals <input type="checkbox"/> Flood Addendum <input type="checkbox"/> Hypothetical Conditions <input type="checkbox"/> Extraordinary Assumptions <input type="checkbox"/> Budget Analysis <input type="checkbox"/>														
SIGNATURES	Client Contact: Client Name: Quarles & Brady LLP														
	E-Mail: Address: 411 East Wisconsin Avenue, Suite 2400, Milwaukee, WI 53202-4426														
	APPRaiser						SUPERVISORY APPRAISER (if required) or CO-APPRAISER (if applicable)								
															
	Appraiser Name: Antonio S. Torres Fidalgo						Supervisory or Co-Appraiser Name:								
	Company: ATF Tasadores						Company:								
	Phone: T.787-946-7966, M.939-645 Fax:						Phone: Fax:								
	E-Mail: info@atftasadores.com						E-Mail:								
	Date of Report (Signature): 03/17/2021						Date of Report (Signature):								
	License or Certification #: 301CR State: PR						License or Certification #: State:								
Designation:						Designation:									
Expiration Date of License or Certification: 04/08/2023						Expiration Date of License or Certification:									
Inspection of Subject: <input checked="" type="checkbox"/> Interior & Exterior <input type="checkbox"/> Exterior Only <input type="checkbox"/> None						Inspection of Subject: <input type="checkbox"/> Interior & Exterior <input type="checkbox"/> Exterior Only <input type="checkbox"/> None									
Date of Inspection: 02/03/2021						Date of Inspection:									

Building Sketch

Borrower	None				
Property Address	Gabriela's House Cond. , # 2-E				
City	San Juan	County	San Juan	State	PR Zip Code 00901
Lender/Client	Quarles & Brady LLP				

Building sketch dimensions were measured by the appraiser. Measurement differences between appraiser and Legal Deed were identified. The Sq. Ft. of the Legal Deed is based on the Plot Plan made by a Certified Engineer and recorded in the Condominium Master Deed. However, these differences could be explained by sources of errors. This report is based on GLA by legal deed provided.



TOTAL Sketch by a la mode, inc.

Area Calculations Summary



Interior Photos

Borrower	None				
Property Address	Gabriela's House Cond. , # 2-E				
City	San Juan	County	San Juan	State	PR Zip Code 00901
Lender/Client	Quarles & Brady LLP				



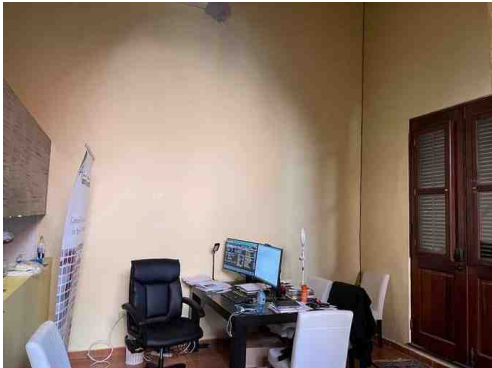
Front



Interior



Kitchen



Dinning



Bath



Bedroom



Interior



Mezzanine



Interior



Stairs



Laundry



Interior



Street



Street



Borrower	None				
Property Address	Gabriela's House Cond. , # 2-E				
City	San Juan	County	San Juan	State	PR Zip Code 00901
Lender/Client	Quarles & Brady LLP				



Comparable 1

Apt. 3B, Gaudi Cond.	
Prox. To subject	0.04 miles NW
Sale price	358,000
Gross living area	1,218
Total rooms	5
Total bedrooms	2
Total bathrooms	2
Location	N;Res;
View	Good
Site	Typical/Cond.
Quality	Average
Age	Similar



Comparable 2

Apt. 202, Hostal el Sol Cond.	
Prox. To subject	0.04 miles NE
Sale price	310,000
Gross living area	741
Total rooms	5
Total bedrooms	2
Total bathrooms	2
Location	N;Res;
View	Good
Site	Typical/Cond.
Quality	Average
Age	Similar



Comparable 3

Apt. 4, Fortaleza 203 Cond.	
Prox. To subject	0.05 miles SE
Sale price	394,000
Gross living area	1,353
Total rooms	5
Total bedrooms	2
Total bathrooms	2.1
Location	N;Res;
View	Good
Site	Typical/Cond.
Quality	Average
Age	Similar



Location Map

Borrower	None				
Property Address	Gabriela's House Cond. , # 2-E				
City	San Juan	County	San Juan	State	PR Zip Code 00901
Lender/Client	Quarles & Brady LLP				





Address: Gabriela's House Cond.	Unit #: 2-E	City: San Juan	State: PR	Zip Code: 00901
Client: Quarles & Brady LLP	Address:			
Appraiser: Antonio S. Torres Fidalgo	Address: PMB 510, 405 Esmeralda Ave., Ste 2,, Guaynabo, PR 00969			

STATEMENT OF ASSUMPTIONS & LIMITING CONDITIONS

- The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The appraiser assumes that the title is good and marketable and, therefore, will not render any opinions about the title. The property is appraised on the basis of it being under responsible ownership.
- The appraiser may have provided a sketch in the appraisal report to show approximate dimensions of the improvements, and any such sketch is included only to assist the reader of the report in visualizing the property and understanding the appraiser's determination of its size. Unless otherwise indicated, a Land Survey was not performed.
- If so indicated, the appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in the appraisal report whether the subject unit is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
- The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand.
- If the cost approach is included in this appraisal, the appraiser has estimated the value of the land in the cost approach at its highest and best use, and the improvements at their contributory value. Unless otherwise specifically indicated, the cost approach value is not an insurance value, and should not be used as such.
- The appraiser has noted in the appraisal report any adverse conditions (including, but not limited to, needed repairs, depreciation, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property, or that he or she became aware of during the normal research involved in performing the appraisal. Unless otherwise stated in the appraisal report, the appraiser has no knowledge of any hidden or unapparent conditions of the property, or adverse environmental conditions (including, but not limited to, the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied, regarding the condition of the property. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, the appraisal report must not be considered as an environmental assessment of the property.
- The appraiser obtained the information, estimates, and opinions that were expressed in the appraisal report from sources that he or she considers to be reliable and believes them to be true and correct. The appraiser does not assume responsibility for the accuracy of such items that were furnished by other parties.
- The appraiser will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice, and any applicable federal, state or local laws.
- If this appraisal is indicated as subject to satisfactory completion, repairs, or alterations, the appraiser has based his or her appraisal report and valuation conclusion on the assumption that completion of the improvements will be performed in a workmanlike manner.
- An appraiser's client is the party (or parties) who engage an appraiser in a specific assignment. Any other party acquiring this report from the client does not become a party to the appraiser-client relationship. Any persons receiving this appraisal report because of disclosure requirements applicable to the appraiser's client do not become intended users of this report unless specifically identified by the client at the time of the assignment.
- The appraiser's written consent and approval must be obtained before this appraisal report can be conveyed by anyone to the public, through advertising, public relations, news, sales, or by means of any other media, or by its inclusion in a private or public database.
- An appraisal of real property is not a 'home inspection' and should not be construed as such. As part of the valuation process, the appraiser performs a non-invasive visual inventory that is not intended to reveal defects or detrimental conditions that are not readily apparent. The presence of such conditions or defects could adversely affect the appraiser's opinion of value. Clients with concerns about such potential negative factors are encouraged to engage the appropriate type of expert to investigate.

The Scope of Work is the type and extent of research and analyses performed in an appraisal assignment that is required to produce credible assignment results, given the nature of the appraisal problem, the specific requirements of the intended user(s) and the intended use of the appraisal report. Reliance upon this report, regardless of how acquired, by any party or for any use, other than those specified in this report by the Appraiser, is prohibited. The Opinion of Value that is the conclusion of this report is credible only within the context of the Scope of Work, Effective Date, the Date of Report, the Intended User(s), the Intended Use, the stated Assumptions and Limiting Conditions, any Hypothetical Conditions and/or Extraordinary Assumptions, and the Type of Value, as defined herein. The appraiser, appraisal firm, and related parties assume no obligation, liability, or accountability, and will not be responsible for any unauthorized use of this report or its conclusions.

Additional Comments (Scope of Work, Extraordinary Assumptions, Hypothetical Conditions, etc.):

For the purpose of this report the intender user is Quarles & Brady LLP.

Legal Description was not provided by the client. This report was based on the extraordinary assumption that the GLA (Gross Living Area) information is correct. If is found to be incorrect market value may change or would be invalid.

No liability is assumed for structural or mechanical elements of the property. This is not a home inspection report. Subject's condition mentioned in this report may not include all apparent and or hidden defects the subject may have. For a more detailed condition of subject, a certified home inspector is suggested.

I have performed no (or the specified) services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

Verify subject zonification.

Certifications

File No.: 917201

Address: Gabriela's House Cond.	Unit #: 2-E	City: San Juan	State: PR	Zip Code: 00901
Client: Quarles & Brady LLP	Address:			
Appraiser: Antonio S. Torres Fidalgo	Address: PMB 510, 405 Esmeralda Ave., Ste 2,, Guaynabo, PR 00969			

APPRAISER'S CERTIFICATION

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

- The statements of fact contained in this report are true and correct.
- The credibility of this report, for the stated use by the stated user(s), of the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- Unless otherwise indicated, I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- 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.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice that were in effect at the time this report was prepared.
- I did not base, either partially or completely, my analysis and/or the opinion of value in the appraisal report on the race, color, religion, sex, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property, or of the present owners or occupants of the properties in the vicinity of the subject property.
- Unless otherwise indicated, I have made a personal inspection of the property that is the subject of this report.
- Unless otherwise indicated, no one provided significant real property appraisal assistance to the person(s) signing this certification.

Additional Certifications:

DEFINITION OF MARKET VALUE \*:

Market value means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and 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:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised and acting in what they consider their own best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. 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.

\* This definition is from regulations published by federal regulatory agencies pursuant to Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) of 1989 between July 5, 1990, and August 24, 1990, by the Federal Reserve System (FRS), National Credit Union Administration (NCUA), Federal Deposit Insurance Corporation (FDIC), the Office of Thrift Supervision (OTS), and the Office of Comptroller of the Currency (OCC). This definition is also referenced in regulations jointly published by the OCC, OTS, FRS, and FDIC on June 7, 1994, and in the Interagency Appraisal and Evaluation Guidelines, dated October 27, 1994.

Client Contact: _____	Client Name: Quarles & Brady LLP
E-Mail: _____	Address: _____

APPRAISER

SUPERVISORY APPRAISER (if required)  
or CO-APPRAISER (if applicable)

*Atfidalgo* 1211EPA

Appraiser Name: Antonio S. Torres Fidalgo  
Company: ATF Tasadores  
Phone: T.787-946-7966, M.939-645 Fax: \_\_\_\_\_  
E-Mail: info@atftasadores.com  
Date Report Signed: 03/17/2021  
License or Certification #: 301CR State: PR  
Designation: \_\_\_\_\_  
Expiration Date of License or Certification: 04/08/2023  
Inspection of Subject: ☒ Interior & Exterior ☐ Exterior Only ☐ None  
Date of Inspection: 02/03/2021

Supervisory or Co-Appraiser Name: \_\_\_\_\_  
Company: \_\_\_\_\_  
Phone: \_\_\_\_\_ Fax: \_\_\_\_\_  
E-Mail: \_\_\_\_\_  
Date Report Signed: \_\_\_\_\_  
License or Certification #: \_\_\_\_\_ State: \_\_\_\_\_  
Designation: \_\_\_\_\_  
Expiration Date of License or Certification: \_\_\_\_\_  
Inspection of Subject: ☐ Interior & Exterior ☐ Exterior Only ☐ None  
Date of Inspection: \_\_\_\_\_

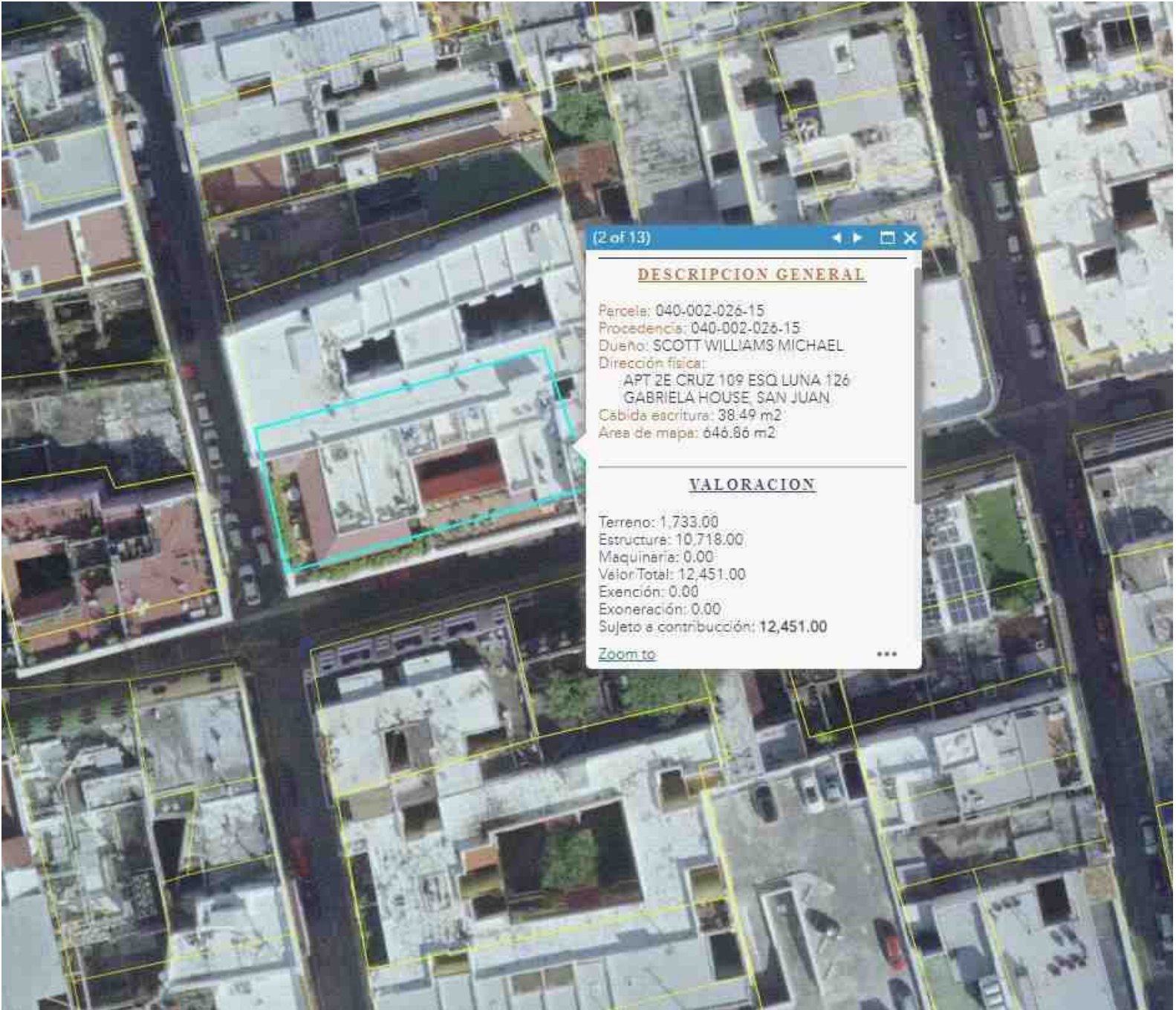
SIGNATURES



**Legal Description**

APARTAMENTO NUMERO DOS "E" (2E): URBANA: PROPIEDAD HORIZONTAL: Apartamento dos "E" (2E) localizado en el segundo piso del Condominio Gabriela's House con una cabida superficial de mil doscientos treinta y uno punto nueve pies cuadrados (1,231.9 p/c), equivalentes a ciento catorce punto cuatro metros cuadrados (114.4 m/c). Colinda por el **Norte**, en una distancia de veinticuatro pies cinco punto cinco pulgadas (24'5.5"), equivalentes a siete punto cuarenta y cinco metros (7.45 m), con la pared exterior del Condominio que da hacia la colindancia con la propiedad marcada con el numero ciento siete (107) de la Calle Cruz; por el **Sur**, en una distancia de veinticuatro pies cinco punto cinco pulgadas (24'5.5"), equivalentes a siete punto cuarenta y cinco metros (7.45 m), con el Apartamento dos "D") (2-D); por el **Este**, en una distancia de treinta y siete pies una pulgada (37'1"), equivalentes a once punto tres metros (11.3 m), con la pared exterior del Condominio que da hacia la propiedad marcada con el numero doscientos uno (201) de la Calle Luna y por el **Oeste**, en una distancia de treinta y siete pies una pulgada (37'1"), equivalentes a once punto tres metros (11.3 m), con el Apartamento dos "C"(2C) y con el Apartamento dos "D" (2D).

CRIM



(2 of 13) ◀ ▶ 🔍 ✕

**DESCRIPCION GENERAL**

Parcela: 040-002-026-15  
Procedencia: 040-002-026-15  
Dueño: SCOTT WILLIAMS MICHAEL  
Dirección física:  
APT 2E CRUZ 109 ESQ LUNA 126  
GABRIELA HOUSE, SAN JUAN  
Cobida escritura: 38.49 m2  
Area de mapa: 646.86 m2

**VALORACION**

Terreno: 1,733.00  
Estructura: 10,718.00  
Maquinaria: 0.00  
Valor Total: 12,451.00  
Exención: 0.00  
Exoneración: 0.00  
Sujeto a contribución: 12,451.00

Zoom to ...



Aerial picture



Borrower	None						
Property Address	Gabriela's House Cond. , # 2-E						
City	San Juan	County	San Juan	State	PR	Zip Code	00901
Lender/Client	Quarles & Brady LLP						

APPRAISAL AND REPORT IDENTIFICATION

This Appraisal Report is one of the following types:

☐ Appraisal Report

This report was prepared in accordance with the requirements of the Appraisal Report option of USPAP Standards Rule 2-2(a).

☒ Restricted Appraisal Report

This report was prepared in accordance with the requirements of the Restricted Appraisal Report option of USPAP Standards Rule 2-2(b). The intended user of this report is limited to the identified client. This is a Restricted Appraisal Report and the rationale for how the appraiser arrived at the opinions and conclusions set forth in the report may not be understood properly without the additional information in the appraiser's workfile.

**Note on square feet: Legal Description or Title Study was provided by the Client. Square feet was based on information provided by the Client. If is found to be false market value may change. The Intended Use is for the sole purpose to estimate Market Value to assist the only Intended User / Quarles & Brady LLP.**

ADDITIONAL CERTIFICATIONS

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

The statements of fact contained in this report are true and correct.

The report analyses, opinions, and conclusions are limited only by the reported assumptions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.

I have no (or the specified) present or prospective interest in the property that is the subject of this report and no (or specified) personal interest with respect to the parties involved.

I have no bias with respect to the property that is the subject of this report or the parties involved with this assignment.

My engagement in this assignment was not contingent upon developing or reporting predetermined results.

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.

My analyses, opinions, and conclusions were developed and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.

This appraisal report was prepared in accordance with the requirements of Title XI of FIRREA and any implementing regulations.

PRIOR SERVICES

☒ I have NOT performed services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

☐ I HAVE performed services, as an appraiser or in another capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment. Those services are described in the comments below.

PROPERTY INSPECTION

☐ I have NOT made a personal inspection of the property that is the subject of this report.

☒ I HAVE made a personal inspection of the property that is the subject of this report.

APPRAISAL ASSISTANCE

Unless otherwise noted, no one provided significant real property appraisal assistance to the person signing this certification. If anyone did provide significant assistance, they are hereby identified along with a summary of the extent of the assistance provided in the report.

ADDITIONAL COMMENTS

Additional USPAP related issues requiring disclosure and/or any state mandated requirements: I have performed no (or the specified) services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

As of the date of this report, I Antonio S. Torres Fidalgo have completed the Standards and Ethics Education Requirement for Candidates of the Appraisal Institute.

MARKETING TIME AND EXPOSURE TIME FOR THE SUBJECT PROPERTY

☒ A reasonable marketing time for the subject property is 90-180 day(s) utilizing market conditions pertinent to the appraisal assignment.

☒ A reasonable exposure time for the subject property is 1-180 day(s).

APPRAISER

SUPERVISORY APPRAISER (ONLY IF REQUIRED)

Signature

NameAntonio S. Torres Fidalgo

Date of Signature03/17/2021

State Certification #301CR

or State License #

StatePR

Expiration Date of Certification or License04/08/2023

Effective Date of Appraisal02/03/2021

Signature

Name

Date of Signature

State Certification #

or State License #

State

Expiration Date of Certification or License

Supervisory Appraiser Inspection of Subject Property

☐ Did Not

☐ Exterior-only from Street

☐ Interior and Exterior

USPAP Compliance Addendum 2014

Page 1 of 1

Form ID14EC - "TOTAL" appraisal software by a la mode, inc. - 1-800-ALAMODE





T0:

Quarles & Brady LLP

**Fax Number:**  
**E-Mail:**

<b>Lender:</b> Quarles & Brady LLP	<b>Client:</b> Quarles & Brady LLP
<b>Purchaser/Borrower:</b> None	
<b>Property Address:</b> Gabriela's House Cond. , # 2-E	
<b>City:</b> San Juan	
<b>County:</b> San Juan	<b>State:</b> PR
<b>Legal Description:</b> Refer to legal description attached.	<b>Zip:</b> 00901

[illegible]

PAYMENTS			AMOUNT
Check #:	Date:	Description:	
Check #:	Date:	Description:	
Check #:	Date:	Description:	
SUBTOTAL			

<b>Managing Expectations through ensuring timelines and effective products!</b>	<b>TOTAL DUE</b>	<b>\$</b>	<b>350.00</b>
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**APPRAISAL OF REAL PROPERTY**



**LOCATED AT**

Gabriela's House Cond. , # PH-1A  
San Juan, PR 00901

**FOR**

Quarles & Brady LLP

**OPINION OF VALUE**

571,000

**AS OF**

02/03/2021

**BY**

Antonio S. Torres Fidalgo  
ATF Tasadores  
PMB 510, 405 Esmeralda Ave., Ste 2,  
Guaynabo, PR 00969  
T.787-946-7966, M.939-645-6263  
[info@atftasadores.com](mailto:info@atftasadores.com)



ATF Tasadores  
PMB 510, 405 Esmeralda Ave., Ste 2,  
Guaynabo, PR 00969  
T.787-946-7966, M.939-645-6263

03/17/2021

Quarles & Brady LLP

Re: Property: Gabriela's House Cond., # PH-1A  
San Juan, PR 00901  
Borrower: None  
File No.: 917201

Opinion of Value: \$ 571,000  
Effective Date: 02/03/2021

In accordance with your request, I have appraised the above referenced property. The report of that appraisal is attached. The purpose of the appraisal is to develop an opinion of market value for the property described in this appraisal report, as improved, in unencumbered fee simple title of ownership.

This appraisal report was made based on Extraordinary Assumptions listed on the Assumptions, Limiting Conditions & Scope of Work page of the report. If the Extraordinary Assumptions were found to be false or incorrect, the reported value conclusion would be invalid.

Possession of this letter, or a copy thereof, does not carry with it the right of publication. This letter may not be used for any purpose by any person other than the party to whom it is addressed without our written consent, and in any event, only with proper written qualification and only in its entirety. We are not responsible for unauthorized use of this report, and no one except the client is allowed to use it or its findings for decision-making. I accept no responsibility for use of this report by any person or entity other than the client, or for any other intended use than the one stated in the report.

Sincerely,

A handwritten signature in blue ink, which appears to read 'Atf:ch/got', is followed by the alphanumeric string '1211EPA' in a blue, sans-serif font.

Antonio S. Torres Fidalgo  
License or Certification #: 301CR  
State: PR Expires: 04/08/2023  
[info@atftasadores.com](mailto:info@atftasadores.com)

SUBJECT

Property Address: Gabriela's House Cond. Unit #: PH-1A City: San Juan State: PR  
Zip Code: 00901 County: San Juan Legal Description: Refer to legal description attached.  
Assessor's Parcel #: 040-002-026-15-012.  
Tax Year: 2021 R.E. Taxes: \$ 3,152 Special Assessments: \$ Unk Borrower (if applicable): None  
Current Owner of Record: Michael Scott Williams Occupant: ☒ Owner ☐ Tenant (Market Rent) ☐ Tenant (Regulated Rent) ☐ Vacant  
Project Type: ☒ Condominium ☐ Other (describe) HOA: \$ Not provided ☐ per year ☐ per month  
Market Area Name: Old San Juan Map Reference: 18.4662, -66.1163 Census Tract: 0005.06  
Project Name: Gabriela's House Cond. Phase: One

ASSIGNMENT

The purpose of this appraisal is to develop an opinion of: ☒ Market Value (as defined), or ☐ other type of value (describe)  
This report reflects the following value (if not Current, see comments): ☒ Current (the Inspection Date is the Effective Date) ☐ Retrospective ☐ Prospective  
Approaches developed for this appraisal: ☒ Sales Comparison Approach ☐ Cost Approach ☐ Income Approach (See Reconciliation Comments and Scope of Work)  
Property Rights Appraised: ☒ Fee Simple ☐ Leasehold ☐ Leased Fee ☐ Other (describe)  
Intended Use: Provide an opinion of market value of the subject property for the referenced client in this report. This report is not for financing purposes.  
Intended User(s) (by name or type): Quarles & Brady LLP  
Client: Quarles & Brady LLP Address: 411 East Wisconsin Avenue, Suite 2400, Milwaukee, WI 53202-4426  
Appraiser: Antonio S. Torres Fidalgo Address: PMB 510, 405 Esmeralda Ave., Ste 2,, Guaynabo, PR 00969

MARKET AREA DESCRIPTION

Location:	<input checked="" type="checkbox"/> Urban	<input type="checkbox"/> Suburban	<input type="checkbox"/> Rural	<b>Predominant Occupancy</b>	<b>Condominium Housing</b>			<b>Present Land Use</b>		<b>Change in Land Use</b>	
Built up:	<input checked="" type="checkbox"/> Over 75%	<input type="checkbox"/> 25-75%	<input type="checkbox"/> Under 25%		PRICE	AGE	One-Unit	5 %	<input checked="" type="checkbox"/> Not Likely		
Growth rate:	<input type="checkbox"/> Rapid	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Slow		\$ (000)	(yrs)	2-4 Unit	10 %	<input type="checkbox"/> Likely *	<input type="checkbox"/> In Process *	
Property values:	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining		105	Low	10	Multi-Unit	66 %	* To: _____	
Demand/supply:	<input type="checkbox"/> Shortage	<input checked="" type="checkbox"/> In Balance	<input type="checkbox"/> Over Supply		1,200	High	380	Comm'l	16 %		
Marketing time:	<input type="checkbox"/> Under 3 Mos.	<input checked="" type="checkbox"/> 3-6 Mos.	<input type="checkbox"/> Over 6 Mos.		300	Pred	100	3er	3 %		

Market Area Boundaries, Description, and Market Conditions (including support for the above characteristics and trends): North: Atlantic ocean, South: La Puntilla, East: Norzagaray street, West: Del Cristo street. Gabriela's House Cond. is located at De la Cruz corner Luna streets in the Old San Juan. The neighborhood has access to community facilities and utilities including schools, hotels, restaurants, pharmacy, bakeries and supermarkets, Etc. Also El Morro and San Cristobal fortresses are located nearby. Also several bars and convenience stores are at short walking distance. All of these are considered employment centers for the residents of the sector. The neighborhood mostly consists of commercial and single-family residential dwellings. The appraiser identify that property values in this market segment have been stable over the course of the year. Interview with local brokers and owners indicates that marketing time is between three to six month. Demand and supply seems to be in balance. No adverse factors observed that may affect the marketability of the properties in the neighborhood.

PROJECT SITE DESCRIPTION

Zoning Classification: C-3 Description: Commercial Central  
Zoning Compliance: ☒ Legal ☐ Legal nonconforming (grandfathered) ☐ Illegal ☐ No zoning

Ground Rent (if applicable) \$ N/A/ Comments: \_\_\_\_\_

Highest & Best Use as improved (or as proposed per plans & specifications): ☒ Present use, or ☐ Other use (explain) \_\_\_\_\_

Actual Use as of Effective Date: Residential Use as appraised in this report: Residential  
Summary of Highest & Best Use: The subject appears to be in harmony with the zoning codes, and its vicinity. It is the Appraiser's opinion that the highest and best use of the subject property is residential use. In order to estimate if the alternate use is the highest and best use, a development (investment) analysis would be required.

<b>Utilities</b>	Public	Other	Provider/Description	<b>Off-site Improvements</b>	Type	Public	Private	Density	High density
Electricity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PREPA	Street	Asphalt	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Size	Typical/Cond.
Gas	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Private	Curb/Gutter	Concrete	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Topography	Semi-Level
Water	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PRASA	Sidewalk	Concrete	<input checked="" type="checkbox"/>	<input type="checkbox"/>	View	N;Res
Sanitary Sewer	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PRASA	Street Lights	Sodium Bulb	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
Storm Sewer	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PRASA	Alley	None	<input type="checkbox"/>	<input type="checkbox"/>		

Other site elements: ☐ Inside Lot ☒ Corner Lot ☐ Cul de Sac ☐ Underground Utilities ☐ Other (describe)

FEMA Spec'l Flood Hazard Area ☐ Yes ☒ No FEMA Flood Zone X FEMA Map # 72000C0355J FEMA Map Date 11/18/2009

Site Comments: I haven't noticed any significant adverse environmental conditions during the data collection process in performing the appraisal that may affect the subject property. The appraiser is not an expert in the field of environmental hazards. Flood maps prepared by FEMA were examined to determine the probability of flooding at the subject site. However the appraiser is not an expert in this field. Verify Fema Flood Map. The zoning maps, prepared by the Municipality of San Juan of the subject and immediate neighborhood were also examined.

PROJECT INFORMATION

Data source(s) for project information Field Inspection.

Project Description ☐ Detached ☐ Row or Townhouse ☐ Garden ☐ Mid-Rise ☐ High-Rise ☒ Other (describe) W-Up

General Description of Project				Subject Phase		#	If Project Completed	#	If Project Incomplete	#
# of Stories	3	Exterior Walls	RC	Units		12	Phases		1	Planned Phases
# of Elevators	0 / 1*	Roof Surface	RC	Units Completed		12	Units		12	Planned Units
<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Und.Cons.		Total # Parking	0	Units For Sale		0	Units for Sale		0	Units for Sale
Design (Style)	Colonial	Ratio (spaces/unit)	0	Units Sold		12	Units Sold		12	Units Sold
Actual Age (Yrs.)	>100	Parking Type(s)	None	Units Rented		+/-1	Units Rented		+/-1	Units Rented
Effective Age (Yrs.)	25	Guest Parking	None	Owner Occup. Units		+/-11	Owner Occup. Units		+/-11	Owner Occup. Units

Project Primary Occupancy ☒ Principal Residence ☐ Second Home or Recreational ☐ Tenant 1\*-There is one private elevator, however it was not tested.

Is the developer/builder in control of the Homeowners' Association (HOA)? ☐ Yes ☒ No

Management Group: ☒ Homeowners' Association ☐ Developer ☐ Management Agent (name of management agent or company): \_\_\_\_\_

Was the project created by the conversion of existing building(s) into a condominium? ☐ Yes ☒ No If Yes, describe the original use and date of conversion.

Are CC&Rs applicable? ☐ Yes ☒ No ☐ Unknown Have the documents been reviewed? ☐ Yes ☐ No Comments: \_\_\_\_\_

Project Comments (condition, quality of construction, completion status, etc.): Condominium is in average condition with average quality of construction and good appeal to market due to its location.

Common Elements and Recreational Facilities: Stairs.



PROJECT ANALYSIS

Summary of condominium project budget analysis for the current year (if analyzed):

Not provided during the normal course of business.

Other fees for the use of the project facilities (other than regular HOA charges):

None.

Compared to other competitive projects of similar quality and design, the subject unit charge appears

☐ High ☒ Average ☐ Low

(If High or Low, describe)

Are there any special or unusual characteristics of the project (based on the condominium documents, HOA meetings, or other information) known to the appraiser?

☐ Yes ☒ No

If Yes, describe and explain the effect on value and marketability.

DESCRIPTION OF THE UNIT IMPROVEMENTS

Unit Charge: \$ 594.08 per month X 12 = \$ 7,128.96 per year. Annual assessment charge per year per SF of GLA = \$ 2.36

Utilities included in the Unit Charge: ☒ None ☐ Heat ☐ Air Conditioning ☐ Electricity ☐ Gas ☐ Water ☐ Sewer ☐ Cable ☐ Other

Source(s) used for physical characteristics of property: ☒ New Inspection ☐ Previous Appraisal Files ☐ MLS ☐ Assessment and Tax Records ☐ Prior Inspection

☐ Property Owner ☐ Other (describe)

Data Source for Gross Living Area Deed.

<b>General Description</b>	<b>Exterior Description</b>	<b>Foundation</b> <input checked="" type="checkbox"/> N/A	<b>Basement</b> <input checked="" type="checkbox"/> N/A	<b>Heating</b> None
Floor Location 3rd floor	Foundation RC	Slab	Area Sq. Ft. 0sf	Type
# of Levels 1	Exterior Walls RC	Crawl Space	% Finished	Fuel
Design (Style) Colonial/Condo.	Roof Surface RC	Basement	Ceiling	
<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed	Gutters & Dwnspts. Plastic	Sump Pump <input type="checkbox"/>	Walls	<b>Cooling</b> Yes
<input type="checkbox"/> Under Construction	Window Type Glass	Dampness <input type="checkbox"/>	Floor	Central
Actual Age (Yrs.) >100	Storm/Screens None / None	Settlement	Outside Entry	Other S/U
Effective Age (Yrs.) 25		Infestation		

<b>Interior Description</b>	<b>Appliances</b>	<b>Attic</b> <input checked="" type="checkbox"/> N/A	<b>Amenities</b>	<b>Car Storage</b> <input checked="" type="checkbox"/> None
Floors CT-Wood/Good	Refrigerator <input checked="" type="checkbox"/>	Stairs <input type="checkbox"/>	Fireplace(s) # 0	<input type="checkbox"/> Garage #
Walls C-plaster/Avg.	Range/Oven <input checked="" type="checkbox"/>	Drop Stair <input type="checkbox"/>	Patio None	<input type="checkbox"/> Covered #
Trim/Finish C-P,Wd,Met/Avg.	Disposal <input type="checkbox"/>	Scuttle <input type="checkbox"/>	Deck None	<input type="checkbox"/> Open #
Bath Floor Ceramic tiles/Avg.	Dishwasher <input type="checkbox"/>	Doorway <input type="checkbox"/>	Porch None	Total # of cars
Bath Wainscot Ceramic tiles/Avg.	Fan/Hood <input type="checkbox"/>	Floor <input type="checkbox"/>	Fence None	<input type="checkbox"/> Assigned
Doors Wood-Glass/Avg.	Microwave <input checked="" type="checkbox"/>	Heated <input type="checkbox"/>	Pool None	<input type="checkbox"/> Owned
	Washer/Dryer <input checked="" type="checkbox"/>	Finished <input type="checkbox"/>	Balcony None	Space #(s)

Finished area above grade contains: 5 Rooms 2 Bedrooms 1.1 Bath(s) 3,019 Square Feet of Gross Living Area Above Grade

Are the heating and cooling for the individual units separately metered?

☒ Yes ☐ No (If No, describe)

Additional features:

Appliances and furniture are considered personal property. Therefore not included in final value estimate.

Describe the condition of the property (including physical, functional and external obsolescence):

Unit is in good condition. It has ceramic tiles and wood in the apartment's floor. Physical deterioration noted, was considered normal of wear and tear. Water and electric systems were connected at the moment of physical inspection. Plot Plan and/or recent Title Study were not provided during normal course of business.

Note; Previous owner attached two apartments (Apt. PH 1-A with PH 1-B). Appraiser could not identify which part corresponds to both units. However this report is based on square footage by legal deed provided. Moreover, this report is made based on the hypothetical condition that the Subject is in its original condition as per plans and specifications in the master deed.

TRANSFER HISTORY

My research ☐ did ☒ did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.

Data Source(s): Private data and public records

1st Prior Subject Sale/Transfer	Analysis of sale/transfer history and/or any current agreement of sale/listing:
Date:	No prior sale or transfer history of the comparable sales nor the subject revealed.
Price:	
Source(s): Public & private data	
2nd Prior Subject Sale/Transfer	
Date:	
Price:	
Source(s):	

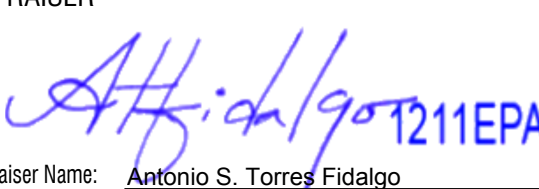
# INDIVIDUAL CONDO UNIT APPRAISAL REPORT

**File No.: 917201**

SALES COMPARISON APPROACH TO VALUE (if developed)

☐ The Sales Comparison Approach was not developed for this appraisal.

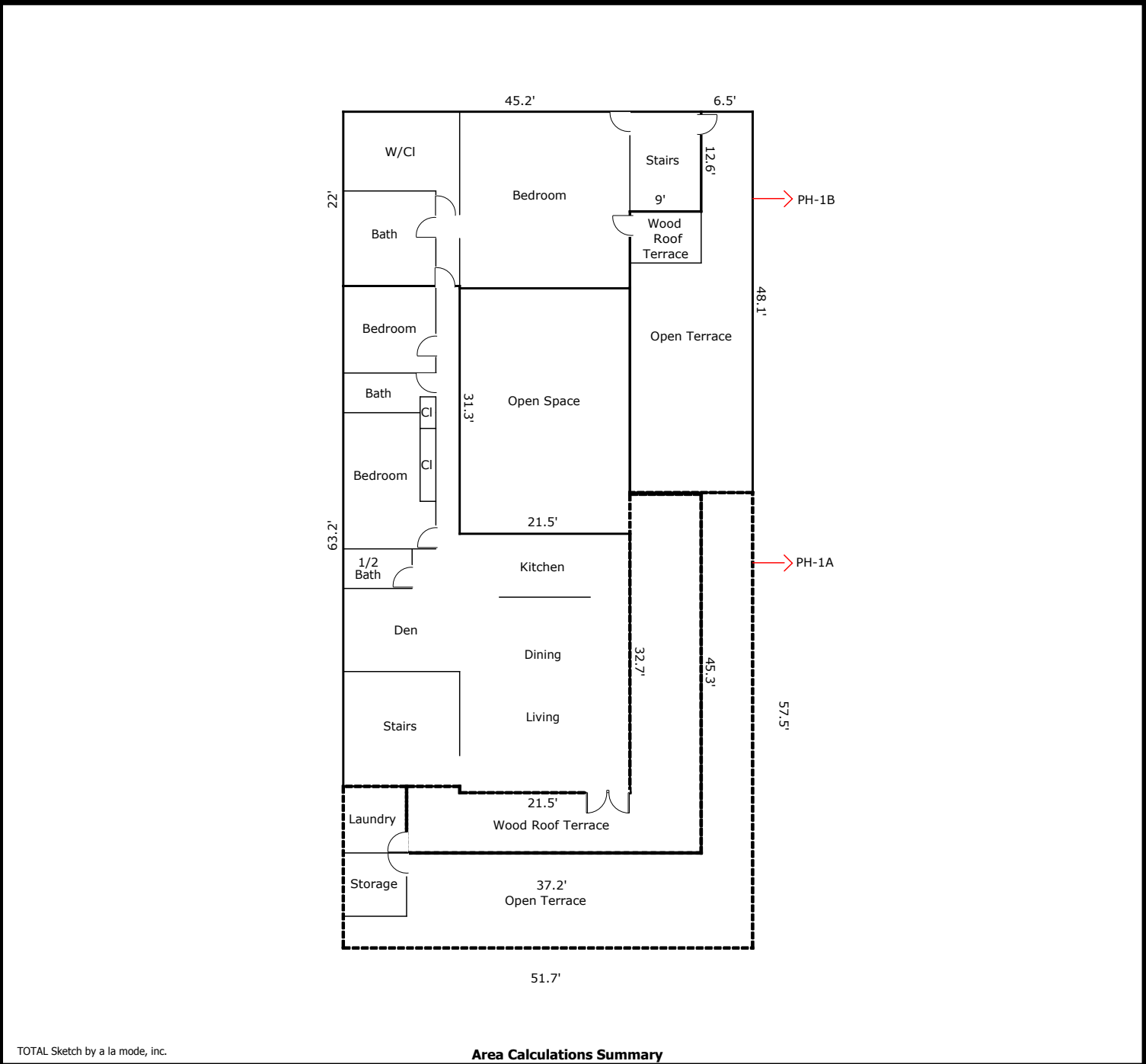
FEATURE		SUBJECT		COMPARABLE SALE # 1			COMPARABLE SALE # 2			COMPARABLE SALE # 3																					
Address	Gabriela's House Cond. , # PH-1A		San Juan, PR 00901		Apt. 2-A, Alfonso XIII Cond.			San Juan, PR			Apt. 1, Ricardo Manuel Cond.			San Juan, PR			Apt. 4, Fortaleza 203 Cond.			San Juan, PR 00901											
Project	Gabriela's House Cond.				Alfonso XIII Cond.						Ricardo Manuel Cond.						Fortaleza 203 Cond.														
Phase	One				One						One						One														
Proximity to Subject					0.18 miles N						0.17 miles N						0.20 miles SE														
Sale Price	\$		N/A					\$			621,000						\$			394,000											
Sale Price/GLA	\$		/sq.ft.		\$			189.39 /sq.ft.						\$			230.44 /sq.ft.						\$			291.20 /sq.ft.					
Data Source(s)	Owner				P.Registry #T 4884						TasaMax #127992						P.Registry #T 1639														
Verification Source(s)	F.inspection				F.Appraiser						Appraiser files						Appraiser files														
VALUE ADJUSTMENTS	DESCRIPTION				DESCRIPTION			+(-) \$ Adjust.			DESCRIPTION			+(-) \$ Adjust.			DESCRIPTION			+(-) \$ Adjust.											
Sales or Financing	ArmLth				ArmLth						ArmLth						ArmLth														
Concessions	0				Conv;0						Cash;0						Conv;0														
Date of Sale/Time	N/A				12/07/2020						07/31/2020						02/18/2021														
Rights Appraised	Fee Simple				Fee simple						Fee simple						Fee simple														
Location	N;Res;				N;Res;						N;Res;						N;Res;														
HOA Fees (\$/Month)	0				Similar						Similar						Similar														
Common Elements and Recreational Facilities	Stairs, Intercom				Similar						Similar						Similar														
Floor Location	3rd floor				2-3rd floor						1st floor						1-2nd floor														
View	N;Res				Good						Good						Good														
Design (Style)	Colonial/Condo.				Colonial/Condo.						Colonial/Condo.						Colonial/Condo.														
Quality of Construction	Average				Average						Average						Average														
Age	>100				Similar						Similar						Similar														
Condition	Good				Good			Similar			Good			Similar			Good/Superior			Superior											
Above Grade	Total	Bdrms	Baths		Total	Bdrms	Baths		Total	Bdrms	Baths		Total	Bdrms	Baths		Total	Bdrms	Baths												
Room Count	5	2	1.1		7	3	3		6	2	2		5	2	2.1																
Gross Living Area	3,019 sq.ft.				3,279 sq.ft.			Similar	1,866 sq.ft.			Superior	1,353 sq.ft.			Superior															
Basement & Finished Rooms Below Grade	0sf				0sf				0sf				0sf																		
Functional Utility	Good				Good				Good				Good																		
Heating/Cooling	None-A/C				None-A/C				None-A/C				None-A/C																		
Energy Efficient Items	None				None				None				None																		
Parking	None				None				None				None																		
Porch/Patio/Deck	Terrace				Terrace				Balconies				Patos																		
Overall Comparability	Average				Overall Comparability			Similar	Overall Comparability			Slightly Sup.	Overall Comparability			Superior															
Net Adjustment (Total)					<input type="checkbox"/> +	<input type="checkbox"/> -	\$		<input type="checkbox"/> +	<input type="checkbox"/> -	\$		<input type="checkbox"/> +	<input type="checkbox"/> -	\$																
Adjusted Sale Price of Comparables					Net	0.0 %			Net	0.0 %			Net	0.0 %																	
					Gross	0.0 %		\$ 621,000	Gross	0.0 %		\$ 430,000	Gross	0.0 %		\$ 394,000															
Summary of Sales Comparison Approach    The comparables grid below summarizes the adjusted unit value per square feet; and the overall comparability of the selected comparable sales and how they relate with the subject property. The market sample listed in the sales comparison grid provides a range of adjusted unit price indications, from \$189.39 to \$291.20 per square feet. All the sales are located in competitive projects within similar market area.																															
The subject property was positioned alike to Comparable Sale No.1 because it is the most similar to the subject property when compared with all the considered elements of comparison. Sale No. 2 is superior in value per unit due to its smaller square feet but similar in condition. Sale No. 3 is superior in condition and GLA. This comparable is superior in quality materials since it was recently remodeled. For that reason, after the above analysis the subject final concluded indication of value is \$189 per square feet.																															
Therefore, based on the qualitative analysis, a price of \$189 rounded per square feet is estimated for the subject property. Then, multiplying 3,019 square feet by \$189 equals a value indication of \$570,591, rounded to \$571,000. The sales used are the most representative of the subject's market.																															

INCOME APPROACH	INCOME APPROACH TO VALUE (if developed) <input checked="" type="checkbox"/> The Income Approach was not developed for this appraisal.																
	FEATURE		SUBJECT		COMPARABLE RENTAL # 1				COMPARABLE RENTAL # 2				COMPARABLE RENTAL # 3				
	Address		Gabriela's House Cond. , # PH-1A														
			San Juan, PR 00901														
	Project		Gabriela's House Cond.														
	Phase		One														
	Proximity to Subject																
	Current Monthly Rent		\$				\$				\$				\$		
	Rent/GLA		\$ /sq.ft.				\$ /sq.ft.				\$ /sq.ft.				\$ /sq.ft.		
	Rent Control		<input type="checkbox"/> Yes <input type="checkbox"/> No		<input type="checkbox"/> Yes <input type="checkbox"/> No				<input type="checkbox"/> Yes <input type="checkbox"/> No				<input type="checkbox"/> Yes <input type="checkbox"/> No				
	Data Source(s)																
	Date of Lease(s)																
	Location		N;Res;														
	View																
	Age		>100														
	Condition		Good														
	Above Grade		Total	Bdrms	Baths	Total	Bdrms	Baths		Total	Bdrms	Baths		Total	Bdrms	Baths	
	Room Count		5	2	1.1												
Gross Living Area		3,019 sq.ft.			sq.ft.				sq.ft.				sq.ft.				
Utilities Included																	
Summary of Income Approach (including support for market rent and GRM): The Income Approach is not included in this report, as the market area is predominantly owner-occupied housing. Moreover, this approach doesn't produce credible results.																	
Opinion of Monthly Market Rent \$ X Gross Rent Multiplier = \$ Indicated Value by Income Approach																	
COST	COST APPROACH TO VALUE (if developed) <input checked="" type="checkbox"/> The Cost Approach was not developed for this appraisal.																
	Summary of Cost Approach: Cost Approach is not developed for condominium units.																
RECONCILIATION	Indicated Value by: Sales Comparison Approach \$ 571,000 Cost Approach (if developed) \$ Income Approach (if developed) \$																
	Final Reconciliation The final estimate of value was based on the results provided by the Sales Comparison Approach method of valuation which typically reflects the current market trends. The Appraiser is not responsible for structural or mechanical deficiencies of the property. The appraiser does not act as a home inspector nor an engineer. For a more detailed condition of subject, a home inspection is suggested. This is not a home inspection, therefore all apparent or hidden defects may not be included in this report.																
	This appraisal is made <input type="checkbox"/> "as is", <input type="checkbox"/> subject to completion per plans and specifications on the basis of a Hypothetical Condition that the improvements have been completed, <input checked="" type="checkbox"/> subject to the following repairs or alterations on the basis of a Hypothetical Condition that the repairs or alterations have been completed, <input type="checkbox"/> subject to the following required inspection based on the Extraordinary Assumption that the condition or deficiency does not require alteration or repair: This report is made subject to put the apartment in its original condition as per plans and specifications in the master deed. Suggest a quotation by a certified contractor.																
	<input checked="" type="checkbox"/> This report is also subject to other Hypothetical Conditions and/or Extraordinary Assumptions as specified in the attached addenda.																
	Based on the degree of inspection of the subject property, as indicated below, defined Scope of Work, Statement of Assumptions and Limiting Conditions, and Appraiser's Certifications, my (our) Opinion of the Market Value (or other specified value type), as defined herein, of the real property that is the subject of this report is: \$ 571,000 , as of: 02/03/2021 , which is the effective date of this appraisal. If indicated above, this Opinion of Value is subject to Hypothetical Conditions and/or Extraordinary Assumptions included in this report. See attached addenda.																
ATTACHMENTS	A true and complete copy of this report contains 18 pages, including exhibits which are considered an integral part of the report. This appraisal report may not be properly understood without reference to the information contained in the complete report.																
	Attached Exhibits: <input checked="" type="checkbox"/> Scope of Work <input checked="" type="checkbox"/> Limiting Cond./Certifications <input type="checkbox"/> Narrative Addendum <input checked="" type="checkbox"/> Photograph Addenda <input checked="" type="checkbox"/> Sketch Addendum <input type="checkbox"/> Map Addenda <input type="checkbox"/> Additional Sales <input type="checkbox"/> Additional Rentals <input type="checkbox"/> Flood Addendum <input type="checkbox"/> Hypothetical Conditions <input type="checkbox"/> Extraordinary Assumptions <input type="checkbox"/> Budget Analysis <input type="checkbox"/>																
SIGNATURES	Client Contact: Client Name: Quarles & Brady LLP																
	E-Mail: Address: 411 East Wisconsin Avenue, Suite 2400, Milwaukee, WI 53202-4426																
	APPRAISER								SUPERVISORY APPRAISER (if required) or CO-APPRAISER (if applicable)								
																	
	Appraiser Name: Antonio S. Torres Fidalgo								Supervisory or Co-Appraiser Name:								
	Company: ATF Tasadores								Company:								
	Phone: T.787-946-7966, M.939-645 Fax:								Phone: Fax:								
	E-Mail: info@atftasadores.com								E-Mail:								
	Date of Report (Signature): 03/17/2021								Date of Report (Signature):								
	License or Certification #: 301CR State: PR								License or Certification #: State:								
Designation:																	
Expiration Date of License or Certification: 04/08/2023																	
Inspection of Subject: <input checked="" type="checkbox"/> Interior & Exterior <input type="checkbox"/> Exterior Only <input type="checkbox"/> None																	
Date of Inspection: 02/03/2021																	

Building Sketch

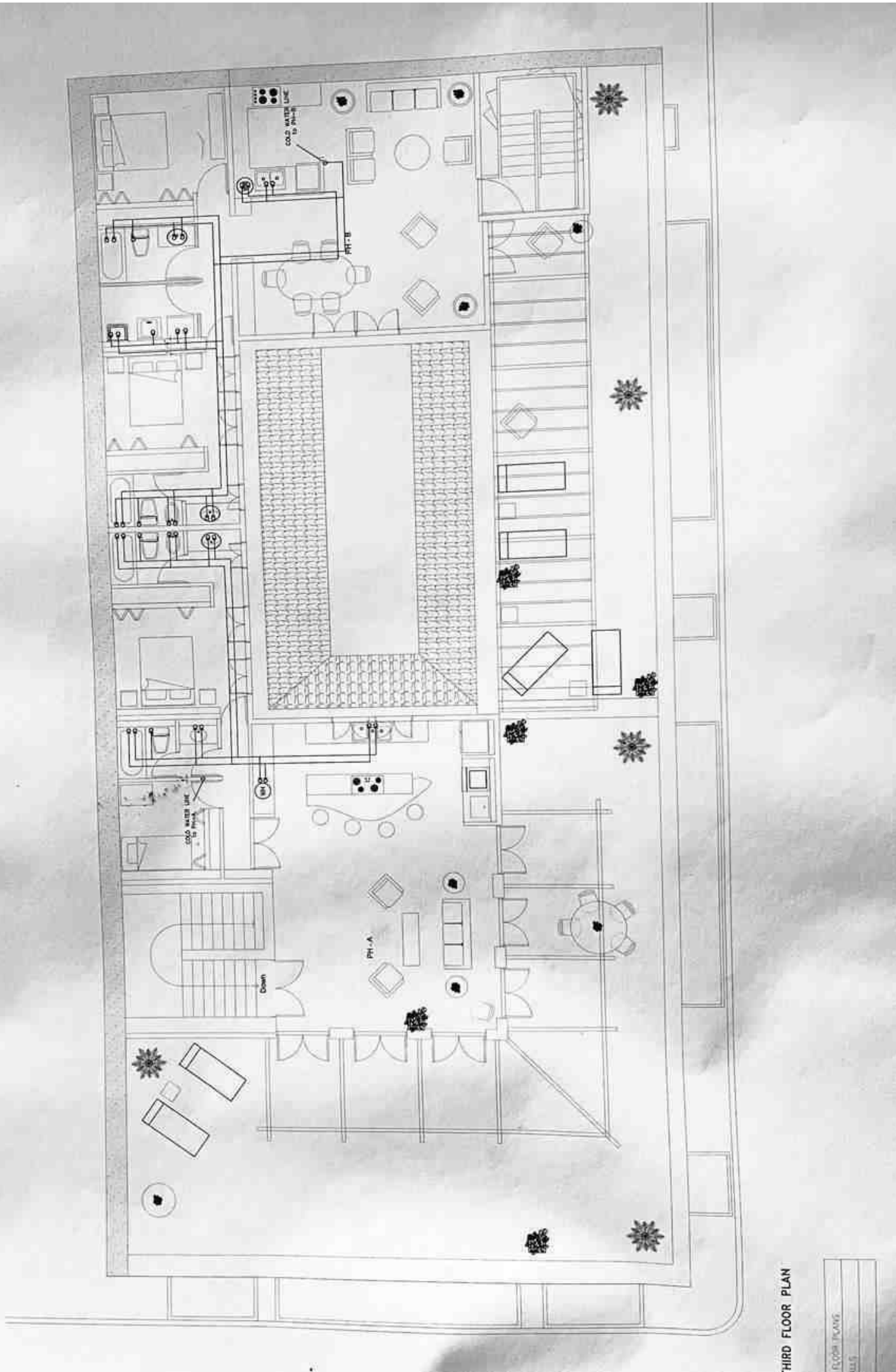
Borrower	None				
Property Address	Gabriela's House Cond. , # PH-1A				
City	San Juan	County	San Juan	State	PR Zip Code 00901
Lender/Client	Quarles & Brady LLP				

Building sketch dimensions were measured by the appraiser. Measurement differences between appraiser and Legal Deed were identified. The Sq. Ft. of the Legal Deed is based on the Plot Plan made by a Certified Engineer and recorded in the Condominium Master Deed. However, these differences could be explained by sources of errors. This report is based on GLA by legal deed provided.





Original Floor Plan



Photograph Addendum

Borrower	None				
Property Address	Gabiela's House Cond. , # PH-1A				
City	San Juan	County	San Juan	State	PR Zip Code 00901
Lender/Client	Quarles & Brady LLP				



Front



Interior



Kitchen



Interior



1/2 Bath



Family



Bedroom



Bath



Bedroom



Hallway



Stairs



Terrace



Photograph Addendum

Borrower	None				
Property Address	Gabriela's House Cond. , # PH-1A				
City	San Juan	County	San Juan	State	PR Zip Code 00901
Lender/Client	Quarles & Brady LLP				



Open terrace



Open terrace



Wood terrace



Wood terrace



Open terrace



Terrace



Laundry



Storage



Street

Comparable photo page

Borrower	None					
Property Address	Gabriela's House Cond. Apt. PH-1A					
City	San Juan	County	San Juan	State	PR	Zip Code 00901
Lender/Client	Quarles & Brady LLP					



Comparable 1

Apt. 2-A, Alfonso XIII Cond.	
Prox. To subject	0.18 miles N
Sale price	621,000
Gross living area	3,279
Total rooms	7
Total bedrooms	3
Total bathrooms	3
Location	N;Res;
View	Good
Site	Typical/Cond.
Quality	Average
Age	Similar



Comparable 2

Apt. 1, Ricardo Manuel Cond.	
Prox. To subject	0.17 miles N
Sale price	430,000
Gross living area	1,866
Total rooms	6
Total bedrooms	2
Total bathrooms	2
Location	N;Res;
View	Good
Site	Typical/Cond.
Quality	Average
Age	Similar



Comparable 3

Apt. 4, Fortaleza 203 Cond.	
Prox. To subject	0.20 miles SE
Sale price	394,000
Gross living area	1,353
Total rooms	5
Total bedrooms	2
Total bathrooms	2.1
Location	N;Res;
View	Good
Site	Typical/Cond.
Quality	Average
Age	Similar



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Address: Gabriela's House Cond.	Unit #: PH-1A	City: San Juan	State: PR	Zip Code: 00901
Client: Quarles & Brady LLP	Address:			
Appraiser: Antonio S. Torres Fidalgo	Address: PMB 510, 405 Esmeralda Ave., Ste 2,, Guaynabo, PR 00969			

STATEMENT OF ASSUMPTIONS & LIMITING CONDITIONS

- The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The appraiser assumes that the title is good and marketable and, therefore, will not render any opinions about the title. The property is appraised on the basis of it being under responsible ownership.
- The appraiser may have provided a sketch in the appraisal report to show approximate dimensions of the improvements, and any such sketch is included only to assist the reader of the report in visualizing the property and understanding the appraiser's determination of its size. Unless otherwise indicated, a Land Survey was not performed.
- If so indicated, the appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in the appraisal report whether the subject unit is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
- The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand.
- If the cost approach is included in this appraisal, the appraiser has estimated the value of the land in the cost approach at its highest and best use, and the improvements at their contributory value. Unless otherwise specifically indicated, the cost approach value is not an insurance value, and should not be used as such.
- The appraiser has noted in the appraisal report any adverse conditions (including, but not limited to, needed repairs, depreciation, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property, or that he or she became aware of during the normal research involved in performing the appraisal. Unless otherwise stated in the appraisal report, the appraiser has no knowledge of any hidden or unapparent conditions of the property, or adverse environmental conditions (including, but not limited to, the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied, regarding the condition of the property. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, the appraisal report must not be considered as an environmental assessment of the property.
- The appraiser obtained the information, estimates, and opinions that were expressed in the appraisal report from sources that he or she considers to be reliable and believes them to be true and correct. The appraiser does not assume responsibility for the accuracy of such items that were furnished by other parties.
- The appraiser will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice, and any applicable federal, state or local laws.
- If this appraisal is indicated as subject to satisfactory completion, repairs, or alterations, the appraiser has based his or her appraisal report and valuation conclusion on the assumption that completion of the improvements will be performed in a workmanlike manner.
- An appraiser's client is the party (or parties) who engage an appraiser in a specific assignment. Any other party acquiring this report from the client does not become a party to the appraiser-client relationship. Any persons receiving this appraisal report because of disclosure requirements applicable to the appraiser's client do not become intended users of this report unless specifically identified by the client at the time of the assignment.
- The appraiser's written consent and approval must be obtained before this appraisal report can be conveyed by anyone to the public, through advertising, public relations, news, sales, or by means of any other media, or by its inclusion in a private or public database.
- An appraisal of real property is not a 'home inspection' and should not be construed as such. As part of the valuation process, the appraiser performs a non-invasive visual inventory that is not intended to reveal defects or detrimental conditions that are not readily apparent. The presence of such conditions or defects could adversely affect the appraiser's opinion of value. Clients with concerns about such potential negative factors are encouraged to engage the appropriate type of expert to investigate.

The Scope of Work is the type and extent of research and analyses performed in an appraisal assignment that is required to produce credible assignment results, given the nature of the appraisal problem, the specific requirements of the intended user(s) and the intended use of the appraisal report. Reliance upon this report, regardless of how acquired, by any party or for any use, other than those specified in this report by the Appraiser, is prohibited. The Opinion of Value that is the conclusion of this report is credible only within the context of the Scope of Work, Effective Date, the Date of Report, the Intended User(s), the Intended Use, the stated Assumptions and Limiting Conditions, any Hypothetical Conditions and/or Extraordinary Assumptions, and the Type of Value, as defined herein. The appraiser, appraisal firm, and related parties assume no obligation, liability, or accountability, and will not be responsible for any unauthorized use of this report or its conclusions.

Additional Comments (Scope of Work, Extraordinary Assumptions, Hypothetical Conditions, etc.):

For the purpose of this report the intender user is Quarles & Brady LLP.

Legal Description was not provided by the client. This report was based on the extraordinary assumption that the GLA (Gross Living Area) information is correct. If is found to be incorrect market value may change or would be invalid.

No liability is assumed for structural or mechanical elements of the property. This is not a home inspection report. Subject's condition mentioned in this report may not include all apparent and or hidden defects the subject may have. For a more detailed condition of subject, a certified home inspector is suggested.

I have performed no (or the specified) services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

Verify subject zonification.

Address: Gabriela's House Cond. Unit #: PH-1A City: San Juan State: PR Zip Code: 00901

Client: Quarles & Brady LLP Address:

Appraiser: Antonio S. Torres Fidalgo Address: PMB 510, 405 Esmeralda Ave., Ste 2,, Guaynabo, PR 00969

APPRAISER'S CERTIFICATION

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

- The statements of fact contained in this report are true and correct.
- The credibility of this report, for the stated use by the stated user(s), of the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- Unless otherwise indicated, I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- 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.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice that were in effect at the time this report was prepared.
- I did not base, either partially or completely, my analysis and/or the opinion of value in the appraisal report on the race, color, religion, sex, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property, or of the present owners or occupants of the properties in the vicinity of the subject property.
- Unless otherwise indicated, I have made a personal inspection of the property that is the subject of this report.
- Unless otherwise indicated, no one provided significant real property appraisal assistance to the person(s) signing this certification.

Additional Certifications:

DEFINITION OF MARKET VALUE \*:

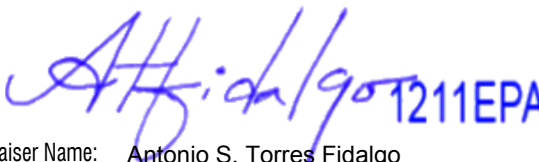
Market value means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition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

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised and acting in what they consider their own best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. 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.

\* This definition is from regulations published by federal regulatory agencies pursuant to Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) of 1989 between July 5, 1990, and August 24, 1990, by the Federal Reserve System (FRS), National Credit Union Administration (NCUA), Federal Deposit Insurance Corporation (FDIC), the Office of Thrift Supervision (OTS), and the Office of Comptroller of the Currency (OCC). This definition is also referenced in regulations jointly published by the OCC, OTS, FRS, and FDIC on June 7, 1994, and in the Interagency Appraisal and Evaluation Guidelines, dated October 27, 1994.

Client Contact: Client Name: Quarles & Brady LLP

E-Mail: Address:

APPRAISER	SUPERVISORY APPRAISER (if required) or CO-APPRAISER (if applicable)
	
Appraiser Name: Antonio S. Torres Fidalgo	Supervisory or Co-Appraiser Name:
Company: ATF Tasadores	Company:
Phone: T.787-946-7966, M.939-645 Fax:	Phone: Fax:
E-Mail: info@atftasadores.com	E-Mail:
Date Report Signed: 03/17/2021	Date Report Signed:
License or Certification #: 301CR State: PR	License or Certification #: State:
Designation:	Designation:
Expiration Date of License or Certification: 04/08/2023	Expiration Date of License or Certification:
Inspection of Subject: <input checked="" type="checkbox"/> Interior & Exterior <input type="checkbox"/> Exterior Only <input type="checkbox"/> None	Inspection of Subject: <input type="checkbox"/> Interior & Exterior <input type="checkbox"/> Exterior Only <input type="checkbox"/> None
Date of Inspection: 02/03/2021	Date of Inspection:

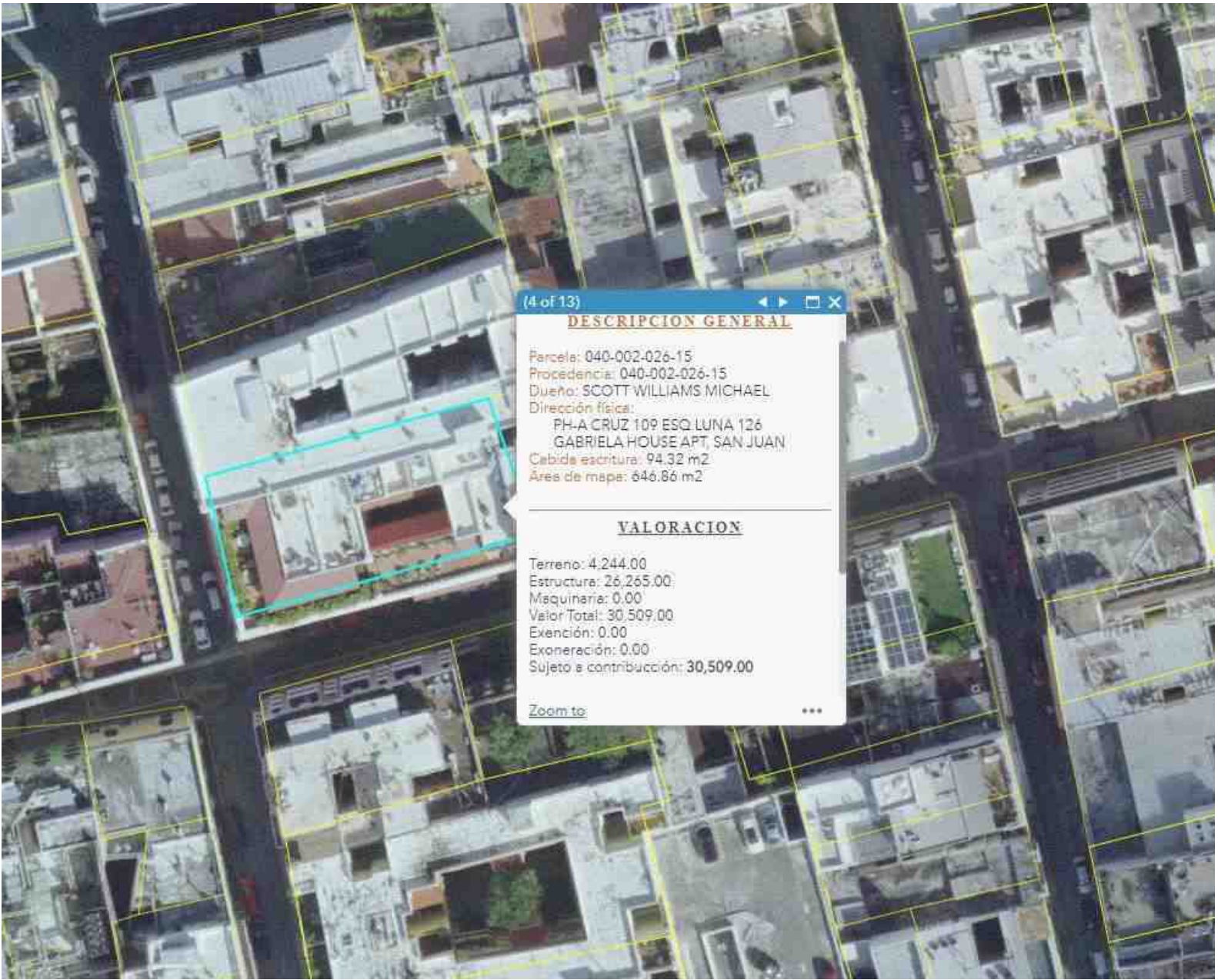
SIGNATURES

**Legal Description**

APARTAMENTO PENTHOUSE "A" (PH-A) URBANA: PROPIEDAD HORIZONTAL. Apartamento PH A, localizado en el tercer piso del Condominio Gabriela's House, con una cabida superficial de tres mil dieciocho punto siete pies cuadrados (3,018.7 p/c), equivalentes a doscientos ochenta punto cuatro metros cuadrados (280.4 m/c). Colinda por el **Norte**, en una distancia de setenta y un pies nueve pulgadas (71'9"), equivalentes a veintiún punto nueve metros (21.9 m) con la pared exterior del Condominio que da hacia la colindancia con la propiedad marcada con el número 107 de la Calle Cruz; por el **Sur**, en una distancia de setenta y un pies nueve pulgadas (71'9"), equivalentes a veintiún punto nueve metros (21.9 m), con la pared exterior del Condominio que da hacia la colindancia con la Calle Luna; por el **Este**, en una distancia de cincuenta y dos pies con seis pulgadas (52'6"), equivalentes a dieciséis metros (16.00 m) con el Apartamento Penthouse B ("PH-B") y por el **Oeste**, en una distancia de cincuenta y dos pies con seis pulgadas (52'56"), equivalentes a dieciséis metros (16.00 m) con la pared exterior del Condominio que da hacia la colindancia con la Calle Cruz.

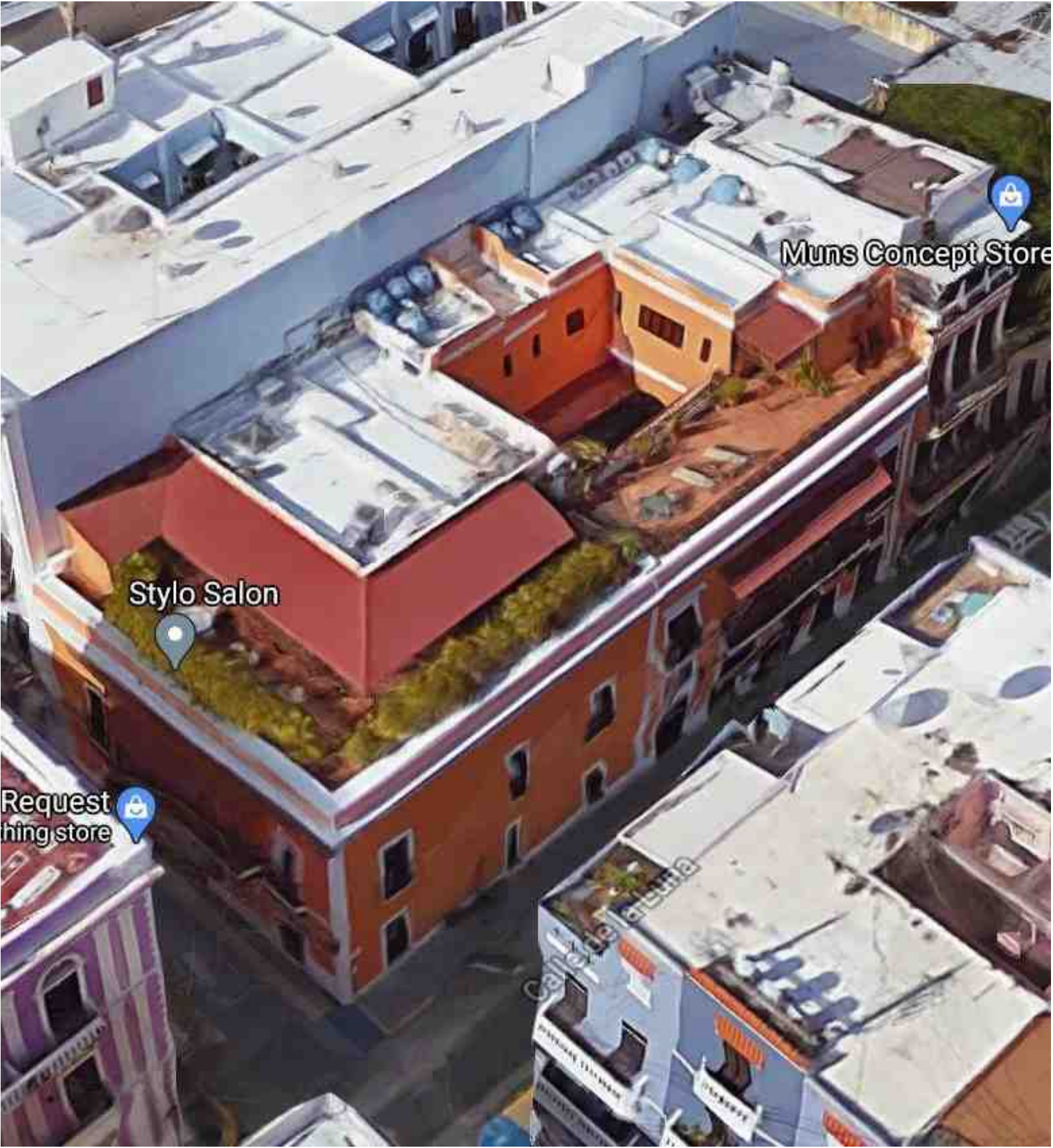
A este apartamento le corresponde un dieciséis punto nueve, nueve, cinco ocho por ciento (16.9958%) de los elementos Comunes del Condominio.







Aerial picture



Borrower	None						
Property Address	Gabriela's House Cond. Apt. PH-1A						
City	San Juan	County	San Juan	State	PR	Zip Code	00901
Lender/Client	Quarles & Brady LLP						

APPRAISAL AND REPORT IDENTIFICATION

This Appraisal Report is one of the following types:

☐ Appraisal Report

This report was prepared in accordance with the requirements of the Appraisal Report option of USPAP Standards Rule 2-2(a).

☒ Restricted Appraisal Report

This report was prepared in accordance with the requirements of the Restricted Appraisal Report option of USPAP Standards Rule 2-2(b). The intended user of this report is limited to the identified client. This is a Restricted Appraisal Report and the rationale for how the appraiser arrived at the opinions and conclusions set forth in the report may not be understood properly without the additional information in the appraiser's workfile.

**Note on square feet: Legal Description or Title Study was provided by the Client. Square feet was based on information provided by the Client. If is found to be false market value may change. The Intended Use is for the sole purpose to estimate Market Value to assist the only Intended User / Quarles & Brady LLP.**

ADDITIONAL CERTIFICATIONS

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

☐ The statements of fact contained in this report are true and correct.

☐ The report analyses, opinions, and conclusions are limited only by the reported assumptions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.

☐ I have no (or the specified) present or prospective interest in the property that is the subject of this report and no (or specified) personal interest with respect to the parties involved.

☐ I have no bias with respect to the property that is the subject of this report or the parties involved with this assignment.

☐ My engagement in this assignment was not contingent upon developing or reporting predetermined results.

☐ 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.

☐ My analyses, opinions, and conclusions were developed and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.

☐ This appraisal report was prepared in accordance with the requirements of Title XI of FIRREA and any implementing regulations.

PRIOR SERVICES

☒ I have NOT performed services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

☐ I HAVE performed services, as an appraiser or in another capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment. Those services are described in the comments below.

PROPERTY INSPECTION

☐ I have NOT made a personal inspection of the property that is the subject of this report.

☒ I HAVE made a personal inspection of the property that is the subject of this report.

APPRAISAL ASSISTANCE

Unless otherwise noted, no one provided significant real property appraisal assistance to the person signing this certification. If anyone did provide significant assistance, they are hereby identified along with a summary of the extent of the assistance provided in the report.

ADDITIONAL COMMENTS

Additional USPAP related issues requiring disclosure and/or any state mandated requirements: I have performed no (or the specified) services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

As of the date of this report, I Antonio S. Torres Fidalgo have completed the Standards and Ethics Education Requirement for Candidates of the Appraisal Institute.

MARKETING TIME AND EXPOSURE TIME FOR THE SUBJECT PROPERTY

☒ A reasonable marketing time for the subject property is 90-180 day(s) utilizing market conditions pertinent to the appraisal assignment.

☒ A reasonable exposure time for the subject property is 1-180 day(s).

APPRAISER

SUPERVISORY APPRAISER (ONLY IF REQUIRED)

Signature

NameAntonio S. Torres Fidalgo

Date of Signature03/17/2021

State Certification #301CR

or State License #

StatePR

Expiration Date of Certification or License04/08/2023

Effective Date of Appraisal02/03/2021

Signature

Name

Date of Signature

State Certification #

or State License #

State

Expiration Date of Certification or License

Supervisory Appraiser Inspection of Subject Property

☐ Did Not

☐ Exterior-only from Street

☐ Interior and Exterior



# INVOICE

INVOICE NUMBER	
917201	
DATE	
03/08/2021	
REFERENCE	
Internal Order #:	
Lender Case #:	917201
Client File #:	917201
Main File # on form:	917201
Other File # on form:	917201
Federal Tax ID:	
Employer ID:	

**TO:**

Quarles & Brady LLP

**Telephone Number:**

**Alternate Number:**

**Fax Number:**

**E-Mail:**

## DESCRIPTION

**Lender:** Quarles & Brady LLP

**Client:** Quarles & Brady LLP

**Purchaser/Borrower:** None

**Property Address:** Gabriela's House Cond. Apt. PH-1A

**City:** San Juan

**County:** San Juan

**State:** PR

**Zip:** 00901

**Legal Description:** Refer to legal description attached.

## FEES

**AMOUNT**

# Appraisal Report

450.00

**SUBTOTAL**

450.00

## PAYMENTS

## AMOUNT

**Check #:**

Date:

**Description:**

**Check #:**

Date:

**Description:**

**Check #:**

Date:

**Description:**

**SUBTOTAL**

0.00

## Managing Expectations through ensuring timelines and effective products!

**TOTAL DUE**

**\$**

450.00



**APPRAISAL OF REAL PROPERTY**



**LOCATED AT**

Gabriela's House Cond. Apt. PH-1B  
San Juan, PR 00901

**FOR**

Quarles & Brady LLP

**OPINION OF VALUE**

470,000

**AS OF**

02/03/2021

**BY**

Antonio S. Torres Fidalgo  
ATF Tasadores  
PMB 510, 405 Esmeralda Ave., Ste 2,  
Guaynabo, PR 00969  
T.787-946-7966, M.939-645-6263  
[info@atftasadores.com](mailto:info@atftasadores.com)



ATF Tasadores  
PMB 510, 405 Esmeralda Ave., Ste 2,  
Guaynabo, PR 00969  
T.787-946-7966, M.939-645-6263

03/17/2021

Quarles & Brady LLP

Re: Property: Gabriela's House Cond. , # PH-1B  
San Juan, PR 00901  
Borrower: None  
File No.: 917201

Opinion of Value: \$ 470,000  
Effective Date: 02/03/2021

In accordance with your request, I have appraised the above referenced property. The report of that appraisal is attached. The purpose of the appraisal is to develop an opinion of market value for the property described in this appraisal report, as improved, in unencumbered fee simple title of ownership.

This appraisal report was made based on Extraordinary Assumptions listed on the Assumptions, Limiting Conditions & Scope of Work page of the report. If the Extraordinary Assumptions were found to be false or incorrect, the reported value conclusion would be invalid.

Possession of this letter, or a copy thereof, does not carry with it the right of publication. This letter may not be used for any purpose by any person other than the party to whom it is addressed without our written consent, and in any event, only with proper written qualification and only in its entirety. We are not responsible for unauthorized use of this report, and no one except the client is allowed to use it or its findings for decision-making. I accept no responsibility for use of this report by any person or entity other than the client, or for any other intended use than the one stated in the report.

Sincerely,

A handwritten signature in blue ink, which appears to read 'Atf:ch/got', is followed by the alphanumeric string '1211EPA' in a blue, sans-serif font.

Antonio S. Torres Fidalgo  
License or Certification #: 301CR  
State: PR Expires: 04/08/2023  
[info@atftasadores.com](mailto:info@atftasadores.com)

SUBJECT

Property Address: Gabriela's House Cond. Unit #: PH-1B City: San Juan State: PR  
Zip Code: 00901 County: San Juan Legal Description: Refer to legal description attached.  
Assessor's Parcel #: 040-002-026-15-013  
Tax Year: 2021 R.E. Taxes: \$ 2,133 Special Assessments: \$ Unk Borrower (if applicable): None  
Current Owner of Record: Michael Scott Williams Occupant: ☒ Owner ☐ Tenant (Market Rent) ☐ Tenant (Regulated Rent) ☐ Vacant  
Project Type: ☒ Condominium ☐ Other (describe) HOA: \$ Not provided ☐ per year ☐ per month  
Market Area Name: Old San Juan Map Reference: 18.4662, -66.1163 Census Tract: 0005.06  
Project Name: Gabriela's House Cond. Phase: One

ASSIGNMENT

The purpose of this appraisal is to develop an opinion of: ☒ Market Value (as defined), or ☐ other type of value (describe)  
This report reflects the following value (if not Current, see comments): ☒ Current (the Inspection Date is the Effective Date) ☐ Retrospective ☐ Prospective  
Approaches developed for this appraisal: ☒ Sales Comparison Approach ☐ Cost Approach ☐ Income Approach (See Reconciliation Comments and Scope of Work)  
Property Rights Appraised: ☒ Fee Simple ☐ Leasehold ☐ Leased Fee ☐ Other (describe)  
Intended Use: Provide an opinion of market value of the subject property for the referenced client in this report. This report is not for financing purposes.  
Intended User(s) (by name or type): Quarles & Brady LLP  
Client: Quarles & Brady LLP Address: 411 East Wisconsin Avenue, Suite 2400, Milwaukee, WI 53202-4426  
Appraiser: Antonio S. Torres Fidalgo Address: PMB 510, 405 Esmeralda Ave., Ste 2,, Guaynabo, PR 00969

MARKET AREA DESCRIPTION

Location:	<input checked="" type="checkbox"/> Urban	<input type="checkbox"/> Suburban	<input type="checkbox"/> Rural	<b>Predominant Occupancy</b>	<b>Condominium Housing</b>			<b>Present Land Use</b>		<b>Change in Land Use</b>	
Built up:	<input checked="" type="checkbox"/> Over 75%	<input type="checkbox"/> 25-75%	<input type="checkbox"/> Under 25%		PRICE	AGE	One-Unit	5 %	<input checked="" type="checkbox"/> Not Likely		
Growth rate:	<input type="checkbox"/> Rapid	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Slow		\$ (000)	(yrs)	2-4 Unit	10 %	<input type="checkbox"/> Likely *	<input type="checkbox"/> In Process *	
Property values:	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining		105	Low	10	Multi-Unit	66 %	* To: _____	
Demand/supply:	<input type="checkbox"/> Shortage	<input checked="" type="checkbox"/> In Balance	<input type="checkbox"/> Over Supply		1,200	High	380	Comm'l	16 %		
Marketing time:	<input type="checkbox"/> Under 3 Mos.	<input checked="" type="checkbox"/> 3-6 Mos.	<input type="checkbox"/> Over 6 Mos.		300	Pred	100	3er	3 %		

Market Area Boundaries, Description, and Market Conditions (including support for the above characteristics and trends): North: Atlantic ocean, South: La Puntilla, East: Norzagaray street, West: Del Cristo street. Gabriela's House Cond. is located at De la Cruz corner Luna streets in the Old San Juan. The neighborhood has access to community facilities and utilities including schools, hotels, restaurants, pharmacy, bakeries and supermarkets, Etc. Also El Morro and San Cristobal fortresses are located nearby. Also several bars and convenience stores are at short walking distance. All of these are considered employment centers for the residents of the sector. The neighborhood mostly consists of commercial and single-family residential dwellings. The appraiser identify that property values in this market segment have been stable over the course of the year. Interview with local brokers and owners indicates that marketing time is between three to six month. Demand and supply seems to be in balance. No adverse factors observed that may affect the marketability of the properties in the neighborhood.

PROJECT SITE DESCRIPTION

Zoning Classification: C-3 Description: Commercial Central  
Zoning Compliance: ☒ Legal ☐ Legal nonconforming (grandfathered) ☐ Illegal ☐ No zoning

Ground Rent (if applicable) \$ N/A/ Comments:

Highest & Best Use as improved (or as proposed per plans & specifications): ☒ Present use, or ☐ Other use (explain)

Actual Use as of Effective Date: Residential Use as appraised in this report: Residential  
Summary of Highest & Best Use: The subject appears to be in harmony with the zoning codes, and its vicinity. It is the Appraiser's opinion that the highest and best use of the subject property is residential use. In order to estimate if the alternate use is the highest and best use, a development (investment) analysis would be required.

<b>Utilities</b>	Public	Other	Provider/Description	<b>Off-site Improvements</b>	Type	Public	Private	Density	High density
Electricity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PREPA	Street	Asphalt	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Size	Typical/Cond.
Gas	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Private	Curb/Gutter	Concrete	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Topography	Semi-Level
Water	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PRASA	Sidewalk	Concrete	<input checked="" type="checkbox"/>	<input type="checkbox"/>	View	N;Res
Sanitary Sewer	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PRASA	Street Lights	Sodium Bulb	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
Storm Sewer	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PRASA	Alley	None	<input type="checkbox"/>	<input type="checkbox"/>		

Other site elements: ☐ Inside Lot ☒ Corner Lot ☐ Cul de Sac ☐ Underground Utilities ☐ Other (describe)

FEMA Spec'l Flood Hazard Area ☐ Yes ☒ No FEMA Flood Zone X FEMA Map # 72000C0355J FEMA Map Date 11/18/2009

Site Comments: I haven't noticed any significant adverse environmental conditions during the data collection process in performing the appraisal that may affect the subject property. The appraiser is not an expert in the field of environmental hazards. Flood maps prepared by FEMA were examined to determine the probability of flooding at the subject site. However the appraiser is not an expert in this field. Verify Fema Flood Map. The zoning maps, prepared by the Municipality of San Juan of the subject and immediate neighborhood were also examined.

PROJECT INFORMATION

Data source(s) for project information Field Inspection.

Project Description ☐ Detached ☐ Row or Townhouse ☐ Garden ☐ Mid-Rise ☐ High-Rise ☒ Other (describe) W-Up

General Description of Project				Subject Phase		#	If Project Completed	#	If Project Incomplete	#
# of Stories	3	Exterior Walls	RC	Units		12	Phases		1	Planned Phases
# of Elevators	0 / 1*	Roof Surface	RC	Units Completed		12	Units		12	Planned Units
<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Und.Cons.		Total # Parking	0	Units For Sale		0	Units for Sale		0	Units for Sale
Design (Style)	Colonial	Ratio (spaces/unit)	0	Units Sold		12	Units Sold		12	Units Sold
Actual Age (Yrs.)	>100	Parking Type(s)	None	Units Rented		+/-1	Units Rented		+/-1	Units Rented
Effective Age (Yrs.)	25	Guest Parking	None	Owner Occup. Units		+/-11	Owner Occup. Units		+/-11	Owner Occup. Units

Project Primary Occupancy ☒ Principal Residence ☐ Second Home or Recreational ☐ Tenant 1\*-There is one private elevator, however it was not tested.

Is the developer/builder in control of the Homeowners' Association (HOA)? ☐ Yes ☒ No

Management Group: ☒ Homeowners' Association ☐ Developer ☐ Management Agent (name of management agent or company):

Was the project created by the conversion of existing building(s) into a condominium? ☐ Yes ☒ No If Yes, describe the original use and date of conversion.

Are CC&Rs applicable? ☐ Yes ☒ No ☐ Unknown Have the documents been reviewed? ☐ Yes ☐ No Comments:

Project Comments (condition, quality of construction, completion status, etc.): Condominium is in average condition with average quality of construction and good appeal to market due to its location.

Common Elements and Recreational Facilities: Stairs.



PROJECT ANALYSIS

Summary of condominium project budget analysis for the current year (if analyzed):

Not provided during the normal course of business.

Other fees for the use of the project facilities (other than regular HOA charges):

None.

Compared to other competitive projects of similar quality and design, the subject unit charge appears

☐ High ☒ Average ☐ Low

(If High or Low, describe)

Are there any special or unusual characteristics of the project (based on the condominium documents, HOA meetings, or other information) known to the appraiser?

☐ Yes ☒ No

If Yes, describe and explain the effect on value and marketability.

DESCRIPTION OF THE UNIT IMPROVEMENTS

Unit Charge: \$ 594.08 per month X 12 = \$ 7,128.96 per year. Annual assessment charge per year per SF of GLA = \$ 3.49

Utilities included in the Unit Charge: ☒ None ☐ Heat ☐ Air Conditioning ☐ Electricity ☐ Gas ☐ Water ☐ Sewer ☐ Cable ☐ Other

Source(s) used for physical characteristics of property: ☒ New Inspection ☐ Previous Appraisal Files ☐ MLS ☐ Assessment and Tax Records ☐ Prior Inspection

☐ Property Owner ☐ Other (describe)

Data Source for Gross Living Area Deed.

<b>General Description</b>	<b>Exterior Description</b>	<b>Foundation</b> <input checked="" type="checkbox"/> N/A	<b>Basement</b> <input checked="" type="checkbox"/> N/A	<b>Heating</b> None
Floor Location 3rd floor	Foundation RC	Slab	Area Sq. Ft. 0sf	Type
# of Levels 1	Exterior Walls RC	Crawl Space	% Finished	Fuel
Design (Style) Colonial/Condo.	Roof Surface RC	Basement	Ceiling	
<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed	Gutters & Dwnspts. Plastic	Sump Pump <input type="checkbox"/>	Walls	<b>Cooling</b> Yes
<input type="checkbox"/> Under Construction	Window Type Glass	Dampness <input type="checkbox"/>	Floor	Central
Actual Age (Yrs.) >100	Storm/Screens None / None	Settlement	Outside Entry	Other S/U
Effective Age (Yrs.) 25		Infestation		

<b>Interior Description</b>	<b>Appliances</b>	<b>Attic</b> <input checked="" type="checkbox"/> N/A	<b>Amenities</b>	<b>Car Storage</b> <input checked="" type="checkbox"/> None
Floors CT-Wood/Good	Refrigerator <input checked="" type="checkbox"/>	Stairs <input type="checkbox"/>	Fireplace(s) # 0	<input type="checkbox"/> Garage #
Walls C-plaster/Avg.	Range/Oven <input checked="" type="checkbox"/>	Drop Stair <input type="checkbox"/>	Patio None	<input type="checkbox"/> Covered #
Trim/Finish C-P,Wd,Met/Avg.	Disposal <input type="checkbox"/>	Scuttle <input type="checkbox"/>	Deck None	<input type="checkbox"/> Open #
Bath Floor Ceramic tiles/Avg.	Dishwasher <input type="checkbox"/>	Doorway <input type="checkbox"/>	Porch None	Total # of cars
Bath Wainscot Ceramic tiles/Avg.	Fan/Hood <input type="checkbox"/>	Floor <input type="checkbox"/>	Fence None	<input type="checkbox"/> Assigned
Doors Wood-Glass/Avg.	Microwave <input checked="" type="checkbox"/>	Heated <input type="checkbox"/>	Pool None	<input type="checkbox"/> Owned
	Washer/Dryer <input checked="" type="checkbox"/>	Finished <input type="checkbox"/>	Balcony None	Space #(s)

Finished area above grade contains: 2 Rooms 1 Bedrooms 1 Bath(s) 2,043 Square Feet of Gross Living Area Above Grade

Are the heating and cooling for the individual units separately metered?

☒ Yes ☐ No (If No, describe)

Additional features:

Appliances and furniture are considered personal property. Therefore not included in final value estimate.

Describe the condition of the property (including physical, functional and external obsolescence):

Unit is in good condition. It has ceramic tiles and wood in the apartment's floor. Physical deterioration noted, was considered normal of wear and tear. Water and electric systems were connected at the moment of physical inspection. Plot Plan and/or recent Title Study were not provided during normal course of business.

Note; Previous owner attached two apartments (Apt. PH 1-A with PH 1-B). Appraiser could not identify which part corresponds to both units. However this report is based on square footage by legal deed provided. Moreover, this report is made based on the hypothetical condition that the Subject is in its original condition as per plans and specifications in the master deed.

TRANSFER HISTORY

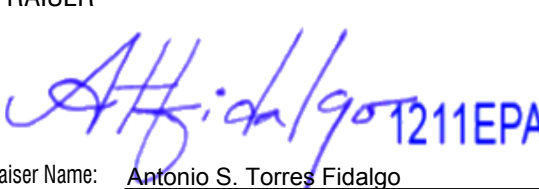
My research ☐ did ☒ did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.

Data Source(s): Private data and public records

1st Prior Subject Sale/Transfer	Analysis of sale/transfer history and/or any current agreement of sale/listing:
Date:	No prior sale or transfer history of the comparable sales nor the subject revealed.
Price:	
Source(s): Public & private data	
2nd Prior Subject Sale/Transfer	
Date:	
Price:	
Source(s):	

## SALES COMPARISON APPROACH

**GP CONDO** Copyright© 2007 by a la mode, inc. This form may be reproduced unmodified without written permission, however, a la mode, inc. must be acknowledged and credited.  
Form GPCONDO - "TOTAL" appraisal software by a la mode, inc. - 1-800-ALAMODE 6/2007

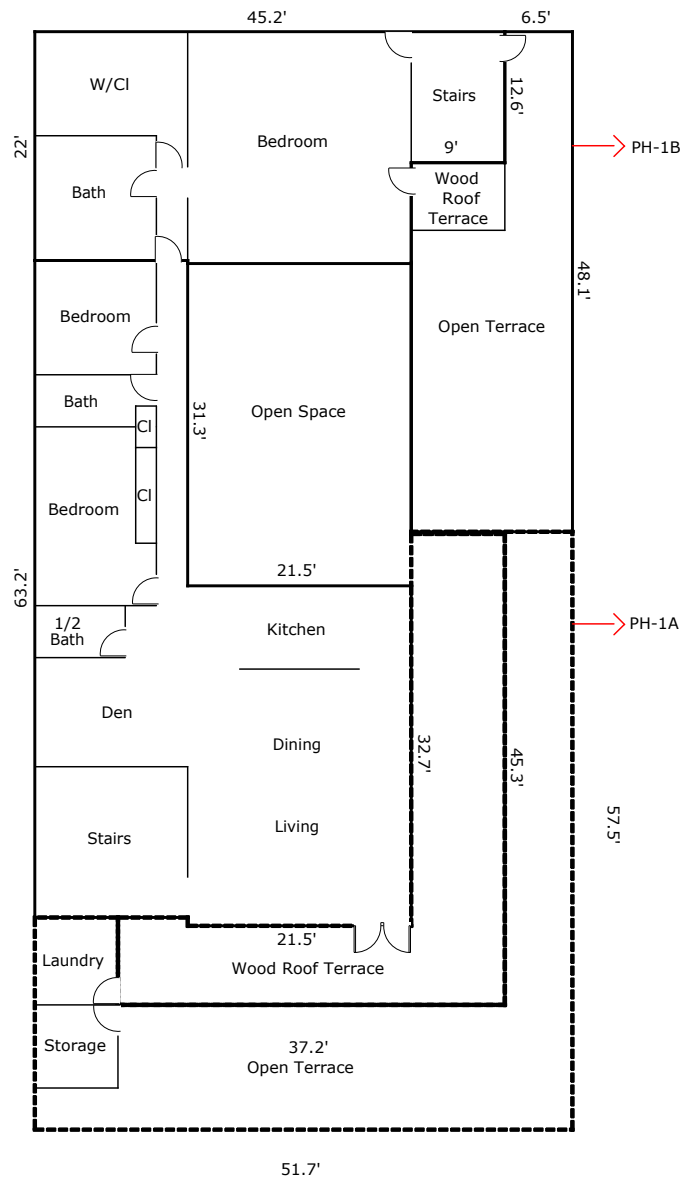
INCOME APPROACH	INCOME APPROACH TO VALUE (if developed) <input checked="" type="checkbox"/> The Income Approach was not developed for this appraisal.																
	FEATURE		SUBJECT		COMPARABLE RENTAL # 1				COMPARABLE RENTAL # 2				COMPARABLE RENTAL # 3				
	Address		Gabriela's House Cond. , # PH-1B														
			San Juan, PR 00901														
	Project		Gabriela's House Cond.														
	Phase		One														
	Proximity to Subject																
	Current Monthly Rent		\$				\$				\$				\$		
	Rent/GLA		\$ /sq.ft.				\$ /sq.ft.				\$ /sq.ft.				\$ /sq.ft.		
	Rent Control		<input type="checkbox"/> Yes <input type="checkbox"/> No		<input type="checkbox"/> Yes <input type="checkbox"/> No				<input type="checkbox"/> Yes <input type="checkbox"/> No				<input type="checkbox"/> Yes <input type="checkbox"/> No				
	Data Source(s)																
	Date of Lease(s)																
	Location		N;Res;														
	View																
	Age		>100														
	Condition		Good														
	Above Grade		Total	Bdrms	Baths	Total	Bdrms	Baths		Total	Bdrms	Baths		Total	Bdrms	Baths	
	Room Count		2	1	1												
Gross Living Area		2,043 sq.ft.		sq.ft.				sq.ft.				sq.ft.					
Utilities Included																	
Summary of Income Approach (including support for market rent and GRM): The Income Approach is not included in this report, as the market area is predominantly owner-occupied housing. Moreover, this approach doesn't produce credible results.																	
Opinion of Monthly Market Rent \$ X Gross Rent Multiplier = \$ Indicated Value by Income Approach																	
COST	COST APPROACH TO VALUE (if developed) <input checked="" type="checkbox"/> The Cost Approach was not developed for this appraisal.																
	Summary of Cost Approach: Cost Approach is not developed for condominium units.																
RECONCILIATION	Indicated Value by: Sales Comparison Approach \$ 470,000 Cost Approach (if developed) \$ Income Approach (if developed) \$																
	Final Reconciliation The final estimate of value was based on the results provided by the Sales Comparison Approach method of valuation which typically reflects the current market trends. The Appraiser is not responsible for structural or mechanical deficiencies of the property. The appraiser does not act as a home inspector nor an engineer. For a more detailed condition of subject, a home inspection is suggested. This is not a home inspection, therefore all apparent or hidden defects may not be included in this report.																
	This appraisal is made <input type="checkbox"/> "as is", <input type="checkbox"/> subject to completion per plans and specifications on the basis of a Hypothetical Condition that the improvements have been completed, <input checked="" type="checkbox"/> subject to the following repairs or alterations on the basis of a Hypothetical Condition that the repairs or alterations have been completed, <input type="checkbox"/> subject to the following required inspection based on the Extraordinary Assumption that the condition or deficiency does not require alteration or repair: This report is made subject to put the apartment in its original condition as per plans and specifications in the master deed. Suggest a quotation by a certified contractor.																
	<input checked="" type="checkbox"/> This report is also subject to other Hypothetical Conditions and/or Extraordinary Assumptions as specified in the attached addenda.																
ATTACHMENTS	Based on the degree of inspection of the subject property, as indicated below, defined Scope of Work, Statement of Assumptions and Limiting Conditions, and Appraiser's Certifications, my (our) Opinion of the Market Value (or other specified value type), as defined herein, of the real property that is the subject of this report is: \$ 470,000 , as of: 02/03/2021 , which is the effective date of this appraisal. If indicated above, this Opinion of Value is subject to Hypothetical Conditions and/or Extraordinary Assumptions included in this report. See attached addenda.																
	A true and complete copy of this report contains 18 pages, including exhibits which are considered an integral part of the report. This appraisal report may not be properly understood without reference to the information contained in the complete report.																
SIGNATURES	Attached Exhibits:																
	<input checked="" type="checkbox"/> Scope of Work <input checked="" type="checkbox"/> Limiting Cond./Certifications <input type="checkbox"/> Narrative Addendum <input checked="" type="checkbox"/> Photograph Addenda <input checked="" type="checkbox"/> Sketch Addendum <input type="checkbox"/> Map Addenda <input type="checkbox"/> Additional Sales <input type="checkbox"/> Additional Rentals <input type="checkbox"/> Flood Addendum <input type="checkbox"/> Hypothetical Conditions <input type="checkbox"/> Extraordinary Assumptions <input type="checkbox"/> Budget Analysis <input type="checkbox"/>																
	Client Contact: Client Name: Quarles & Brady LLP																
	E-Mail: Address: 411 East Wisconsin Avenue, Suite 2400, Milwaukee, WI 53202-4426																
	APPRAISER								SUPERVISORY APPRAISER (if required) or CO-APPRAISER (if applicable)								
																	
	Appraiser Name: Antonio S. Torres Fidalgo								Supervisory or Co-Appraiser Name:								
	Company: ATF Tasadores								Company:								
	Phone: T.787-946-7966, M.939-645 Fax:								Phone: Fax:								
	E-Mail: info@atftasadores.com								E-Mail:								
	Date of Report (Signature): 03/17/2021								Date of Report (Signature):								
	License or Certification #: 301CR State: PR								License or Certification #: State:								
Designation:																	
Expiration Date of License or Certification: 04/08/2023																	
Inspection of Subject: <input checked="" type="checkbox"/> Interior & Exterior <input type="checkbox"/> Exterior Only <input type="checkbox"/> None																	
Date of Inspection: 02/03/2021																	



## Building Sketch

Borrower	None				
Property Address	Gabriela's House Cond. , # PH-1B				
City	San Juan	County	San Juan	State	PR Zip Code 00901
Lender/Client	Quarles & Brady LLP				

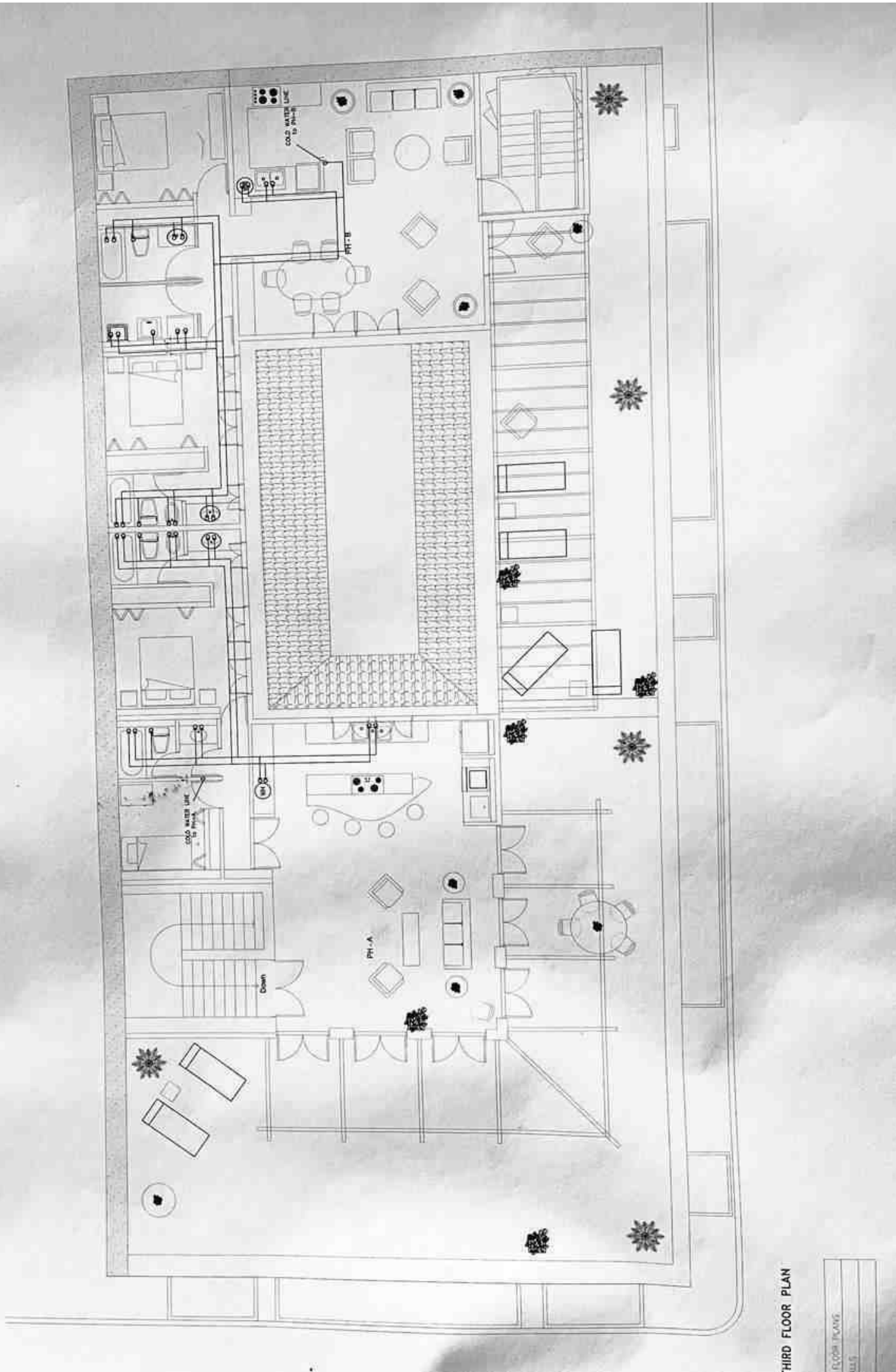
Building sketch dimensions were measured by the appraiser. Measurement differences between appraiser and Legal Deed were identified. The Sq. Ft. of the Legal Deed is based on the Plot Plan made by a Certified Engineer and recorded in the Condominium Master Deed. However, these differences could be explained by sources of errors. This report is based on GLA by legal deed provided.



TOTAL Sketch by a la mode, inc.

### Area Calculations Summary

Original Floor Plan



Photograph Addendum

Borrower	None					
Property Address	Gabriela's House Cond. , # PH-1B					
City	San Juan	County	San Juan	State	PR	Zip Code 00901
Lender/Client	Quarles & Brady LLP					



Front



Hallway



W/CI



W/CI



Vanity



Bath



Bath



Bedroom



Stairs/Elev.



Elevator



Wood terrace



Open terrace



Photograph Addendum

Borrower	None					
Property Address	Gabriela's House Cond. , # PH-1B					
City	San Juan	County	San Juan	State	PR	Zip Code 00901
Lender/Client	Quarles & Brady LLP					



Open terrace



View



View



Roof



Roof



Terrace



Stairs



Power system



Water system

Borrower	None				
Property Address	Gabriela's House Cond. , # PH-1B				
City	San Juan	County	San Juan	State	PR Zip Code 00901
Lender/Client	Quarles & Brady LLP				



Comparable 1

Apt. 2-A, Alfonso XIII Cond.	
Prox. To subject	0.18 miles N
Sale price	621,000
Gross living area	3,279
Total rooms	7
Total bedrooms	3
Total bathrooms	3
Location	N;Res;
View	Good
Site	Typical/Cond.
Quality	Average
Age	Similar



Comparable 2

Apt. 1, Ricardo Manuel Cond.	
Prox. To subject	0.17 miles N
Sale price	430,000
Gross living area	1,866
Total rooms	6
Total bedrooms	2
Total bathrooms	2
Location	N;Res;
View	Good
Site	Typical/Cond.
Quality	Average
Age	Similar



Comparable 3

Apt. 4, Fortaleza 203 Cond.	
Prox. To subject	0.20 miles SE
Sale price	394,000
Gross living area	1,353
Total rooms	5
Total bedrooms	2
Total bathrooms	2.1
Location	N;Res;
View	Good
Site	Typical/Cond.
Quality	Average
Age	Similar



Location Map

Borrower	None				
Property Address	Gabriela's House Cond. , # PH-1B				
City	San Juan	County	San Juan	State	PR Zip Code 00901
Lender/Client	Quarles & Brady LLP				





Address: Gabriela's House Cond.	Unit #: PH-1B	City: San Juan	State: PR	Zip Code: 00901
Client: Quarles & Brady LLP	Address:			
Appraiser: Antonio S. Torres Fidalgo	Address: PMB 510, 405 Esmeralda Ave., Ste 2,, Guaynabo, PR 00969			

STATEMENT OF ASSUMPTIONS & LIMITING CONDITIONS

- The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The appraiser assumes that the title is good and marketable and, therefore, will not render any opinions about the title. The property is appraised on the basis of it being under responsible ownership.
- The appraiser may have provided a sketch in the appraisal report to show approximate dimensions of the improvements, and any such sketch is included only to assist the reader of the report in visualizing the property and understanding the appraiser's determination of its size. Unless otherwise indicated, a Land Survey was not performed.
- If so indicated, the appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in the appraisal report whether the subject unit is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
- The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand.
- If the cost approach is included in this appraisal, the appraiser has estimated the value of the land in the cost approach at its highest and best use, and the improvements at their contributory value. Unless otherwise specifically indicated, the cost approach value is not an insurance value, and should not be used as such.
- The appraiser has noted in the appraisal report any adverse conditions (including, but not limited to, needed repairs, depreciation, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property, or that he or she became aware of during the normal research involved in performing the appraisal. Unless otherwise stated in the appraisal report, the appraiser has no knowledge of any hidden or unapparent conditions of the property, or adverse environmental conditions (including, but not limited to, the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied, regarding the condition of the property. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, the appraisal report must not be considered as an environmental assessment of the property.
- The appraiser obtained the information, estimates, and opinions that were expressed in the appraisal report from sources that he or she considers to be reliable and believes them to be true and correct. The appraiser does not assume responsibility for the accuracy of such items that were furnished by other parties.
- The appraiser will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice, and any applicable federal, state or local laws.
- If this appraisal is indicated as subject to satisfactory completion, repairs, or alterations, the appraiser has based his or her appraisal report and valuation conclusion on the assumption that completion of the improvements will be performed in a workmanlike manner.
- An appraiser's client is the party (or parties) who engage an appraiser in a specific assignment. Any other party acquiring this report from the client does not become a party to the appraiser-client relationship. Any persons receiving this appraisal report because of disclosure requirements applicable to the appraiser's client do not become intended users of this report unless specifically identified by the client at the time of the assignment.
- The appraiser's written consent and approval must be obtained before this appraisal report can be conveyed by anyone to the public, through advertising, public relations, news, sales, or by means of any other media, or by its inclusion in a private or public database.
- An appraisal of real property is not a 'home inspection' and should not be construed as such. As part of the valuation process, the appraiser performs a non-invasive visual inventory that is not intended to reveal defects or detrimental conditions that are not readily apparent. The presence of such conditions or defects could adversely affect the appraiser's opinion of value. Clients with concerns about such potential negative factors are encouraged to engage the appropriate type of expert to investigate.

The Scope of Work is the type and extent of research and analyses performed in an appraisal assignment that is required to produce credible assignment results, given the nature of the appraisal problem, the specific requirements of the intended user(s) and the intended use of the appraisal report. Reliance upon this report, regardless of how acquired, by any party or for any use, other than those specified in this report by the Appraiser, is prohibited. The Opinion of Value that is the conclusion of this report is credible only within the context of the Scope of Work, Effective Date, the Date of Report, the Intended User(s), the Intended Use, the stated Assumptions and Limiting Conditions, any Hypothetical Conditions and/or Extraordinary Assumptions, and the Type of Value, as defined herein. The appraiser, appraisal firm, and related parties assume no obligation, liability, or accountability, and will not be responsible for any unauthorized use of this report or its conclusions.

Additional Comments (Scope of Work, Extraordinary Assumptions, Hypothetical Conditions, etc.):

For the purpose of this report the intender user is Quarles & Brady LLP.

Legal Description was not provided by the client. This report was based on the extraordinary assumption that the GLA (Gross Living Area) information is correct. If is found to be incorrect market value may change or would be invalid.

No liability is assumed for structural or mechanical elements of the property. This is not a home inspection report. Subject's condition mentioned in this report may not include all apparent and or hidden defects the subject may have. For a more detailed condition of subject, a certified home inspector is suggested.

I have performed no (or the specified) services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

Verify subject zonification.

Certifications

File No.: 917201

Address: Gabriela's House Cond. Unit #: PH-1B City: San Juan State: PR Zip Code: 00901  
Client: Quarles & Brady LLP Address:  
Appraiser: Antonio S. Torres Fidalgo Address: PMB 510, 405 Esmeralda Ave., Ste 2,, Guaynabo, PR 00969

APPRAISER'S CERTIFICATION

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

- The statements of fact contained in this report are true and correct.
- The credibility of this report, for the stated use by the stated user(s), of the reported analyses, opinions, and conclusions are limited only by

the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.

- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- Unless otherwise indicated, I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- 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.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice that were in effect at the time this report was prepared.
- I did not base, either partially or completely, my analysis and/or the opinion of value in the appraisal report on the race, color, religion, sex, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property, or of the present owners or occupants of the properties in the vicinity of the subject property.
- Unless otherwise indicated, I have made a personal inspection of the property that is the subject of this report.
- Unless otherwise indicated, no one provided significant real property appraisal assistance to the person(s) signing this certification.

Additional Certifications:

DEFINITION OF MARKET VALUE \*:

Market value means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and 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:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised and acting in what they consider their own best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. 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.

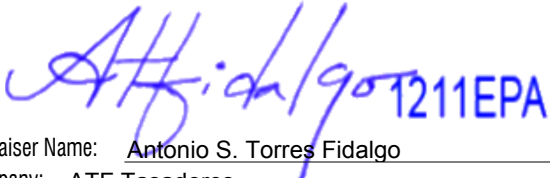
\* This definition is from regulations published by federal regulatory agencies pursuant to Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) of 1989 between July 5, 1990, and August 24, 1990, by the Federal Reserve System (FRS), National Credit Union Administration (NCUA), Federal Deposit Insurance Corporation (FDIC), the Office of Thrift Supervision (OTS), and the Office of Comptroller of the Currency (OCC). This definition is also referenced in regulations jointly published by the OCC, OTS, FRS, and FDIC on June 7, 1994, and in the Interagency Appraisal and Evaluation Guidelines, dated October 27, 1994.

Client Contact: Client Name: Quarles & Brady LLP  
E-Mail: Address:

APPRAISER

SUPERVISORY APPRAISER (if required)  
or CO-APPRAISER (if applicable)

SIGNATURES



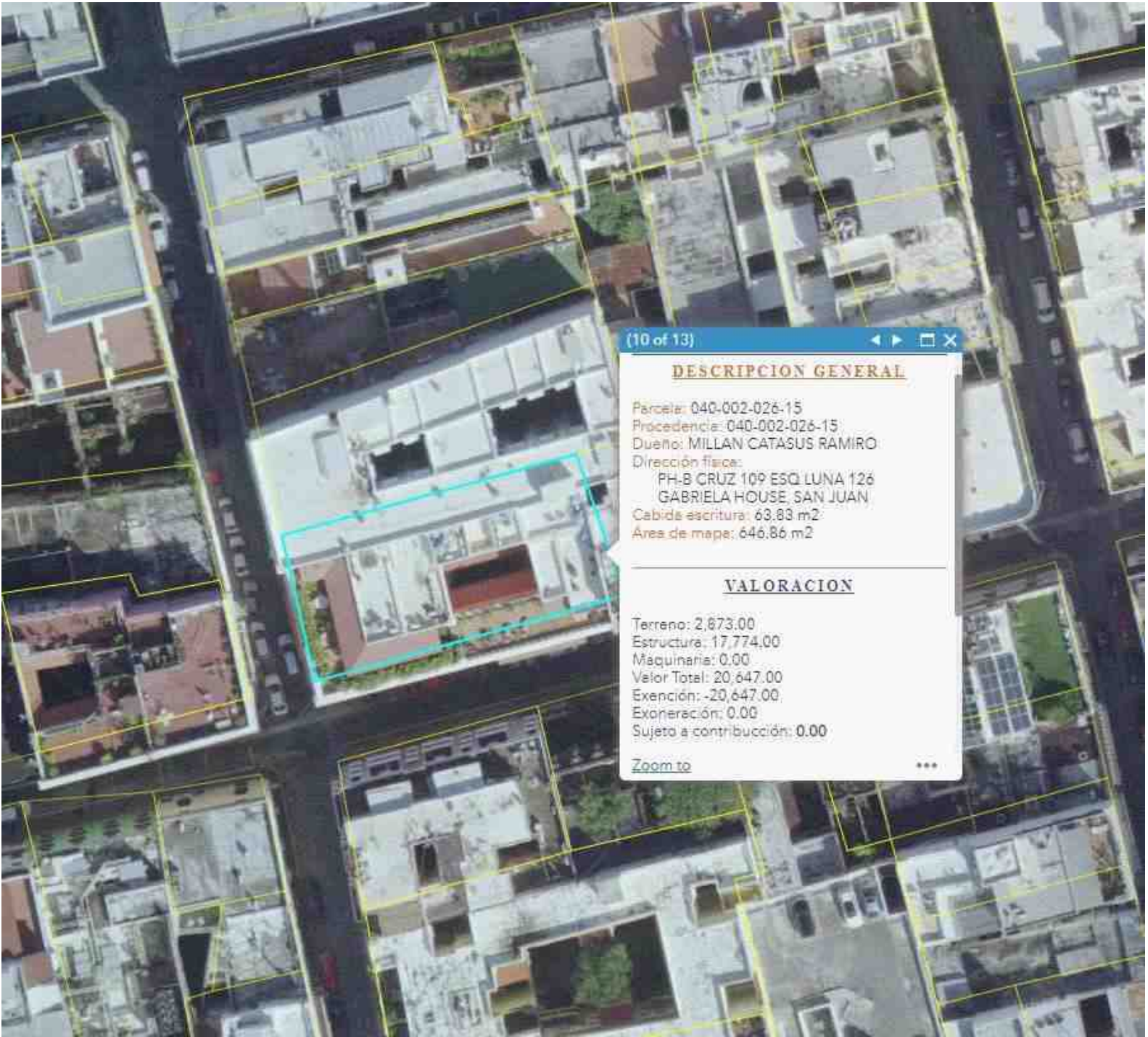
Appraiser Name: Antonio S. Torres Fidalgo  
Company: ATF Tasadores  
Phone: T.787-946-7966, M.939-645 Fax:  
E-Mail: info@atftasadores.com  
Date Report Signed: 03/17/2021  
License or Certification #: 301CR State: PR  
Designation:  
Expiration Date of License or Certification: 04/08/2023  
Inspection of Subject: ☒ Interior & Exterior ☐ Exterior Only ☐ None  
Date of Inspection: 02/03/2021

Supervisory or  
Co-Appraiser Name:  
Company:  
Phone: Fax:  
E-Mail:  
Date Report Signed:  
License or Certification #: State:  
Designation:  
Expiration Date of License or Certification:  
Inspection of Subject: ☐ Interior & Exterior ☐ Exterior Only ☐ None  
Date of Inspection:

**Legal Description**

APARTAMENTO PENTHOUSE "B" (PH-B) URBANA: PROPIEDAD HORIZONTAL. Apartamento PH B, localizado en el tercer piso del Condominio Gabriela's House, con una cabida superficial de dos mil cuarenta y dos punto ocho pies cuadrados (2,042.8 pc), equivalentes a ciento ochenta y nueve punto ocho metros cuadrados (189.8 mc). Colinda por el **Norte**, en una distancia de cincuenta y nueve pies nueve punto cinco pulgadas (59'9.5") equivalentes a dieciocho punto dos metros (18.2 m), con la pared exterior del Condominio que da hacia la colindancia con la propiedad marcada con el número ciento siete (107) de la Calle Cruz; por el **Sur**, en una distancia de cincuenta y siete pies nueve punto cinco pulgadas (57'9.5"), equivalentes a dieciocho punto dos metros (18.2 m), con la pared exterior del Condominio que da hacia la colindancia con la Calle Luna; por el **Este**, en una distancia de cincuenta y dos pies con seis pulgadas (52'6"), equivalentes a dieciséis metros (16.00) con la pared exterior del Condominio que da hacia la colindancia con la propiedad marcada con el doscientos uno (201) de la Calle Luna y por el **Oeste**, en una distancia de cincuenta y dos pies con seis pulgadas (52'6"), equivalentes a dieciséis metros (16.00 m) con la pared exterior del Condominio que da hacia la colindancia con el apartamento Penthouse A ("PH-A"). A este apartamento le corresponde un once punto cinco, cero, uno, tres porciento (11.5013%) de los elementos Comunes del Condominio. Inscrita al folio 124 del tomo 195 de San Juan, Finca número 5232, Primera Sección del Registro de la Propiedad de San Juan.







Aerial picture



Borrower	None						
Property Address	Gabriela's House Cond. , # PH-1B						
City	San Juan	County	San Juan	State	PR	Zip Code	00901
Lender/Client	Quarles & Brady LLP						

APPRAISAL AND REPORT IDENTIFICATION

This Appraisal Report is one of the following types:

☐ Appraisal Report

This report was prepared in accordance with the requirements of the Appraisal Report option of USPAP Standards Rule 2-2(a).

☒ Restricted Appraisal Report

This report was prepared in accordance with the requirements of the Restricted Appraisal Report option of USPAP Standards Rule 2-2(b). The intended user of this report is limited to the identified client. This is a Restricted Appraisal Report and the rationale for how the appraiser arrived at the opinions and conclusions set forth in the report may not be understood properly without the additional information in the appraiser's workfile.

Note on square feet: Legal Description or Title Study was provided by the Client. Square feet was based on information provided by the Client. If is found to be false market value may change. The Intended Use is for the sole purpose to estimate Market Value to assist the only Intended User / Quarles & Brady LLP.

ADDITIONAL CERTIFICATIONS

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

▪ The statements of fact contained in this report are true and correct.

▪ The report analyses, opinions, and conclusions are limited only by the reported assumptions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.

▪ I have no (or the specified) present or prospective interest in the property that is the subject of this report and no (or specified) personal interest with respect to the parties involved.

▪ I have no bias with respect to the property that is the subject of this report or the parties involved with this assignment.

▪ My engagement in this assignment was not contingent upon developing or reporting predetermined results.

▪ 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.

▪ My analyses, opinions, and conclusions were developed and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.

▪ This appraisal report was prepared in accordance with the requirements of Title XI of FIRREA and any implementing regulations.

PRIOR SERVICES

☒ I have NOT performed services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

☐ I HAVE performed services, as an appraiser or in another capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment. Those services are described in the comments below.

PROPERTY INSPECTION

☐ I have NOT made a personal inspection of the property that is the subject of this report.

☒ I HAVE made a personal inspection of the property that is the subject of this report.

APPRAISAL ASSISTANCE

Unless otherwise noted, no one provided significant real property appraisal assistance to the person signing this certification. If anyone did provide significant assistance, they are hereby identified along with a summary of the extent of the assistance provided in the report.

ADDITIONAL COMMENTS

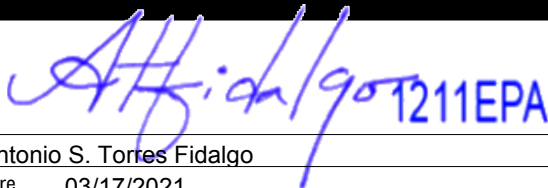
Additional USPAP related issues requiring disclosure and/or any state mandated requirements: I have performed no (or the specified) services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

As of the date of this report, I Antonio S. Torres Fidalgo have completed the Standards and Ethics Education Requirement for Candidates of the Appraisal Institute.

MARKETING TIME AND EXPOSURE TIME FOR THE SUBJECT PROPERTY

☒ A reasonable marketing time for the subject property is 90-180 day(s) utilizing market conditions pertinent to the appraisal assignment.

☒ A reasonable exposure time for the subject property is 1-180 day(s).

APPRAISER	SUPERVISORY APPRAISER (ONLY IF REQUIRED)
<div>Signature </div> <div>Name Antonio S. Torres Fidalgo</div> <div>Date of Signature 03/17/2021</div> <div>State Certification # 301CR</div> <div>or State License #</div> <div>State PR</div> <div>Expiration Date of Certification or License 04/08/2023</div> <div>Effective Date of Appraisal 02/03/2021</div>	<div>Signature</div> <div>Name</div> <div>Date of Signature</div> <div>State Certification #</div> <div>or State License #</div> <div>State</div> <div>Expiration Date of Certification or License</div> <div>Supervisory Appraiser Inspection of Subject Property</div> <div><div><input type="checkbox"/> Did Not</div><div><input type="checkbox"/> Exterior-only from Street</div><div><input type="checkbox"/> Interior and Exterior</div></div>

USPAP Compliance Addendum 2014

Page 1 of 1

Form ID14EC - "TOTAL" appraisal software by a la mode, inc. - 1-800-ALAMODE





# INVOICE

INVOICE NUMBER	
917201	
DATE	
03/08/2021	
REFERENCE	
Internal Order #:	
Lender Case #:	917201
Client File #:	917201
Main File # on form:	917201
Other File # on form:	
Federal Tax ID:	
Employer ID:	

**TO:**

Quarles & Brady LLP

**Telephone Number:**

**Alternate Number:**

**Fax Number:**

**E-Mail:**

## DESCRIPTION

**Lender:** Quarles & Brady LLP

**Client:** Quarles & Brady LLP

**Purchaser/Borrower:** None

**Property Address:** Gabriela's House Cond. , # PH-1B

**City:** San Juan

**County:** San Juan

**State:** PR

**Zip:** 00901

**Legal Description:** Refer to legal description attached.

## FEES

**AMOUNT**

# Appraisal Report

400.00

**SUBTOTAL**

400.00

## PAYMENTS

## AMOUNT

**Check #:**

Date:

**Description:**

**Check #:**

Date:

**Description:**

**Check #:**

Date:

**Description:**

**SUBTOTAL**

## Managing Expectations through ensuring timelines and effective products!

**TOTAL DUE**

**\$**

400.00

# APPRAISAL REPORT

RESTRICTED REPORT OF ONE PARKING SPACE LOCATED AT  
LA COCHERA SAN FRANCISCO COND., 204 LUNA STREET,  
SAN JUAN, PUERTO RICO



**Prepared for:**

Quarles & Brady LLP

**As Of**

February 03, 2021

**Prepared by:**



March 17, 2021

Quarles & Brady LLP

**Re: Restricted Appraisal Report of One  
Parking Space (16) located at  
La Cochera San Francisco Cond. 204 Luna St.  
in San Juan, Puerto Rico.**

Quarles & Brady LLP:

In accordance with your request, I have prepared a restricted appraisal report of the fee simple interest of the referenced property at La Cochera building.

However, as requested, the purpose of this appraisal report is to develop an opinion of the "As Is" market value of the fee simple interest in the real estate for the referenced property as of February 03, 2021, subject to the general assumptions, limiting conditions and certificate included herein.

I have inspected the property, have gathered, and analyzed all the data necessary to arrive at the value opinion conclusion. The subject of this appraisal consists of a single stall covered parking with a total area of 148.50 square feet located in the third floor of the building.

Based on the investigation and analysis of the real estate market in the area and after consideration of all the pertinent facts as set forth in the body of this report, the "As Is" market value opinion conclusion of the fee simple interest in the subject property real estate as of February 03, 2021 is:

**\$60,000.00**  
**(SIXTY THOUSAND DOLLARS)**

This appraisal report was made based on the extraordinary assumptions conditions listed on page 11 of the report. If the extraordinary assumptions were found to be false or incorrect, the reported value conclusion would be invalid.

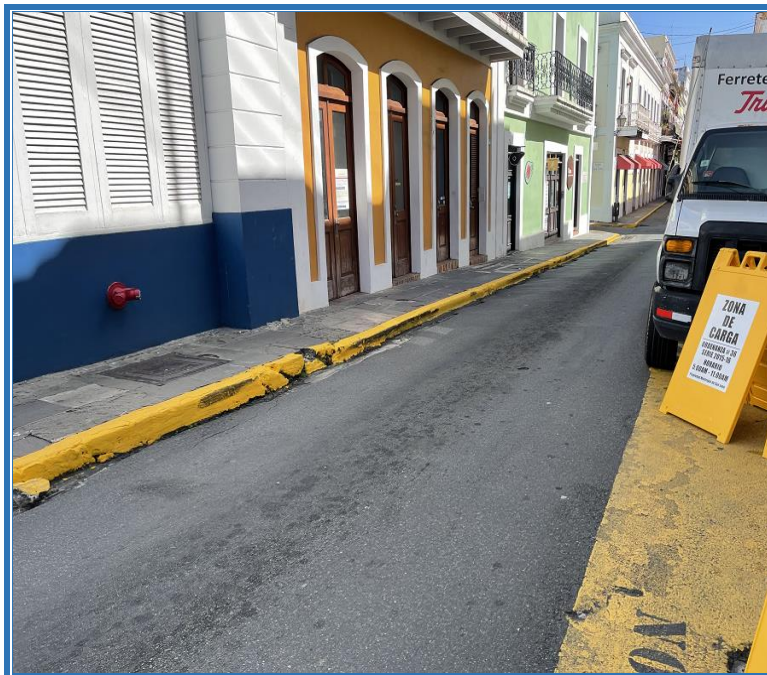
Possession of this letter, or a copy thereof, does not carry with it the right of publication. This letter may not be used for any purpose by any person other than the party to whom it is addressed without our written consent, and in any event, only with proper written qualification and only in its entirety. I am not responsible for unauthorized use of this report, and no one except the client is allowed to use it or its findings for decision-making. I accept no responsibility for use of this report by any person or entity other than the client, or for any other intended use than the one stated in the report.



Antonio S. Torres Fidalgo  
Real Estate Appraiser  
1211EPA / 301CR







**Partial Views**



## Sales Comparison Approach

To establish the sales comparison approach a set of procedures are derived to produce a value indication, by comparing the subject being appraised with similar properties that have been sold recently. The application of appropriate units of comparison and adjusting the sale prices of the comparable sales are required in order to recognize for differences. In this report no adjustments were considered.

The appraiser analyzed similar improved properties to estimate the value via the sales comparison approach. The following table presents brief descriptions of each of the selected transaction.

Element	Subject	1	2	3
				
<b>Location</b>	Parking space (16). La Cochera San Francisco Cond., 204 Luna St., San Juan, PR	Parking space (70). La Cochera San Francisco Cond., 204 Luna St., San Juan, PR	Parking space (90). La Cochera San Francisco Cond., 204 Luna St., San Juan, PR	Parking space (59). La Cochera San Francisco Cond., 204 Luna St., San Juan, PR
<b>Seller</b>	Not Applicable	58 Calle San Justo LLC.	Mr. Joseph A. Harris	Marisara Pont Marchese
<b>Buyer</b>	Not Applicable	Jonathan Kajkarsen Vidar	Fideicomiso Payne Caban	Helen Dolores Sampetro
<b>Date of Sale</b>	Not Applicable	May 28, 2020	November 2, 2018	August 22, 2018
<b>Transaction Price</b>	Not Applicable	\$60,000	\$60,000	\$65,000
<b>Improvement Area (Sq.Ft.)</b>	150	165	199	186
<b>Legal Data (Deed #, Notary)</b>	Not Applicable	Track #4839	Track #4841	Track #4804
<b>Zoning</b>	Commercial (C-3)	Commercial (C-3)	Commercial (C-3)	Commercial (C-3)
<b>Highest and best use</b>	Commercial Use	Commercial Use	Commercial Use	Commercial Use

The listed transactions refer to three (3) closed sales transactions of comparable properties within similar market trends. They were sold between August 2018 and May 2020, with sales price that runs between \$60,000 and \$65,000. Based on the analysis of the marketplace the data supports a value of \$60,000 supported by the data presented.

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## Certificate of the Appraiser

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

1. The statements of fact 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 is my personal, unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report, and I have no 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 engagement in this assignment was not contingent upon developing or reporting predetermined results
6. My compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, and the attainment of a stipulated result, on a required minimum valuation, the approval of the loan or the occurrence of a subsequent event.
7. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
8. Mr. Antonio S. Torres Fidalgo, 1211 EPA / 301 CR, made an exterior and interior inspection of the property that is subject of this report and has not provided any services regarding the subject property within the three-year period immediately preceding acceptance of the assignment, as an appraiser or in any other capacity.
9. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
10. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
11. As of the date of this report, I have completed the continuing education program of the Appraisal Institute.



Antonio S. Torres Fidalgo  
Real Estate Appraiser  
1211EPA / 301CR



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## Limiting Conditions and Assumptions

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1. The appraisers will not be required to give testimony or appear in court because of having made this appraisal, with reference to the property in question, unless arrangements have been previously made therefore.
2. Any cause of action resulting between the appraiser(s) and the client in conjunction with this appraisal, either directly or indirectly, will be limited in damages to the amount of the appraisal fee received for the assignment. Furthermore, it is agreed that you will indemnify Antonio S. Torres Fidalgo for any damages, costs, expenses, and attorney's fees resulting from any cause of action by any interested party, other than the client, concerning the appraisal or report.
3. 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(s), and in any event only with proper written qualification and only in its entirety.
4. In the case where an improvement is considered, the distribution of the total valuation between land and improvements applies only under the reported highest and best use of the property. The allocations of value for the land and improvements must not be used in conjunction with any other appraisal and are invalid if so used.
5. One (or more) of the signatories of the appraisal report is a member (or candidate) of the Appraisal Institute. The Bylaws and Regulations of the Institute required each member and candidate to control the use and distribution of each appraisal report signed by such member or candidate. Therefore, except as hereinafter provided, the party for whom this appraisal report was prepared may distribute copies of this appraisal report was prepared; however portions of this appraisal report shall not be given to third parties without the prior written consent of the signatories of this appraisal report.
6. This appraisal is prepared in accordance with generally accepted appraisal standards and practice as required by the Appraisal Institute.
7. The physical condition of the subject property described herein is based on physical visual inspection by the appraiser as of the effective date of the report, August 8, 2015.
8. In this appraisal assignment, the existence of potentially hazardous material used in the construction or maintenance of the building, such as the presence of the urea formaldehyde foam insulation or asbestos, and/or existence of toxic waste, which may or may not be present on the property, has not been considered. The appraiser(s) is (are) not qualified to detect such substances. We urge the client to retain an expert in this field if desired
9. The American with Disabilities Act (ADA) is in effect. We have not made a specific compliance survey or analysis of this property to determine whether 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 the 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 impact upon the value of the property. Since we have direct evidence relating to this issue, we did not consider possible non-compliance with the requirements of ADA in estimating the value of the property.

10. Any requirements for economic feasibility studies are in addition to those agreed upon for this assignment and necessity of this type of report will require further agreement unless arrangement have been previously made.
11. The appraisers are not aware of the presence of archeological findings within the subject or in adjacent properties. The physical observation of the property did not reveal any evidence of such circumstances. However, the appraiser(s) are not qualified to detect such artifacts and assume no responsibility in this respect. The value reported herein and estimated construction and/or marketing time of the property are predicted on the assumption that the property is free from archeological materials.
12. The legal description or area used in this report is assumed correct. The Legal Description referred to and cited in this report relates to the one depicted on partial copy of a deed, where only the legal description was included.
13. The property is appraised as though under responsible, adequately capitalized ownership and competent property management.
14. The appraisers have made no survey of the property and no responsibility is assumed in connection with such matters.
15. No responsibility is assumed in matters of legal nature affecting title to the property nor is an opinion regarding title rendered. The title is assumed good and merchantable.
16. Information furnished by others is assumed true, correct and reliable. A reasonable effort has been made to verify such information. However, the appraisers assume no responsibility for its accuracy.
17. The opinion of value herein presumes ARPE and pertaining State Government licenses and permits are valid as of the effective date of the report.
18. All mortgages, liens, encumbrances, leases and servitude have been disregarded unless so specified within the report. The property is appraised as though under responsible ownership and management. All taxes are assumed current. In specific cases, at the request of the client, the appraiser(s) may present data on past due "ad Val Orem" taxes. However, this data is not certified and is only a verbal confirmation by the tax authority. This data should not be relied upon by the client and has no effect on the final value estimate.
19. It is assumed that there are not hidden or concealed 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.
20. It is assumed that there is full compliance with all-applicable federal including the compliance with the American Disability Act, state and local environmental regulations and laws unless non-compliance is stated, defined and considered in the appraisal report.
21. The availability of capacity and or connection rights to any or all public utilities has not been determined by the appraiser(s). The value estimate reported herein is contingent upon and limited to said capacity and right of connection.
22. It is assumed that all applicable zoning and use regulations and restrictions have been complied with unless non-conformity has been stated, defined and considered in the appraisal report.

23. It is assumed that all required licenses, consents or other legislative or administrative authority from any local, state or national governmental or private entity or organization have been used or can be obtained or renewed for any use on which the value opinion contained in this report is based. All government, Planning Board, Environmental Quality Board, Soil Tests and other permits relative to the construction of the center are approved.
24. It is assumed that the utilization of the land is within the boundaries or property lines of the property described and that there is no encroachment or trespassing unless noted within the report.
25. In this appraisal assignment, the existence of potentially hazardous material used in the construction or maintenance of the building, such as presence of urea-formaldehyde foam insulation and or the existence of toxic waste and other can have a significant negative impact upon the value of unimproved and improved properties. I, unless otherwise noted in the appraisal report, did not observe the existences of hazardous materials, which may or may not be present on the property, nor do we have any knowledge of the existence of such materials on or in the property. The appraiser however is not qualified to detect such substances. The existence of urea-formaldehyde insulation or other potentially hazardous waste material may have an effect on the value of the property. We urge the client to retain an expert in this field if desired.
26. The market value opinion assumes a marketing period of approximately twenty four (24) to thirty six (36) month for the subject commercial property. This is based on typical marketing times for similar properties, following discussion with agents/brokers and the current and projected economic tendency.

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



**ADDENDA**

PROPIEDAD HORIZONTAL: APARTAMIENTO DIECISÉIS (16): Unidad comercial de estacionamiento localizada en el tercer nivel del Edificio A del Condominio Cochera San Francisco ubicado en el doscientos cuatro (204) de la Calle Luna, Viejo San Juan, con un área superficial de ciento cuarenta y ocho punto cincuenta pies cuadrados (148.50 pc), (no está cantidad en metros en descripción), y en linderos por el Norte: con el apartamento diecisiete (17); por el Sur, con área comunal, por el Este, con área comunal y por el Oeste, con área comunal. Tiene acceso por el tramo de tránsito vehicular central comunal del tercer nivel que conecta con la rampa desembocando en el antiguo Pasaje Matienzo, hoy área comunal de tránsito vehicular y peatonal y finalmente a la vía pública Calle Luna. La unidad tiene acceso peatonal a la Calle San Francisco a través de las escaleras y ascensor común. Corresponde a dicho apartamento una participación indivisa en los elementos comunes generales del Condominio equivalentes al cero punto seis, seis cero tres por ciento (0.6603%).

Consta inscrita al folio 32 del tomo 199 de la Primera Sección de San Juan, Finca número 5434, del Registro de la Propiedad de San Juan.

# APPRAISAL REPORT

RESTRICTED REPORT OF ONE PARKING SPACE LOCATED AT  
LA COCHERA SAN FRANCISCO COND., 204 LUNA STREET,  
SAN JUAN, PUERTO RICO



**Prepared for:**

Quarles & Brady LLP

**As Of**

February 03, 2021

**Prepared by:**





March 17, 2021

Quarles & Brady LLP

**Re: Restricted Appraisal Report of One  
Parking Space (19) located at  
La Cochera San Francisco Cond. 204 Luna St.  
in San Juan, Puerto Rico.**

Quarles & Brady LLP:

In accordance with your request, I have prepared a restricted appraisal report of the fee simple interest of the referenced property at La Cochera building.

However, as requested, the purpose of this appraisal report is to develop an opinion of the "As Is" market value of the fee simple interest in the real estate for the referenced property as of February 03, 2021, subject to the general assumptions, limiting conditions and certificate included herein.

I have inspected the property, have gathered, and analyzed all the data necessary to arrive at the value opinion conclusion. The subject of this appraisal consists of a single stall covered parking with a total area of 148.50 square feet located in the third floor of the building.

Based on the investigation and analysis of the real estate market in the area and after consideration of all the pertinent facts as set forth in the body of this report, the "As Is" market value opinion conclusion of the fee simple interest in the subject property real estate as of February 03, 2021 is:

**\$60,000.00**  
**(SIXTY THOUSAND DOLLARS)**

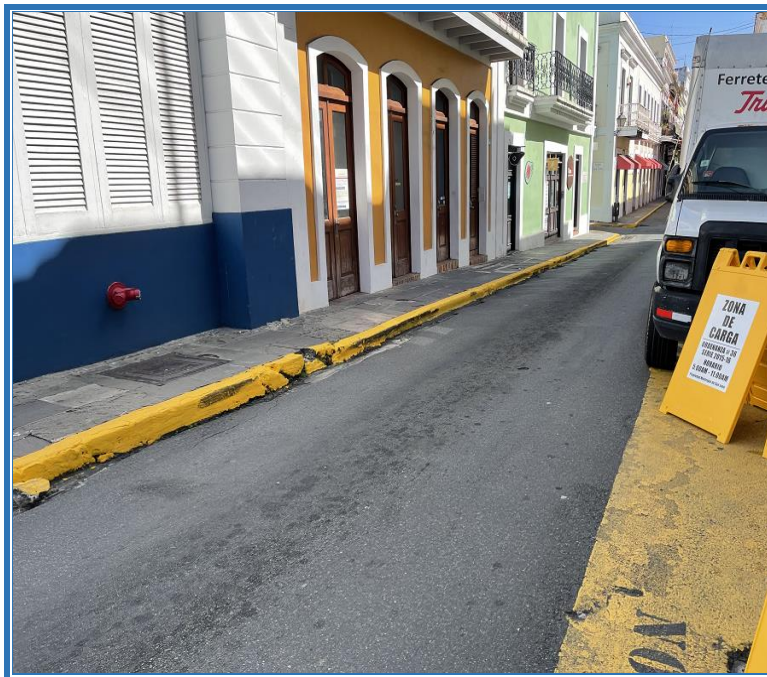
This appraisal report was made based on the extraordinary assumptions conditions listed on page 11 of the report. If the extraordinary assumptions were found to be false or incorrect, the reported value conclusion would be invalid.

Possession of this letter, or a copy thereof, does not carry with it the right of publication. This letter may not be used for any purpose by any person other than the party to whom it is addressed without our written consent, and in any event, only with proper written qualification and only in its entirety. I am not responsible for unauthorized use of this report, and no one except the client is allowed to use it or its findings for decision-making. I accept no responsibility for use of this report by any person or entity other than the client, or for any other intended use than the one stated in the report.



Antonio S. Torres Fidalgo  
Real Estate Appraiser  
1211EPA / 301CR





**Partial Views**



## Sales Comparison Approach

To establish the sales comparison approach a set of procedures are derived to produce a value indication, by comparing the subject being appraised with similar properties that have been sold recently. The application of appropriate units of comparison and adjusting the sale prices of the comparable sales are required in order to recognize for differences. In this report no adjustments were considered.

The appraiser analyzed similar improved properties to estimate the value via the sales comparison approach. The following table presents brief descriptions of each of the selected transaction.

Element	Subject	1	2	3
				
Location	Parking space (19). La Cochera San Francisco Cond., 204 Luna St., San Juan, PR	Parking space (70). La Cochera San Francisco Cond., 204 Luna St., San Juan, PR	Parking space (90). La Cochera San Francisco Cond., 204 Luna St., San Juan, PR	Parking space (59). La Cochera San Francisco Cond., 204 Luna St., San Juan, PR
Seller	Not Applicable	58 Calle San Justo LLC.	Mr. Joseph A. Harris	Marisara Pont Marchese
Buyer	Not Applicable	Jonathan Kajkarsen Vidar	Fideicomiso Payne Caban	Helen Dolores Sampetro
Date of Sale	Not Applicable	May 28, 2020	November 2, 2018	August 22, 2018
Transaction Price	Not Applicable	\$60,000	\$60,000	\$65,000
Improvement Area (Sq.Ft.)	150	165	199	186
Legal Data (Deed #, Notary)	Not Applicable	Track #4839	Track #4841	Track #4804
Zoning	Commercial (C-3)	Commercial (C-3)	Commercial (C-3)	Commercial (C-3)
Highest and best use	Commercial Use	Commercial Use	Commercial Use	Commercial Use

The listed transactions refer to three (3) closed sales transactions of comparable properties within similar market trends. They were sold between August 2018 and May 2020, with sales price that runs between \$60,000 and \$65,000. Based on the analysis of the marketplace the data supports a value of \$60,000 supported by the data presented.



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### Certificate of the Appraiser

---

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

1. The statements of fact 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 is my personal, unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report, and I have no 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 engagement in this assignment was not contingent upon developing or reporting predetermined results
6. My compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, and the attainment of a stipulated result, on a required minimum valuation, the approval of the loan or the occurrence of a subsequent event.
7. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
8. Mr. Antonio S. Torres Fidalgo, 1211 EPA / 301 CR, made an exterior and interior inspection of the property that is subject of this report and has not provided any services regarding the subject property within the three-year period immediately preceding acceptance of the assignment, as an appraiser or in any other capacity.
9. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
10. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
11. As of the date of this report, I have completed the continuing education program of the Appraisal Institute.



Antonio S. Torres Fidalgo  
Real Estate Appraiser  
1211EPA / 301CR

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## Limiting Conditions and Assumptions

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1. The appraisers will not be required to give testimony or appear in court because of having made this appraisal, with reference to the property in question, unless arrangements have been previously made therefore.
2. Any cause of action resulting between the appraiser(s) and the client in conjunction with this appraisal, either directly or indirectly, will be limited in damages to the amount of the appraisal fee received for the assignment. Furthermore, it is agreed that you will indemnify Antonio S. Torres Fidalgo for any damages, costs, expenses, and attorney's fees resulting from any cause of action by any interested party, other than the client, concerning the appraisal or report.
3. 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(s), and in any event only with proper written qualification and only in its entirety.
4. In the case where an improvement is considered, the distribution of the total valuation between land and improvements applies only under the reported highest and best use of the property. The allocations of value for the land and improvements must not be used in conjunction with any other appraisal and are invalid if so used.
5. One (or more) of the signatories of the appraisal report is a member (or candidate) of the Appraisal Institute. The Bylaws and Regulations of the Institute required each member and candidate to control the use and distribution of each appraisal report signed by such member or candidate. Therefore, except as hereinafter provided, the party for whom this appraisal report was prepared may distribute copies of this appraisal report was prepared; however portions of this appraisal report shall not be given to third parties without the prior written consent of the signatories of this appraisal report.
6. This appraisal is prepared in accordance with generally accepted appraisal standards and practice as required by the Appraisal Institute.
7. The physical condition of the subject property described herein is based on physical visual inspection by the appraiser as of the effective date of the report, August 8, 2015.
8. In this appraisal assignment, the existence of potentially hazardous material used in the construction or maintenance of the building, such as the presence of the urea formaldehyde foam insulation or asbestos, and/or existence of toxic waste, which may or may not be present on the property, has not been considered. The appraiser(s) is (are) not qualified to detect such substances. We urge the client to retain an expert in this field if desired
9. The American with Disabilities Act (ADA) is in effect. We have not made a specific compliance survey or analysis of this property to determine whether 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 the 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 impact upon the value of the property. Since we have direct evidence relating to this issue, we did not consider possible non-compliance with the requirements of ADA in estimating the value of the property.

10. Any requirements for economic feasibility studies are in addition to those agreed upon for this assignment and necessity of this type of report will require further agreement unless arrangement have been previously made.
11. The appraisers are not aware of the presence of archeological findings within the subject or in adjacent properties. The physical observation of the property did not reveal any evidence of such circumstances. However, the appraiser(s) are not qualified to detect such artifacts and assume no responsibility in this respect. The value reported herein and estimated construction and/or marketing time of the property are predicted on the assumption that the property is free from archeological materials.
12. The legal description or area used in this report is assumed correct. The Legal Description referred to and cited in this report relates to the one depicted on partial copy of a deed, where only the legal description was included.
13. The property is appraised as though under responsible, adequately capitalized ownership and competent property management.
14. The appraisers have made no survey of the property and no responsibility is assumed in connection with such matters.
15. No responsibility is assumed in matters of legal nature affecting title to the property nor is an opinion regarding title rendered. The title is assumed good and merchantable.
16. Information furnished by others is assumed true, correct and reliable. A reasonable effort has been made to verify such information. However, the appraisers assume no responsibility for its accuracy.
17. The opinion of value herein presumes ARPE and pertaining State Government licenses and permits are valid as of the effective date of the report.
18. All mortgages, liens, encumbrances, leases and servitude have been disregarded unless so specified within the report. The property is appraised as though under responsible ownership and management. All taxes are assumed current. In specific cases, at the request of the client, the appraiser(s) may present data on past due "ad Val Orem" taxes. However, this data is not certified and is only a verbal confirmation by the tax authority. This data should not be relied upon by the client and has no effect on the final value estimate.
19. It is assumed that there are not hidden or concealed 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.
20. It is assumed that there is full compliance with all-applicable federal including the compliance with the American Disability Act, state and local environmental regulations and laws unless non-compliance is stated, defined and considered in the appraisal report.
21. The availability of capacity and or connection rights to any or all public utilities has not been determined by the appraiser(s). The value estimate reported herein is contingent upon and limited to said capacity and right of connection.
22. It is assumed that all applicable zoning and use regulations and restrictions have been complied with unless non-conformity has been stated, defined and considered in the appraisal report.



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

**ADDENDA**

PROPIEDAD HORIZONTAL: APARTAMIENTO DIECINUEVE (19): Unidad comercial de estacionamiento localizada en el tercer nivel del Edificio A del Condominio Cochera San Francisco ubicado en el doscientos cuatro (204) de la Calle Luna, Viejo San Juan, con un área superficial de ciento cuarenta y ocho punto cincuenta pies cuadrados (148.50 pc), (no está cantidad en metros en descripción), y en lindes por el Norte: con área comunal; por el Sur, el apartamento dieciocho (18); por el Este, con área comunal y por el Oeste, con área comunal. Tiene acceso por el tramo de tránsito vehicular central comunal del tercer nivel que conecta con la rampa desembocando en el antiguo Pasaje Matienzo, hoy área comunal de tránsito vehicular y peatonal y finalmente a la vía pública Calle Luna. La unidad tiene acceso peatonal a la Calle San Francisco a través de las escaleras y ascensor común.



SEC vs. Kinetic Investment Group, LLC, et al  
CASE NO.: 8:20-cv-394

## EXHIBIT “3” Part 2

## **148.50 SF Parking Condo Unit**

### **Appraisal Report**



### **LOCATED AT**

204 Luna Street, Old San Juan  
Parking 321 (16), Cochera San Francisco Condo  
San Juan, PR 00901

### **FOR**

Mr. Mark A. Kornfeld - Receiver  
Quarles & Brady LLP  
101 East Kennedy Blvd., Suite 3400  
Tampa, FL 33602-5195

### **AS OF**

10/30/2020

### **BY**

Jose A. Roman, 1002EPA, 160CR, MIE459  
Real Estate Appraiser  
Lic #1002EPA  
360 Calle Baleares, Puerto Nuevo  
San Juan, PR 00920  
lostasadorespr@gmail.com  
www.lostasadores.com



Jose A. Roman  
Real Estate Appraiser  
360 Calle Baleares, Puerto Nuevo  
San Juan, PR 00920  
www.lostasadores.com

11/17/2020

Mr. Mark A. Kornfeld - Receiver  
Quarles & Brady LLP  
101 East Kennedy Blvd., Suite 3400  
Tampa, FL 33602-5195

Re: Property: 204 Luna Street, Old San Juan  
Parking 321 (16), Cochera San Francisco Condo.  
San Juan, PR 00901  
Owner: Michael Scott Williams / Tract 5434

Market Value: 68,000  
Effective Date: 10/30/2020

Dear Mr. Kornfeld:

In accordance with your request, we have appraised the above referenced property. The report of that appraisal is attached.

The purpose of the appraisal is to develop an opinion of market value for the property described in this appraisal report, as improved, in unencumbered fee simple title of ownership. This report is based on a physical analysis of the site and improvements, a locational analysis of the neighborhood and city, and an economic analysis of the market for properties such as the subject. The appraisal was developed and the report was prepared in accordance with the Uniform Standards of Professional Appraisal Practice.

The opinion of value reported above is as of the stated effective date and is contingent upon the certification and limiting conditions attached.

It has been a pleasure to assist you. Please do not hesitate to contact me or any of my staff if we can be of additional service to you.

Sincerely,



Jose A. Roman, 1002EPA, 160CR, MIE459  
Certified Real Estate Appraiser  
License or Certification #: 1002EPA  
State: PR Expires: 05/22/2021  
lostasadorespr@gmail.com

SUMMARY OF SALIENT FEATURES

SUBJECT INFORMATION	Subject Address	204 Luna Street, Old San Juan, Parking 321 (16), Cochera San Francisco Condo
	Legal Description	Please refer to legal deed.
	City	San Juan
	County	127
	State	PR
	Zip Code	00901
	Census Tract	0005.06
	Map Reference	41980
SALES PRICE	Sale Price	\$ 0
	Date of Sale	
CLIENT	Client	Mr. Mark A. Kornfeld - Receiver
	Owner	Michael Scott Williams
DESCRIPTION OF IMPROVEMENTS	Size (Square Feet)	148.50
	Price per Square Foot	\$
	Location	Old San Juan
	Age	+100
	Condition	Average
	Total Rooms	Par
	Bedrooms	ki
	Baths	ng
APPRAISER	Appraiser	Jose A. Roman, 1002EPA, 160CR, MIE459
	Date of Appraised Value	10/30/2020
VALUE	Opinion of Value	\$ 68,000



Tract 5434

REAL ESTATE VALUE ESTIMATE

SUBJECT

ContactN/A

Census Tract0005.06

Map Reference41980

Property Address204 Luna Street, Old San Juan, Parking 321 (16), Cochera San Francisco

Check one:

☐ SF

☐ PUD

☒ CONDO

☐ 2-4 Units

CitySan Juan

County127

StatePR

Zip Code00901

Phone No. Res. N/A

Loan Amount\$N/A

TermN/A

Mos. Owner's Est. of Value\$N/A

No. of RoomsPar

No. of Bedroomski

No. of Bathsnng

Family room or den

☐ Yes

☐ No

Gross Living Area148.50 Sq. Ft.

Garage/Carport (specify type & no.)N/A

Porches, Patio or Pool (specify)N/A

Central Air

☐ Yes

☐ No

FIELD REPORT

NEIGHBORHOOD

Location

☒ Urban

☐ Suburban

☐ Rural

Built Up

☒ Over 75%

☐ 25% to 75%

☐ Under 25%

Growth Rate

☐ Fully Dev.

☐ Rapid

☒ Steady

☐ Slow

Property Values

☐ Increasing

☒ Stable

☐ Declining

Demand/Supply

☐ Shortage

☒ In Balance

☐ Oversupply

Marketing Time

☐ Under 3 Mos.

☒ 4-6 Mos.

☐ Over 6 Mos.

Present Land Use30% 1 Family15 % 2-4 Family5 % Apts.15 % Condo30% Commercial0% Industrial1 % Vacant4 % Institutional or public

Change in Present Land Use

☒ Not Likely

☐ Likely

☐ Taking Place FromTo

Predominant Occupancy

☒ Owner

☐ Tenant

% Vacant

S/F Price Range\$250000to\$1,500,000\$400,000= Predominant Value

S/Family Age50 yrs. to+200 yrs. Predominant Age+100 yrs.

Comments including those factors affecting marketability (e.g. public parks, schools, view, noise)The immediate subject subdivision area is composed of single family dwellings, condominiums, hotels and commercial properties. Shopping centers, private and public schools, hospitals and all services and amenities are located at a reasonable distance to subject area. No adverse factors were noted that might affect market value. Subject property's neighborhood is at present a stable market as property offers are in balance with the demand. Marketing time for reasonable priced properties is estimated at twelve (12) months.

SUBJECT PROPERTY

Approx. Yr. Blt. +100# Units1# Stories1

Type (det, duplex, semi/det. etc.)Parking Garage Unit

Design (rambler, split, etc.)Walk-up type condominium

Exterior Wall Mat. ConcreteRoof Mat. Concrete

Is the property in a HUD-Identified Special Flood Haz. Area?

☒ No

☐ Yes

Special Energy-Effic. ItemsNone.

Tax Code No. 040-002-035-17-040

PROPERTY RATING

Condition of Exterior

Compatibility to Neighborhood

Appeal and Marketability

Good

Avg

Fair

Poor

☐

☒

☐

☐

☐

☒

☐

☐

☐

☒

☐

☐

MARKET COMPARABLE ANALYSIS

Comments (favorable or unfavorable incl. deferred maintenance)As part of the scope of the assignment a "drive-by" inspection and / or an exterior observation of the subject project was carried out as per the client request. Moreover, this valuation report was carried out and makes reference to a copy of the legal description submitted by the client. Appraiser thereon assumes no responsibility and / or liability.

ITEM	SUBJECT	COMPARABLE NO. 1	COMPARABLE NO. 2	COMPARABLE NO. 3
Address	Parking 321(16), Cochera S Francisco Condo, San Juan	Parking 54, Cochera San Francisco Condo, San Juan	Parking 59, Cochera San Francisco Condo, San Juan	250 Sol Street, Parking 15 Sol 250 Condo, San Juan
Proximity to Sub.	N/A	Less than 0.01 miles	Less than 0.01 miles	0.07 miles N
Sales Price	\$0	\$70,000	\$65,000	\$69,000
Date of Sale and Time Adjustment	DESCRIPTION	DESCRIPTION+(-)\$ Adjust.	DESCRIPTION+(-)\$ Adjust.	DESCRIPTION+(-)\$ Adjust.
Location	Old San Juan	Old San Juan	Old San Juan	Old San Juan
Site/View	Other Parkings	Other Parkings	Other Parkings	Other Parkings
Age	+100	+100	+100	+100
Condition	Average	Average	Average	Average
Living Area Rm. Count and Total	TotalB-rms.BathsParki ng	TotalB-rms.BathsParki ng	TotalB-rms.BathsParki ng	TotalB-rms.BathsParki ng
Gross Living Area	148.50 Sq. Ft.	148.50 Sq. Ft.	186.29 Sq. Ft.	180.08 Sq. Ft.
Air Conditioning	N/A	N/A	N/A	N/A
Garage/Carport	N/A	N/A	N/A	N/A
Porches, Patio, Pools, etc.	None	None	None	None
Special Energy-Efficient Items	None	None	None	None
Other	None	None	None	None
Net Adjust (Total)		<div><input type="checkbox"/> +<input type="checkbox"/> -</div> \$	<div><input type="checkbox"/> +<input type="checkbox"/> -</div> \$	<div><input type="checkbox"/> +<input type="checkbox"/> -</div> \$
Indicated Value Sub.		N G\$70,000	N G\$65,000	N G\$69,000
General Comments	Listed transactions refer to three comparable parkings within subject's Old San Juan neighborhood. Sales comparison analysis support a value between \$65,000 and \$70,000 with a most probable market value at \$68,000. Same weight was given to all comparables. Comparable selected are the best available indicators to value for the subject as of the effective date of the appraisal report.			
Estimated Value \$	68,000 as of10/30/2020			
Completed By	Jose A. Roman, 1002EPA, 160CR, MIE459			Title Real Estate Appraiser
Signature				Date11/17/2020

[Y2K]

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File No. Tract 5434

**DEFINITION OF MARKET VALUE:** The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, 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: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what he considers his own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and (5) 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. (Source: FDIC Interagency Appraisal and Evaluation Guidelines, October 27, 1994.)

\*Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgement.

## STATEMENT OF LIMITING CONDITIONS AND CERTIFICATION

**CONTINGENT AND LIMITING CONDITIONS:** The appraiser's certification that appears in the appraisal report is subject to the following conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The appraiser assumes that the title is good and marketable and, therefore, will not render any opinions about the title. The property is valued on the basis of it being under responsible ownership.
2. Any sketch provided in the appraisal report may show approximate dimensions of the improvements and is included only to assist the reader of the report in visualizing the property. The appraiser has made no survey of the property.
3. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand, or as otherwise required by law.
4. Any distribution of valuation between land and improvements in the report applies only under the existing program of utilization. These separate valuations of the land and improvements must not be used in conjunction with any other appraisal and are invalid if they are so used.
5. The appraiser has no knowledge of any hidden or unapparent conditions of the property or adverse environmental conditions (including the presence of hazardous waste, toxic substances, etc.) that would make the property more or less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied, regarding the condition of the property. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. This appraisal report must not be considered an environmental assessment of the subject property.
6. The appraiser obtained the information, estimates, and opinions that were expressed in the appraisal report from sources that he or she considers to be reliable and believes them to be true and correct. The appraiser does not assume responsibility for the accuracy of such items that were furnished by other parties.
7. The appraiser will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice, and any applicable federal, state or local laws.
8. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that completion of the improvements will be performed in a workmanlike manner.
9. The appraiser must provide his or her prior written consent before the lender/client specified in the appraisal report can distribute the appraisal report (including conclusions about the property value, the appraiser's identity and professional designations, and references to any professional appraisal organizations or the firm with which the appraiser is associated) to anyone other than the borrower; the mortgagee or its successors and assigns; the mortgage insurer; consultants; professional appraisal organizations; any state or federally approved financial institution; or any department, agency, or instrumentality of the United States or any state or the District of Columbia; except that the lender/client may distribute the property description section of the report only to data collection or reporting service(s) without having to obtain the appraiser's prior written consent. The appraiser's written consent and approval must also be obtained before the appraisal can be conveyed by anyone to the public through advertising, public relations, news, sales, or other media.
10. The appraiser is not an employee of the company or individual(s) ordering this report and compensation is not contingent upon the reporting of a predetermined value or direction of value or upon an action or event resulting from the analysis, opinions, conclusions, or the use of this report. This assignment is not based on a required minimum, specific valuation, or the approval of a loan.

As part of the scope of the assignment a "drive-by" inspection and / or an exterior observation of the subject project was carried out as per the client request. Moreover, this valuation report was carried out and makes reference to a copy of the legal description submitted by the client and previous appraisal reports of others units within the subject project. As such, this appraisal report assumed that the physical condition of the subject unit can be rated as average in general. Appraiser thereon assumes no responsibility and / or liability. Therefore, any discrepancy in the future will render the concluded value null and void.

The client is Mr. Mark A. Kornfeld. The intended users are Mr. Mark A. Kornfeld, SEC, Kinetic Investment Group, LLC and U.S. District Court / Florida Middle District Court. The intended use of this appraisal report is to assist the client and intended users in a judicial process regarding to the subject property.


File No. Tract 5434

CERTIFICATION: The appraiser certifies and agrees that:

1. The statements of fact 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 are my personal, impartial and unbiased professional analyses, opinions, and conclusions.
3. Unless otherwise indicated, I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. Unless otherwise indicated, I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
5. I have no bias with respect to the property that is the subject of this report or the parties involved with this assignment.
6. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. 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.
8. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice that were in effect at the time this report was prepared.
9. Unless otherwise indicated, I have made a personal inspection of the interior and exterior areas of the property that is the subject of this report, and the exteriors of all properties listed as comparables.
10. Unless otherwise indicated, no one provided significant real property appraisal assistance to the person(s) signing this certification (if there are exceptions, the name of each individual providing significant real property appraisal assistance is stated elsewhere in this report).
11. I have not performed prior services regarding the subject property, as an appraiser, or in any other capacity, within the three (3) year period immediately preceding acceptance of this appraisal assignment.
12. I certify having the competency to carry out this assignment, gained with the experience in appraising numerous subject type properties in Puerto Rico, and having the education and professional credentials.
13. Unless otherwise indicated, the appraiser doesn't made a personal inspection of the property that is the subject of this report.
14. Mr. Francisco J. Otero Valentin (1302EPA) provided significant professional assistance to the person signing this report.

ADDRESS OF PROPERTY ANALYZED: 204 Luna Street, Old San Juan, Parking 321 (16), Cochera San Francisco Condo, San Ju

APPRAISER:

Signature:   
Name: Jose A. Roman, 1002EPA, 160CR, MIE459  
Title: Certified Real Estate Appraiser  
State Certification #: 160CR  
or State License #: 1002EPA  
State: PR Expiration Date of Certification or License: 05/22/2021  
Date Signed: 11/17/2020

SUPERVISORY or CO-APPRAISER (if applicable):

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
State Certification #: \_\_\_\_\_  
or State License #: \_\_\_\_\_  
State: \_\_\_\_\_ Expiration Date of Certification or License: \_\_\_\_\_  
Date Signed: \_\_\_\_\_  
☐ Did ☐ Did Not Inspect Property



Subject Photo Page

Client	Mr. Mark A. Kornfeld - Receiver				
Property Address	204 Luna Street, Old San Juan, Parking 321 (16), Cochera San Francisco Condo				
City	San Juan	County	127	State	PR Zip Code 00901
Owner	Michael Scott Williams				

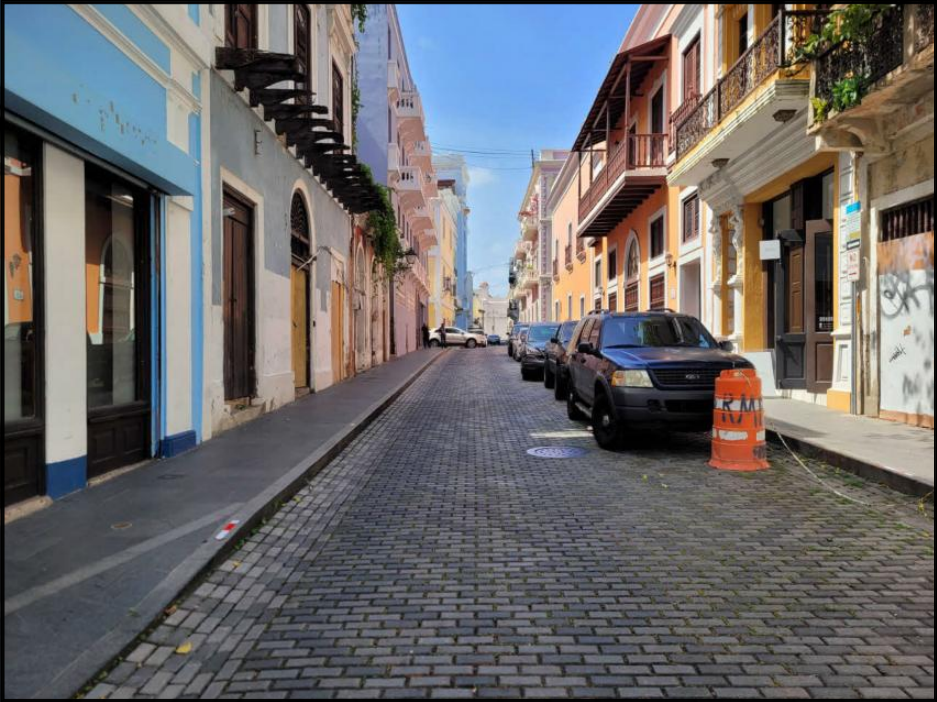


Subject Front

Parking 321(16), Cochera San Francisco  
Sales Price 0  
Gross Living Area 148.50  
Total Rooms Par  
Total Bedrooms ki  
Total Bathrooms ng  
Location Old San Juan  
Other Parkings  
213 sqm  
Q4  
+100



Subject Front



Subject Street



Comparable Photo Page

Client	Mr. Mark A. Kornfeld - Receiver				
Property Address	204 Luna Street, Old San Juan, Parking 321 (16), Cochera San Francisco Condo				
City	San Juan	County	127	State	PR Zip Code 00901
Owner	Michael Scott Williams				



Comparable 1

Parking 54, Cochera San Francisco  
Prox. to Subject Less than 0.01 miles  
Sales Price 70,000  
Gross Living Area 148.50  
Total Rooms Par  
Total Bedrooms ki  
Total Bathrooms ng  
Location Old San Juan



Comparable 2

Parking 59, Cochera San Francisco  
Prox. to Subject Less than 0.01 miles  
Sales Price 65,000  
Gross Living Area 186.29  
Total Rooms Par  
Total Bedrooms ki  
Total Bathrooms ng  
Location Old San Juan

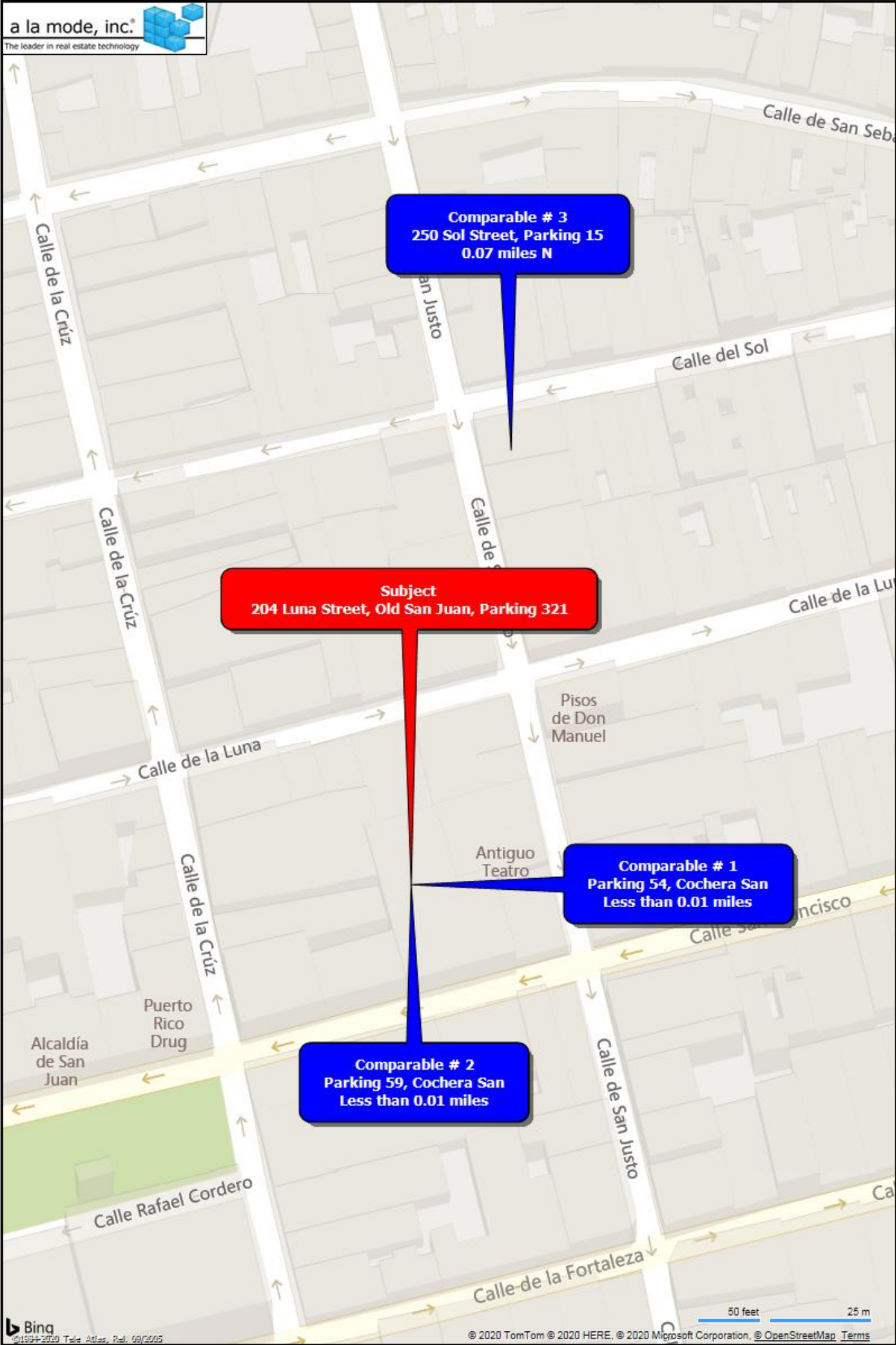


Comparable 3

250 Sol Street, Parking 15  
Prox. to Subject 0.07 miles N  
Sales Price 69,000  
Gross Living Area 180.08  
Total Rooms Par  
Total Bedrooms ki  
Total Bathrooms ng  
Location Old San Juan

Location Map

Client	Mr. Mark A. Kornfeld - Receiver				
Property Address	204 Luna Street, Old San Juan, Parking 321 (16), Cochera San Francisco Condo				
City	San Juan	County	127	State	PR Zip Code 00901
Owner	Michael Scott Williams				





Legal Description

Client	Mr. Mark A. Kornfeld - Receiver			
Property Address	204 Luna Street, Old San Juan, Parking 321 (16), Cochera San Francisco Condo			
City	San Juan	County	127	State PR Zip Code 00901
Owner	Michael Scott Williams			

PROPIEDAD HORIZONTAL: APARTAMIENTO DIECISÉIS (16): Unidad comercial de estacionamiento localizada en el tercer nivel del Edificio A del Condominio Cochera San Francisco ubicado en el doscientos cuatro (204) de la Calle Luna, Viejo San Juan, con un área superficial de ciento cuarenta y ocho punto cincuenta pies cuadrados (148.50 pc), (no está cantidad en metros en descripción), y en lindes por el Norte: con el apartamento diecisiete (17); por el Sur, con área comunal, por el Este, con área comunal y por el Oeste, con área comunal. Tiene acceso por el tramo de tránsito vehicular central comunal del tercer nivel que conecta con la rampa desembocando en el antiguo Pasaje Matienzo, hoy área comunal de tránsito vehicular y peatonal y finalmente a la vía pública Calle Luna. La unidad tiene acceso peatonal a la Calle San Francisco a través de las escaleras y ascensor común. Corresponde a dicho apartamento una participación indivisa en los elementos comunes generales del Condominio equivalentes al cero punto seis, seis cero tres por ciento (0.6603%).

Consta inscrita al folio 32 del tomo 199 de la Primera Sección de San Juan, Finca número 5434, del Registro de la Propiedad de San Juan.

USPAP Compliance Addendum

Loan #  
File # Tract 5434

Client	Mr. Mark A. Kornfeld - Receiver		
Property Address	204 Luna Street, Old San Juan, Parking 321 (16), Cochera San Francisco Condo		
City	San Juan	County 127	State PR Zip Code 00901
Owner	Michael Scott Williams		

APPRAISAL AND REPORT IDENTIFICATION

This Appraisal Report is one of the following types:

☒ Appraisal Report

☐ Restricted Appraisal Report

This report was prepared in accordance with the requirements of the Appraisal Report option of USPAP Standards Rule 2-2(a).

This report was prepared in accordance with the requirements of the Restricted Appraisal Report option of USPAP Standards Rule 2-2(b). The intended user of this report is limited to the identified client. This is a Restricted Appraisal Report and the rationale for how the appraiser arrived at the opinions and conclusions set forth in the report may not be understood properly without the additional information in the appraiser's workfile.

Appraisal Was Prepared In Accordance With The Requirements Of Title Xi Of The Financial Institutions Reform, Recovery And Enforcement Act Of 1989, As Amended (12 U.S.C. 3331 Et Seq.) And Any Implementing Regulations.

ADDITIONAL CERTIFICATIONS

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

The statements of fact contained in this report are true and correct.

The report analyses, opinions, and conclusions are limited only by the reported assumptions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.

I have no (or the specified) present or prospective interest in the property that is the subject of this report and no (or specified) personal interest with respect to the parties involved.

I have no bias with respect to the property that is the subject of this report or the parties involved with this assignment.

My engagement in this assignment was not contingent upon developing or reporting predetermined results.

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.

My analyses, opinions, and conclusions were developed and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.

This appraisal report was prepared in accordance with the requirements of Title XI of FIRREA and any implementing regulations.

PRIOR SERVICES

☒ I have NOT performed services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

☐ I HAVE performed services, as an appraiser or in another capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment. Those services are described in the comments below.

PROPERTY INSPECTION

☒ I have NOT made a personal inspection of the property that is the subject of this report.

☐ I HAVE made a personal inspection of the property that is the subject of this report.

APPRAISAL ASSISTANCE

Unless otherwise noted, no one provided significant real property appraisal assistance to the person signing this certification. If anyone did provide significant assistance, they are hereby identified along with a summary of the extent of the assistance provided in the report.

Mr. Francisco J. Otero Valentin (1302EPA) provided significant professional assistance to the person signing this report.

ADDITIONAL COMMENTS

Additional USPAP related issues requiring disclosure and/or any state mandated requirements: As part of the scope of the assignment a "drive-by" inspection and / or an exterior observation of the subject project was carried out as per the client request. Moreover, this valuation report was carried out and makes reference to a copy of the legal description submitted by the client and previous appraisal reports of others units within the subject project. As such, this appraisal report assumed that the physical condition of the subject unit can be rated as average in general. Appraiser thereon assumes no responsibility and / or liability. Therefore, any discrepancy in the future will render the concluded value null and void.

MARKETING TIME AND EXPOSURE TIME FOR THE SUBJECT PROPERTY

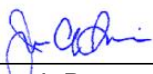
☒ A reasonable marketing time for the subject property is 180 to 360 day(s) utilizing market conditions pertinent to the appraisal assignment.

☒ A reasonable exposure time for the subject property is 180 to 360 day(s).

APPRAISER

SUPERVISORY APPRAISER (ONLY IF REQUIRED)

Signature



Name

Jose A. Roman

Date of Signature

11/17/2020

State Certification #

160CR

or State License #

1002EPA

State

PR

Expiration Date of Certification or License

05/22/2021

Effective Date of Appraisal

10/30/2020

Signature

Name

Date of Signature

State Certification #

or State License #

State

Expiration Date of Certification or License

Supervisory Appraiser Inspection of Subject Property

☐ Did Not

☐ Exterior-only from Street

☐ Interior and Exterior



Appraiser Independence Certification


I do hereby certify, I have followed the appraiser independence safeguards in compliance with Appraisal Independence and any applicable state laws I may be required to comply with. This includes but is not limited to the following:

- I am currently licensed and/or certified by the state in which the property to be appraised is located My license is the appropriate license for the appraisal assignment(s) and is reflected on the appraisal report.
- I certify that there have been no sanctions against me for any reason that would impair my ability to perform appraisals pursuant to the required guidelines.

I assert that no employee, director, officer, or agent of Mr. Mark A. Kornfeld - Receiver, or any other third party acting as joint venture partner, independent contractor, appraisal management company, or partner on behalf of Mr. Mark A. Kornfeld - Receiver, influenced, or attempted to influence the development, reporting, result, or review of my appraisal through coercion, extortion, collusion, compensation, inducement, intimidation, bribery, or in any other manner.

I further assert that Mr. Mark A. Kornfeld - Receiver has never participated in any of the following prohibited behavior in our business relationship:

- 1) Withholding or threatening to withhold timely payment or partial payment for an appraisal report;
- 2) Withholding or threatening to withhold future business with me, or demoting or terminating or threatening to demote or terminate me;
- 3) Expressly or impliedly promising future business, promotions, or increased compensation for myself;
- 4) Conditioning the ordering of my appraisal report or the payment of my appraisal fee or salary or bonus on the opinion, conclusion, or valuation to be reached, or on a preliminary value estimate requested from me;
- 5) Requesting that I provide an estimated, predetermined, or desired valuation in an appraisal report prior to the completion of the appraisal report, or requesting that I provide estimated values or comparable sales at any time prior to my completion of an appraisal report;
- 6) Provided me an anticipated, estimated, encouraged, or desired value for a subject property or a proposed or target amount to be loaned to the borrower, except that a copy of the sales contract for purchase transactions may be provided;
- 7) Provided to me, or my appraisal company, or any entity or person related to me as appraiser, appraisal company, stock or other financial or non-financial benefits;
- 8) Any other act or practice that impairs or attempts to impair my independence, objectivity, or impartiality or violates law or regulation, including, but not limited to, the Truth in Lending Act (TILA) and Regulation Z, or the USPAP.

  
\_\_\_\_\_  
Signature

Jose A. Roman, 1002EPA, 160CR, MIE459  
\_\_\_\_\_  
Appraiser's Name

Certified Real Estate Appraiser  
\_\_\_\_\_  
State Title or Designation

11/17/2020  
\_\_\_\_\_  
Date

1002EPA  
\_\_\_\_\_  
State License or Certification #

05/22/2021  
\_\_\_\_\_  
Expiration Date of License or Certification

PR  
\_\_\_\_\_  
State

204 Luna Street, Old San Juan, Parking 321 (16), Cochera San Francisco Condo, San Juan, PR 00901  
\_\_\_\_\_  
Address of Property Appraised

Appraiser’s License and Residential Certification (E&O Insurance NOT required in PR)

Client	Mr. Mark A. Kornfeld - Receiver			
Property Address	204 Luna Street, Old San Juan, Parking 321 (16), Cochera San Francisco Condo			
City	San Juan	County	127	State PR Zip Code 00901
Owner	Michael Scott Williams			

RENOVACIÓN APROBADA: 26 de abril, 2017  
RENEWAL APPROVED ON: April 26, 2017



Gobierno de Puerto Rico  
Government of Puerto Rico  
DEPARTAMENTO DE ESTADO  
Department of State  
Secretaría Auxiliar de Juntas Examinadoras  
Office of the Assistant Secretary of State for Examining Boards  
La Junta Examinadora de Evaluadores Profesionales de Bienes Raíces  
The Examining Board of Real Estate Appraisers

por la presente certifica que  
hereby certifies that

**José A. Román Maradiaga**

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

**Evaluador Profesional Certificación Residencial**  
Certified Residential Professional Appraiser

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

En San Juan, Puerto Rico, hoy 23 de mayo de 2017  
In San Juan, Puerto Rico, on May 23, 2017.

Número de Certificado: 160CR  
Certificate Number  
  
Vencimiento: 22 de mayo de 2021  
Expires: May 22, 2021





José A. Román Maradiaga  
Presidente  
(Board President)



Mariana E. Cortina Aldobol  
Directora  
Director

Appraiser's Certification  
PR: 160CR



Gobierno de Puerto Rico  
Government of Puerto Rico  
DEPARTAMENTO DE ESTADO  
Department of State  
Secretaría Auxiliar de Servicios y Juntas Examinadoras  
Office of the Assistant Secretary of State for Services and Examining Boards  
La Junta Examinadora de Evaluadores Profesionales de Bienes Raíces  
The Examining Board of Real Estate Appraisers

por la presente certifica que  
hereby certifies that

**José A. Román Maradiaga**

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

**Evaluador Profesional Autorizado Licencia Estatal**  
State Licensed Professional Appraiser  
(Para evaluar todo tipo de propiedad, Gobierno Estatal y/o Municipal donde no exista un Interés Federal)

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

En San Juan, Puerto Rico, hoy 09 de marzo de 2020  
In San Juan, Puerto Rico, on March 09, 2020.

Número de Licencia: 1002EPA  
License Number: 1002EPA  
  
Efectividad: 09 de marzo de 2020 al 01 de marzo de 2024  
Valid: March 09, 2020 to March 01, 2024  
  
Vencimiento: 01 de marzo de 2024  
Expires: March 01, 2024





José D. Robles Koether  
Presidente  
(Board President)



Mariana E. Cortina Aldobol  
Secretaría Auxiliar  
(Assistant Secretary)

Appraiser's State License  
PR: 1002EPA

Form PICLG2 — "WinTOTAL" appraisal software by a la mode, inc. — 1-800-ALAMODE

## **148.50 SF Parking Condo Unit**

### **Appraisal Report**



### **LOCATED AT**

204 Luna Street, Old San Juan  
Parking 325 (19), Cochera San Francisco Condo  
San Juan, PR 00901

### **FOR**

Mr. Mark A. Kornfeld - Receiver  
Quarles & Brady LLP  
101 East Kennedy Blvd., Suite 3400  
Tampa, FL 33602-5195

### **AS OF**

10/30/2020

### **BY**

Jose A. Roman, 1002EPA, 160CR, MIE459  
Real Estate Appraiser  
Lic #1002EPA  
360 Calle Baleares, Puerto Nuevo  
San Juan, PR 00920  
lostasadorespr@gmail.com  
www.lostasadores.com



Jose A. Roman  
Real Estate Appraiser  
360 Calle Baleares, Puerto Nuevo  
San Juan, PR 00920  
www.lostasadores.com

11/17/2020

Mr. Mark A. Kornfeld - Receiver  
Quarles & Brady LLP  
101 East Kennedy Blvd., Suite 3400  
Tampa, FL 33602-5195

Re: Property: 204 Luna Street, Old San Juan  
Parking 325 (19), Cochera San Francisco Condo.  
San Juan, PR 00901  
Owner: Michael Scott Williams / Tract 5432

Market Value: 68,000  
Effective Date: 10/30/2020

Dear Mr. Kornfeld:

In accordance with your request, we have appraised the above referenced property. The report of that appraisal is attached.

The purpose of the appraisal is to develop an opinion of market value for the property described in this appraisal report, as improved, in unencumbered fee simple title of ownership. This report is based on a physical analysis of the site and improvements, a locational analysis of the neighborhood and city, and an economic analysis of the market for properties such as the subject. The appraisal was developed and the report was prepared in accordance with the Uniform Standards of Professional Appraisal Practice.

The opinion of value reported above is as of the stated effective date and is contingent upon the certification and limiting conditions attached.

It has been a pleasure to assist you. Please do not hesitate to contact me or any of my staff if we can be of additional service to you.

Sincerely,



Jose A. Roman, 1002EPA, 160CR, MIE459  
Certified Real Estate Appraiser  
License or Certification #: 1002EPA  
State: PR Expires: 05/22/2021  
lostasadorespr@gmail.com



SUMMARY OF SALIENT FEATURES

SUBJECT INFORMATION	Subject Address	204 Luna Street, Old San Juan, Parking 325 (19), Cochera San Francisco Condo
	Legal Description	Please refer to legal deed.
	City	San Juan
	County	127
	State	PR
	Zip Code	00901
	Census Tract	0005.06
	Map Reference	41980
SALES PRICE	Sale Price	\$ 0
	Date of Sale	
CLIENT	Client	Mr. Mark A. Kornfeld - Receiver
	Owner	Michael Scott Williams
DESCRIPTION OF IMPROVEMENTS	Size (Square Feet)	148.50
	Price per Square Foot	\$
	Location	Old San Juan
	Age	+100
	Condition	Average
	Total Rooms	Par
	Bedrooms	ki
	Baths	ng
APPRAISER	Appraiser	Jose A. Roman, 1002EPA, 160CR, MIE459
	Date of Appraised Value	10/30/2020
VALUE	Opinion of Value	\$ 68,000

Tract 5432

REAL ESTATE VALUE ESTIMATE

SUBJECT

ContactN/A

Census Tract0005.06

Map Reference41980

Property Address204 Luna Street, Old San Juan, Parking 325 (19), Cochera San Francisco

Check one:

☐ SF

☐ PUD

☒ CONDO

☐ 2-4 Units

CitySan Juan

County127

StatePR

Zip Code00901

Phone No. Res. N/A

Loan Amount\$N/A

TermN/A

Mos. Owner's Est. of Value\$N/A

No. of RoomsPar

No. of Bedroomski

No. of Bathsng

Family room or den

☐ Yes

☐ No

Gross Living Area148.50 Sq. Ft.

Garage/Carport (specify type & no.)N/A

Porches, Patio or Pool (specify)N/A

Central Air

☐ Yes

☐ No

FIELD REPORT

NEIGHBORHOOD

Location

☒ Urban

☐ Suburban

☐ Rural

Built Up

☒ Over 75%

☐ 25% to 75%

☐ Under 25%

Growth Rate

☐ Fully Dev.

☐ Rapid

☒ Steady

☐ Slow

Property Values

☐ Increasing

☒ Stable

☐ Declining

Demand/Supply

☐ Shortage

☒ In Balance

☐ Oversupply

Marketing Time

☐ Under 3 Mos.

☒ 4-6 Mos.

☐ Over 6 Mos.

Present Land Use30% 1 Family15 % 2-4 Family5 % Apts.15 % Condo30% Commercial0% Industrial1 % Vacant4 % Institutional or public

Change in Present Land Use

☒ Not Likely

☐ Likely

☐ Taking Place FromTo

Predominant Occupancy

☒ Owner

☐ Tenant

% Vacant

S/F Price Range\$250,000to\$1,500,000\$400,000= Predominant Value

S/Family Age50 yrs. to+200 yrs. Predominant Age+100 yrs.

Comments including those factors affecting marketability (e.g. public parks, schools, view, noise)The immediate subject subdivision area is composed of single family dwellings, condominiums, hotels and commercial properties. Shopping centers, private and public schools, hospitals and all services and amenities are located at a reasonable distance to subject area. No adverse factors were noted that might affect market value. Subject property's neighborhood is at present a stable market as property offers are in balance with the demand. Marketing time for reasonable priced properties is estimated at twelve (12) months.

SUBJECT PROPERTY

Approx. Yr. Blt. +100# Units1# Stories1

Type (det, duplex, semi/det. etc.)Parking Garage Unit

Design (rambler, split, etc.)Walk-up type condominium

Exterior Wall Mat. ConcreteRoof Mat. Concrete

Is the property in a HUD-Identified Special Flood Haz. Area?

☒ No

☐ Yes

Special Energy-Effic. ItemsNone.

Tax Code No. 040-002-035-17-043

PROPERTY RATING

Condition of Exterior

Compatibility to Neighborhood

Appeal and Marketability

Good

Avg

Fair

Poor

☐

☒

☐

☐

☐

☒

☐

☐

☐

☒

☐

☐

MARKET COMPARABLE ANALYSIS

Comments (favorable or unfavorable incl. deferred maintenance)As part of the scope of the assignment a "drive-by" inspection and / or an exterior observation of the subject project was carried out as per the client request. Moreover, this valuation report was carried out and makes reference to a copy of the legal description submitted by the client. Appraiser thereon assumes no responsibility and / or liability.

ITEM	SUBJECT	COMPARABLE NO. 1	COMPARABLE NO. 2	COMPARABLE NO. 3
Address	Parking 325(19), Cochera San Francisco Condo, San Juan	Parking 54, Cochera San Francisco Condo, San Juan	Parking 59, Cochera San Francisco Condo, San Juan	250 Sol Street, Parking 15 Sol 250 Condo, San Juan
Proximity to Sub.	N/A	Less than 0.01 miles	Less than 0.01 miles	0.07 miles N
Sales Price	\$0	\$70,000	\$65,000	\$69,000
Date of Sale and Time Adjustment	DESCRIPTION	DESCRIPTION+(-)\$ Adjust.	DESCRIPTION+(-)\$ Adjust.	DESCRIPTION+(-)\$ Adjust.
Location	Old San Juan	Old San Juan	Old San Juan	Old San Juan
Site/View	Other Parkings	Other Parkings	Other Parkings	Other Parkings
Age	+100	+100	+100	+100
Condition	Average	Average	Average	Average
Living Area Rm. Count and Total	TotalB-rms.BathsParki ng	TotalB-rms.BathsParki ng	TotalB-rms.BathsParki ng	TotalB-rms.BathsParki ng
Gross Living Area	148.50 Sq. Ft.	148.50 Sq. Ft.	186.29 Sq. Ft.	180.08 Sq. Ft.
Air Conditioning	N/A	N/A	N/A	N/A
Garage/Carport	N/A	N/A	N/A	N/A
Porches, Patio, Pools, etc.	None	None	None	None
Special Energy-Efficient Items	None	None	None	None
Other	None	None	None	None
Net Adjust (Total)		<div><input type="checkbox"/> +<input type="checkbox"/> -</div> \$	<div><input type="checkbox"/> +<input type="checkbox"/> -</div> \$	<div><input type="checkbox"/> +<input type="checkbox"/> -</div> \$
Indicated Value Sub.		N G\$70,000	N G\$65,000	N G\$69,000
General Comments	Listed transactions refer to three comparable parkings within subject's Old San Juan neighborhood. Sales comparison analysis support a value between \$65,000 and \$70,000 with a most probable market value at \$68,000. Same weight was given to all comparables. Comparable selected are the best available indicators to value for the subject as of the effective date of the appraisal report.			
Estimated Value \$68,000 as of10/30/2020				
Completed By Jose A. Roman, 1002EPA, 160CR, MIE459			Title Real Estate Appraiser	
Signature			Date11/17/2020	

[Y2K]

Reconsite Appraisals

Form RVE — "WinTOTAL" appraisal software by a la mode, inc. — 1-800-ALAMODE

File No. Tract 5432

**DEFINITION OF MARKET VALUE:** The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, 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: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what he considers his own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and (5) 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. (Source: FDIC Interagency Appraisal and Evaluation Guidelines, October 27, 1994.)

\*Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgement.

## STATEMENT OF LIMITING CONDITIONS AND CERTIFICATION

**CONTINGENT AND LIMITING CONDITIONS:** The appraiser's certification that appears in the appraisal report is subject to the following conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The appraiser assumes that the title is good and marketable and, therefore, will not render any opinions about the title. The property is valued on the basis of it being under responsible ownership.
2. Any sketch provided in the appraisal report may show approximate dimensions of the improvements and is included only to assist the reader of the report in visualizing the property. The appraiser has made no survey of the property.
3. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand, or as otherwise required by law.
4. Any distribution of valuation between land and improvements in the report applies only under the existing program of utilization. These separate valuations of the land and improvements must not be used in conjunction with any other appraisal and are invalid if they are so used.
5. The appraiser has no knowledge of any hidden or unapparent conditions of the property or adverse environmental conditions (including the presence of hazardous waste, toxic substances, etc.) that would make the property more or less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied, regarding the condition of the property. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. This appraisal report must not be considered an environmental assessment of the subject property.
6. The appraiser obtained the information, estimates, and opinions that were expressed in the appraisal report from sources that he or she considers to be reliable and believes them to be true and correct. The appraiser does not assume responsibility for the accuracy of such items that were furnished by other parties.
7. The appraiser will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice, and any applicable federal, state or local laws.
8. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that completion of the improvements will be performed in a workmanlike manner.
9. The appraiser must provide his or her prior written consent before the lender/client specified in the appraisal report can distribute the appraisal report (including conclusions about the property value, the appraiser's identity and professional designations, and references to any professional appraisal organizations or the firm with which the appraiser is associated) to anyone other than the borrower; the mortgagee or its successors and assigns; the mortgage insurer; consultants; professional appraisal organizations; any state or federally approved financial institution; or any department, agency, or instrumentality of the United States or any state or the District of Columbia; except that the lender/client may distribute the property description section of the report only to data collection or reporting service(s) without having to obtain the appraiser's prior written consent. The appraiser's written consent and approval must also be obtained before the appraisal can be conveyed by anyone to the public through advertising, public relations, news, sales, or other media.
10. The appraiser is not an employee of the company or individual(s) ordering this report and compensation is not contingent upon the reporting of a predetermined value or direction of value or upon an action or event resulting from the analysis, opinions, conclusions, or the use of this report. This assignment is not based on a required minimum, specific valuation, or the approval of a loan.

As part of the scope of the assignment a "drive-by" inspection and / or an exterior observation of the subject project was carried out as per the client request. Moreover, this valuation report was carried out and makes reference to a copy of the legal description submitted by the client and previous appraisal reports of others units within the subject project. As such, this appraisal report assumed that the physical condition of the subject unit can be rated as average in general. Appraiser thereon assumes no responsibility and / or liability. Therefore, any discrepancy in the future will render the concluded value null and void.

The client is Mr. Mark A. Kornfeld. The intended users are Mr. Mark A. Kornfeld, SEC, Kinetic Investment Group, LLC and U.S. District Court / Florida Middle District Court. The intended use of this appraisal report is to assist the client and intended users in a judicial process regarding to the subject property.


File No. Tract 5432

CERTIFICATION: The appraiser certifies and agrees that:

1. The statements of fact 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 are my personal, impartial and unbiased professional analyses, opinions, and conclusions.
3. Unless otherwise indicated, I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. Unless otherwise indicated, I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
5. I have no bias with respect to the property that is the subject of this report or the parties involved with this assignment.
6. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. 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.
8. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice that were in effect at the time this report was prepared.
9. Unless otherwise indicated, I have made a personal inspection of the interior and exterior areas of the property that is the subject of this report, and the exteriors of all properties listed as comparables.
10. Unless otherwise indicated, no one provided significant real property appraisal assistance to the person(s) signing this certification (if there are exceptions, the name of each individual providing significant real property appraisal assistance is stated elsewhere in this report).
11. I have not performed prior services regarding the subject property, as an appraiser, or in any other capacity, within the three (3) year period immediately preceding acceptance of this appraisal assignment.
12. I certify having the competency to carry out this assignment, gained with the experience in appraising numerous subject type properties in Puerto Rico, and having the education and professional credentials.
13. Unless otherwise indicated, the appraiser doesn't made a personal inspection of the property that is the subject of this report.
14. Mr. Francisco J. Otero Valentin (1302EPA) provided significant professional assistance to the person signing this report.

ADDRESS OF PROPERTY ANALYZED: 204 Luna Street, Old San Juan, Parking 325 (19), Cochera San Francisco Condo, San Ju

APPRAISER:

Signature:   
Name: Jose A. Roman, 1002EPA, 160CR, MIE459  
Title: Certified Real Estate Appraiser  
State Certification #: 160CR  
or State License #: 1002EPA  
State: PR Expiration Date of Certification or License: 05/22/2021  
Date Signed: 11/17/2020

SUPERVISORY or CO-APPRAISER (if applicable):

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
State Certification #: \_\_\_\_\_  
or State License #: \_\_\_\_\_  
State: \_\_\_\_\_ Expiration Date of Certification or License: \_\_\_\_\_  
Date Signed: \_\_\_\_\_  
☐ Did ☐ Did Not Inspect Property



Subject Photo Page

Client	Mr. Mark A. Kornfeld - Receiver				
Property Address	204 Luna Street, Old San Juan, Parking 325 (19), Cochera San Francisco Condo				
City	San Juan	County	127	State	PR Zip Code 00901
Owner	Michael Scott Williams				



Subject Front

Parking 325 (19), Cochera San Francisco  
Sales Price 0  
Gross Living Area 148.50  
Total Rooms Par  
Total Bedrooms ki  
Total Bathrooms ng  
Location Old San Juan  
Other Parkings  
213 sqm  
Q4  
+100



Subject Front



Subject Street



Comparable Photo Page

Client	Mr. Mark A. Kornfeld - Receiver				
Property Address	204 Luna Street, Old San Juan, Parking 325 (19), Cochera San Francisco Condo				
City	San Juan	County	127	State	PR Zip Code 00901
Owner	Michael Scott Williams				



Comparable 1

Parking 54, Cochera San Francisco  
Prox. to Subject Less than 0.01 miles  
Sales Price 70,000  
Gross Living Area 148.50  
Total Rooms Par  
Total Bedrooms ki  
Total Bathrooms ng  
Location Old San Juan



Comparable 2

Parking 59, Cochera San Francisco  
Prox. to Subject Less than 0.01 miles  
Sales Price 65,000  
Gross Living Area 186.29  
Total Rooms Par  
Total Bedrooms ki  
Total Bathrooms ng  
Location Old San Juan

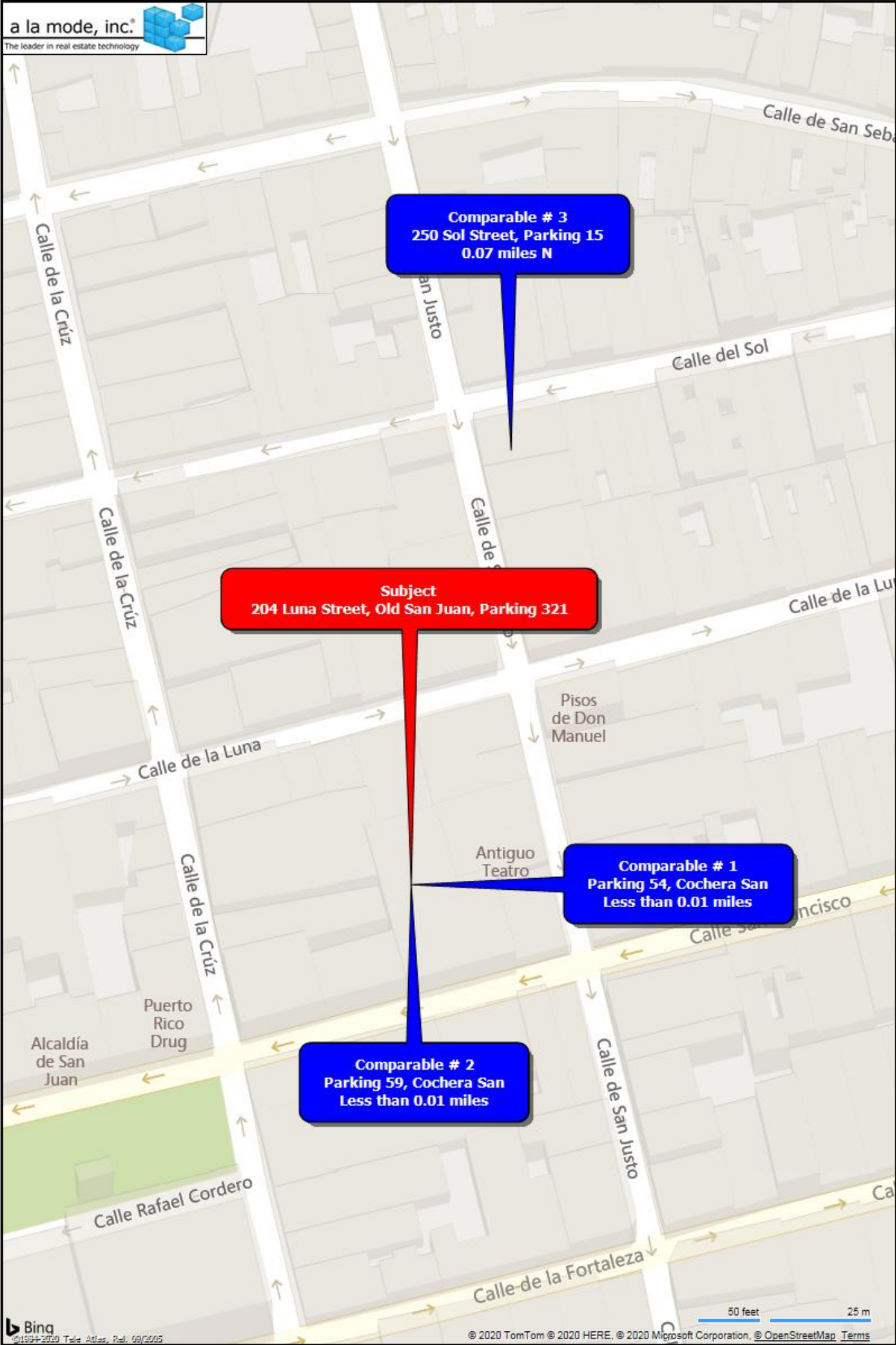


Comparable 3

250 Sol Street, Parking 15  
Prox. to Subject 0.07 miles N  
Sales Price 69,000  
Gross Living Area 180.08  
Total Rooms Par  
Total Bedrooms ki  
Total Bathrooms ng  
Location Old San Juan

Location Map

Client	Mr. Mark A. Kornfeld - Receiver					
Property Address	204 Luna Street, Old San Juan, Parking 325 (19), Cochera San Francisco Condo					
City	San Juan	County	127	State	PR	Zip Code 00901
Owner	Michael Scott Williams					





Legal Description

Client	Mr. Mark A. Kornfeld - Receiver			
Property Address	204 Luna Street, Old San Juan, Parking 325 (19), Cochera San Francisco Condo			
City	San Juan	County	127	State PR Zip Code 00901
Owner	Michael Scott Williams			

PROPIEDAD HORIZONTAL: APARTAMIENTO DIECINUEVE (19): Unidad comercial de estacionamiento localizada en el tercer nivel del Edificio A del Condominio Cochera San Francisco ubicado en el doscientos cuatro (204) de la Calle Luna, Viejo San Juan, con un área superficial de ciento cuarenta y ocho punto cincuenta pies cuadrados (148.50 pc), (no está cantidad en metros en descripción), y en lindes por el Norte: con área comunal; por el Sur, el apartamento dieciocho (18); por el Este, con área comunal y por el Oeste, con área comunal. Tiene acceso por el tramo de tránsito vehicular central comunal del tercer nivel que conecta con la rampa desembocando en el antiguo Pasaje Matienzo, hoy área comunal de tránsito vehicular y peatonal y finalmente a la vía pública Calle Luna. La unidad tiene acceso peatonal a la Calle San Francisco a través de las escaleras y ascensor común.

Corresponde a dicho apartamento una participación indivisa en los elementos comunes generales del Condominio equivalentes al cero punto seis, seis cero tres por ciento (0.6603%).

Consta inscrita al folio 28 del tomo 199 de la Primera Sección de San Juan, Finca numero 5432, del Registro de la Propiedad de San Juan.



USPAP Compliance Addendum

Loan #  
File # Tract 5432

Client	Mr. Mark A. Kornfeld - Receiver		
Property Address	204 Luna Street, Old San Juan, Parking 325 (19), Cochera San Francisco Condo		
City	San Juan	County 127	State PR Zip Code 00901
Owner	Michael Scott Williams		

APPRAISAL AND REPORT IDENTIFICATION

This Appraisal Report is one of the following types:

☒ Appraisal Report

This report was prepared in accordance with the requirements of the Appraisal Report option of USPAP Standards Rule 2-2(a).

☐ Restricted Appraisal Report

This report was prepared in accordance with the requirements of the Restricted Appraisal Report option of USPAP Standards Rule 2-2(b). The intended user of this report is limited to the identified client. This is a Restricted Appraisal Report and the rationale for how the appraiser arrived at the opinions and conclusions set forth in the report may not be understood properly without the additional information in the appraiser's workfile.

Appraisal Was Prepared In Accordance With The Requirements Of Title Xi Of The Financial Institutions Reform, Recovery And Enforcement Act Of 1989, As Amended (12 U.S.C. 3331 Et Seq.) And Any Implementing Regulations.

ADDITIONAL CERTIFICATIONS

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

The statements of fact contained in this report are true and correct.

The report analyses, opinions, and conclusions are limited only by the reported assumptions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.

I have no (or the specified) present or prospective interest in the property that is the subject of this report and no (or specified) personal interest with respect to the parties involved.

I have no bias with respect to the property that is the subject of this report or the parties involved with this assignment.

My engagement in this assignment was not contingent upon developing or reporting predetermined results.

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.

My analyses, opinions, and conclusions were developed and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.

This appraisal report was prepared in accordance with the requirements of Title XI of FIRREA and any implementing regulations.

PRIOR SERVICES

☒ I have NOT performed services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

☐ I HAVE performed services, as an appraiser or in another capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment. Those services are described in the comments below.

PROPERTY INSPECTION

☒ I have NOT made a personal inspection of the property that is the subject of this report.

☐ I HAVE made a personal inspection of the property that is the subject of this report.

APPRAISAL ASSISTANCE

Unless otherwise noted, no one provided significant real property appraisal assistance to the person signing this certification. If anyone did provide significant assistance, they are hereby identified along with a summary of the extent of the assistance provided in the report.

Mr. Francisco J. Otero Valentin (1302EPA) provided significant professional assistance to the person signing this report.

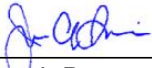
ADDITIONAL COMMENTS

Additional USPAP related issues requiring disclosure and/or any state mandated requirements: As part of the scope of the assignment a "drive-by" inspection and / or an exterior observation of the subject project was carried out as per the client request. Moreover, this valuation report was carried out and makes reference to a copy of the legal description submitted by the client and previous appraisal reports of others units within the subject project. As such, this appraisal report assumed that the physical condition of the subject unit can be rated as average in general. Appraiser thereon assumes no responsibility and / or liability. Therefore, any discrepancy in the future will render the concluded value null and void.

MARKETING TIME AND EXPOSURE TIME FOR THE SUBJECT PROPERTY

☒ A reasonable marketing time for the subject property is 180 to 360 day(s) utilizing market conditions pertinent to the appraisal assignment.

☒ A reasonable exposure time for the subject property is 180 to 360 day(s).

APPRAISER	SUPERVISORY APPRAISER (ONLY IF REQUIRED)
<div>Signature </div> <div>Name Jose A. Roman</div> <div>Date of Signature 11/17/2020</div> <div>State Certification # 160CR</div> <div>or State License # 1002EPA</div> <div>State PR</div> <div>Expiration Date of Certification or License 05/22/2021</div> <div>Effective Date of Appraisal 10/30/2020</div>	<div>Signature</div> <div>Name</div> <div>Date of Signature</div> <div>State Certification #</div> <div>or State License #</div> <div>State</div> <div>Expiration Date of Certification or License</div> <div>Supervisory Appraiser Inspection of Subject Property</div> <div><div><input type="checkbox"/> Did Not</div><div><input type="checkbox"/> Exterior-only from Street</div><div><input type="checkbox"/> Interior and Exterior</div></div>

Appraiser Independence Certification


I do hereby certify, I have followed the appraiser independence safeguards in compliance with Appraisal Independence and any applicable state laws I may be required to comply with. This includes but is not limited to the following:

- I am currently licensed and/or certified by the state in which the property to be appraised is located My license is the appropriate license for the appraisal assignment(s) and is reflected on the appraisal report.
- I certify that there have been no sanctions against me for any reason that would impair my ability to perform appraisals pursuant to the required guidelines.

I assert that no employee, director, officer, or agent of Mr. Mark A. Kornfeld - Receiver, or any other third party acting as joint venture partner, independent contractor, appraisal management company, or partner on behalf of Mr. Mark A. Kornfeld - Receiver, influenced, or attempted to influence the development, reporting, result, or review of my appraisal through coercion, extortion, collusion, compensation, inducement, intimidation, bribery, or in any other manner.

I further assert that Mr. Mark A. Kornfeld - Receiver has never participated in any of the following prohibited behavior in our business relationship:

- 1) Withholding or threatening to withhold timely payment or partial payment for an appraisal report;
- 2) Withholding or threatening to withhold future business with me, or demoting or terminating or threatening to demote or terminate me;
- 3) Expressly or impliedly promising future business, promotions, or increased compensation for myself;
- 4) Conditioning the ordering of my appraisal report or the payment of my appraisal fee or salary or bonus on the opinion, conclusion, or valuation to be reached, or on a preliminary value estimate requested from me;
- 5) Requesting that I provide an estimated, predetermined, or desired valuation in an appraisal report prior to the completion of the appraisal report, or requesting that I provide estimated values or comparable sales at any time prior to my completion of an appraisal report;
- 6) Provided me an anticipated, estimated, encouraged, or desired value for a subject property or a proposed or target amount to be loaned to the borrower, except that a copy of the sales contract for purchase transactions may be provided;
- 7) Provided to me, or my appraisal company, or any entity or person related to me as appraiser, appraisal company, stock or other financial or non-financial benefits;
- 8) Any other act or practice that impairs or attempts to impair my independence, objectivity, or impartiality or violates law or regulation, including, but not limited to, the Truth in Lending Act (TILA) and Regulation Z, or the USPAP.

  
\_\_\_\_\_  
Signature

Jose A. Roman, 1002EPA, 160CR, MIE459  
\_\_\_\_\_  
Appraiser's Name

Certified Real Estate Appraiser  
\_\_\_\_\_  
State Title or Designation

11/17/2020  
\_\_\_\_\_  
Date

1002EPA  
\_\_\_\_\_  
State License or Certification #

05/22/2021  
\_\_\_\_\_  
Expiration Date of License or Certification

PR  
\_\_\_\_\_  
State

204 Luna Street, Old San Juan, Parking 325 (19), Cochera San Francisco Condo, San Juan, PR 00901  
\_\_\_\_\_  
Address of Property Appraised

Appraiser’s License and Residential Certification (E&O Insurance NOT required in PR)

Client	Mr. Mark A. Kornfeld - Receiver			
Property Address	204 Luna Street, Old San Juan, Parking 325 (19), Cochera San Francisco Condo			
City	San Juan	County	127	State PR Zip Code 00901
Owner	Michael Scott Williams			

RENOVACIÓN APROBADA: 26 de abril, 2017  
RENEWAL APPROVED ON: April 26, 2017



Gobierno de Puerto Rico  
Government of Puerto Rico  
DEPARTAMENTO DE ESTADO  
Department of State  
Secretaría Auxiliar de Juntas Examinadoras  
Office of the Assistant Secretary of State for Examining Boards  
La Junta Examinadora de Evaluadores Profesionales de Bienes Raíces  
The Examining Board of Real Estate Appraisers

por la presente certifica que  
hereby certifies that

**José A. Román Maradiaga**

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

**Evaluador Profesional Certificación Residencial**  
Certified Residential Professional Appraiser

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

En San Juan, Puerto Rico, hoy 23 de mayo de 2017  
In San Juan, Puerto Rico, on May 23, 2017.

Número de Certificado: 160CR  
Certificate Number  
  
Vencimiento: 22 de mayo de 2021  
Expires: May 22, 2021





José A. Román Maradiaga  
Presidente  
(Board President)



Mariana E. Cortina Aldobol  
Directora  
Director

Appraiser's Certification  
PR: 160CR



Gobierno de Puerto Rico  
Government of Puerto Rico  
DEPARTAMENTO DE ESTADO  
Department of State  
Secretaría Auxiliar de Servicios y Juntas Examinadoras  
Office of the Assistant Secretary of State for Services and Examining Boards  
La Junta Examinadora de Evaluadores Profesionales de Bienes Raíces  
The Examining Board of Real Estate Appraisers

por la presente certifica que  
hereby certifies that

**José A. Román Maradiaga**

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

**Evaluador Profesional Autorizado Licencia Estatal**  
State Licensed Professional Appraiser  
(Para evaluar todo tipo de propiedad, Gobierno Estatal y/o Municipal donde no exista un Interés Federal)

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

En San Juan, Puerto Rico, hoy 09 de marzo de 2020  
In San Juan, Puerto Rico, on March 09, 2020.

Número de Licencia: 1002EPA  
License Number: 1002EPA  
  
Efectividad: 09 de marzo de 2020 al 01 de marzo de 2024  
Valid: March 09, 2020 to March 01, 2024  
  
Vencimiento: 01 de marzo de 2024  
Expires: March 01, 2024





José D. Robles Koether  
Presidente  
(Board President)



Mariana E. Cortina Aldobol  
Secretaria Auxiliar  
(Assistant Secretary)

Appraiser's State License  
PR: 1002EPA

Form PICLG2 — "WinTOTAL" appraisal software by a la mode, inc. — 1-800-ALAMODE

## **1,232 SF Residential Condo Unit**

### **Appraisal Report**



### **LOCATED AT**

109 De La Cruz Street, Old San Juan  
Apt. 2E, Villa Gabriela (Gabriela's House) Condominium  
San Juan, PR 00901

### **FOR**

Mr. Mark A. Kornfeld - Receiver  
Quarles & Brady LLP  
101 East Kennedy Blvd., Suite 3400  
Tampa, FL 33602-5195

### **AS OF**

10/30/2020

### **BY**

Jose A. Roman  
Real Estate Appraiser  
Lic #1002EPA  
360 Calle Baleares, Puerto Nuevo  
San Juan, PR 00920  
lostasadorespr@gmail.com  
www.lostasadores.com





Jose A. Roman  
Real Estate Appraiser  
360 Calle Baleares, Puerto Nuevo  
San Juan, PR 00920  
lostasadorespr@gmail.com

11/17/2020

Mr. Mark A. Kornfeld - Receiver  
Quarles & Brady LLP  
101 East Kennedy Blvd., Suite 3400  
Tampa, FL 33602-5195

Re: Property: 109 De La Cruz Street, Old San Juan  
Apt. 2E, Villa Gabriela (Gabriela's House) Condominium  
San Juan, PR 00901  
Owner: Michael Scott Williams / Tract 5231

Market Value: 320,000  
Effective Date: 10/30/2020

Dear Mr. Kornfeld:

In accordance with your request, we have appraised the above referenced property. The report of that appraisal is attached.

The purpose of the appraisal is to develop an opinion of market value for the property described in this appraisal report, as improved, in unencumbered fee simple title of ownership. This report is based on a physical analysis of the site and improvements, a locational analysis of the neighborhood and city, and an economic analysis of the market for properties such as the subject. The appraisal was developed and the report was prepared in accordance with the Uniform Standards of Professional Appraisal Practice.

The opinion of value reported above is as of the stated effective date and is contingent upon the certification and limiting conditions attached.

It has been a pleasure to assist you. Please do not hesitate to contact me or any of my staff if we can be of additional service to you.

Sincerely,

Jose A. Roman  
Real Estate Appraiser MIE #459  
License or Certification #: 160CR  
State: PR Expires: 05/22/2025  
lostasadorespr@gmail.com

SUMMARY OF SALIENT FEATURES

SUBJECT INFORMATION	Subject Address	109 De La Cruz Street, Old San Juan, Apt. 2E, Villa Gabriela Condominium
	Legal Description	Please refer to the legal deed.
	City	San Juan
	County	127
	State	PR
	Zip Code	00901
	Census Tract	0005.06
	Map Reference	41980
SALES PRICE	Sale Price	\$ N/A
	Date of Sale	N/A
CLIENT	Client	Mr. Mark A. Kornfeld - Receiver
	Owner	Michael Scott Williams
DESCRIPTION OF IMPROVEMENTS	Size (Square Feet)	1,232
	Price per Square Foot	\$
	Location	Old San Juan
	Age	+100
	Condition	Average
	Total Rooms	Unk
	Bedrooms	Unk
	Baths	Unk
APPRAISER	Appraiser	Jose A. Roman
	Date of Appraised Value	10/30/2020
VALUE	Opinion of Value	\$ 320,000

# Exterior-Only Inspection Individual Condominium Unit Appraisal Report

**File # Tract 5229**

The purpose of this summary appraisal report is to provide the lender/client with an accurate, and adequately supported, opinion of the market value of the subject property.																					
Property Address		109 De La Cruz Street, Old San Juan, Apt. : Unit # 2E				City	San Juan		State	PR	Zip Code	00901									
Borrower		N/A				Owner of Public Record	Michael Scott Williams		County	127											
Legal Description		Please refer to the legal deed.																			
Assessor's Parcel #		040-002-026-15-011				Tax Year	2021		R.E. Taxes \$	1,248.84											
SUBJECT	Project Name		Villa Gabriela (Gabriela's House) Condominium				Phase #	1		Map Reference	41980		Census Tract	0005.06							
	Occupant		<input type="checkbox"/> Owner <input type="checkbox"/> Tenant <input checked="" type="checkbox"/> Vacant		Special Assessments \$		None		HOA \$	Unk.		<input type="checkbox"/> per year	<input type="checkbox"/> per month								
	Property Rights Appraised		<input checked="" type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold <input type="checkbox"/> Other (describe)																		
	Assignment Type		<input type="checkbox"/> Purchase Transaction <input type="checkbox"/> Refinance Transaction <input checked="" type="checkbox"/> Other (describe)		To form an opinion on the market value as of the effective date.																
	Lender/Client		Mr. Mark A. Kornfeld - Receiver				Address		101 East Kennedy Blvd., Suite 3400, Tampa, FL 33602-5195												
Is the subject property currently offered for sale or has it been offered for sale in the twelve months prior to the effective date of this appraisal?														<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No						
Report data source(s) used, offering price(s), and date(s).														N/A							
CONTRACT	I <input type="checkbox"/> did <input type="checkbox"/> did not analyze the contract for sale for the subject purchase transaction. Explain the results of the analysis of the contract for sale or why the analysis was not performed.																				
	Contract Price \$		N/A		Date of Contract		N/A		Is the property seller the owner of public record?		<input type="checkbox"/> Yes	<input type="checkbox"/> No		Data Source(s)							
	Is there any financial assistance (loan charges, sale concessions, gift or downpayment assistance, etc.) to be paid by any party on behalf of the borrower?														<input type="checkbox"/> Yes	<input type="checkbox"/> No					
	If Yes, report the total dollar amount and describe the items to be paid.																				
Note: Race and the racial composition of the neighborhood are not appraisal factors.																					
NEIGHBORHOOD	Neighborhood Characteristics				Condominium Unit Housing Trends				Condominium Housing		Present Land Use %										
	Location		<input checked="" type="checkbox"/> Urban <input type="checkbox"/> Suburban <input type="checkbox"/> Rural		Property Values		<input type="checkbox"/> Increasing <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Declining		PRICE	AGE	One-Unit	30 %									
	Built-Up		<input checked="" type="checkbox"/> Over 75% <input type="checkbox"/> 25-75% <input type="checkbox"/> Under 25%		Demand/Supply		<input type="checkbox"/> Shortage <input checked="" type="checkbox"/> In Balance <input type="checkbox"/> Over Supply		\$ (000)	(yrs)	2-4 Unit	15 %									
	Growth		<input type="checkbox"/> Rapid <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Slow		Marketing Time		<input type="checkbox"/> Under 3 mths <input checked="" type="checkbox"/> 3-6 mths <input type="checkbox"/> Over 6 mths		100	Low	50	Multi-Family	20 %								
	Neighborhood Boundaries				North: Atlantic Ocean; South: San Juan Bay; East: Puerta de Tierra Sector;				1,000	High	+200	Commercial	30 %								
	West: San Juan Bay.								350	Pred.	+100	Other	05 %								
	Neighborhood Description Predominantly historic, residential, touristic & commercial mix-use market. The immediate subject subdivision area is composed of single family dwellings, condominiums, hotels and commercial properties. Shopping centers, private and public schools, hospitals and all services and amenities are located at a reasonable distance to subject area. No adverse factors were noted that might affect market value.																				
	Market Conditions (including support for the above conclusions) Subject property's neighborhood is at present a stable market as property offers are in balance with the demand. Marketing time for reasonable priced properties is estimated at twelve (12) months. Some financing loan discounts, interest buydowns or concessions were found for comparable sales in this market. Other present land uses are public and vacant.																				
	Topography Level		Size Typical		Density High		View Street														
	Specific Zoning Classification R-6				Zoning Description Residential																
PROJECT SITE	Zoning Compliance <input checked="" type="checkbox"/> Legal <input type="checkbox"/> Legal Nonconforming – Do the zoning regulations permit rebuilding to current density?				<input type="checkbox"/> Yes		<input type="checkbox"/> No		Unk.												
	<input type="checkbox"/> No Zoning <input type="checkbox"/> Illegal (describe)																				
	Is the highest and best use of subject property as improved (or as proposed per plans and specifications) the present use?														<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No		If No, describe			
	Utilities				Public		Other (describe)		Public		Other (describe)		Off-site Improvements - Type		Public		Private				
	Electricity		<input checked="" type="checkbox"/> <input type="checkbox"/> AEE		Water		<input checked="" type="checkbox"/> <input type="checkbox"/> AAA		Street		Asphalt		<input checked="" type="checkbox"/> <input type="checkbox"/>		Gas		<input type="checkbox"/> <input type="checkbox"/> None				
Sanitary Sewer		<input checked="" type="checkbox"/> <input type="checkbox"/> AAA		Alley		None		<input type="checkbox"/> <input type="checkbox"/>													
FEMA Special Flood Hazard Area				<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		FEMA Flood Zone X500		FEMA Map # 72000C0355J		FEMA Map Date 11/18/2009											
Are the utilities and off-site improvements typical for the market area?														<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No		If No, describe				
Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)?														<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No		If Yes, describe				
There are no apparent adverse assessments, encroachments, or other adverse conditions.																					
Data source(s) for project information Office Files / Previous Appraisal Reports																					
Project Description		<input type="checkbox"/> Detached <input type="checkbox"/> Row or Townhouse <input checked="" type="checkbox"/> Garden <input type="checkbox"/> Mid-Rise <input type="checkbox"/> High-Rise <input checked="" type="checkbox"/> Other (describe)																			
General Description			General Description			Subject Phase			If Project Completed			If Project Incomplete									
# of Stories		3		Exterior Walls		RC/Avg.		# of Units		12		# of Phases		1		# of Planned Phases		N/A			
# of Elevators		1		Roof Surface		RC/Avg.		# of Units Completed		12		# of Units		12		# of Planned Units		N/A			
<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed		Total # Parking		0		# of Units For Sale		1		# of Units for Sale		1		# of Units for Sale		N/A		N/A			
<input type="checkbox"/> Under Construction		Ratio (spaces/units)		0		# of Units Sold		12		# of Units Sold		12		# of Units Sold		N/A		N/A			
Year Built		+100		Type		N/A		# of Units Rented		Unk		# of Units Rented		Unk		# of Units Rented		N/A			
Effective Age		15		Guest Parking		N/A		# of Owner Occupied Units		Unk		# of Owner Occupied Units		Unk		# of Owner Occupied Units		N/A			
PROJECT INFORMATION	Project Primary Occupancy		<input checked="" type="checkbox"/> Principle Residence <input type="checkbox"/> Second Home or Recreational <input type="checkbox"/> Tenant																		
	Is the developer/builder in control of the Homeowners' Association (HOA)?														<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No					
	Management Group - <input checked="" type="checkbox"/> Homeowners' Association <input type="checkbox"/> Developer <input type="checkbox"/> Management Agent - Provide name of management company.																				
	Does any single entity (the same individual, investor group, corporation, etc.) own more than 10% of the total units in the project?														<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No		If Yes, Describe			
	Was the project created by the conversion of existing building(s) into a condominium?														<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No		If Yes, describe the original use and date of conversion.			
The subject project was an original multi-unit residential building. Villa Gabriela (Gabriela's House) Condominium was converted into horizontal property regime in 2003.																					
Are the units, common elements, and recreation facilities complete (including any planned rehabilitation for a condominium conversion)?														<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No		If No, describe				
Is there any																					

# Exterior-Only Inspection Individual Condominium Unit Appraisal Report File # Tract 5229

## PROJECT INFORMATION

## PROJECT ANALYSIS

## UNIT IMPROVEMENTS

## PRIOR SALE HISTORY



Exterior-Only Inspection Individual Condominium Unit Appraisal Report

File # Tract 5229

SALES COMPARISON APPROACH	There are 40 comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ 250,000 to \$ 1,200,000 .												
	There are 25 comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ 255,000 to \$ 750,000 .												
	FEATURE		SUBJECT		COMPARABLE SALE # 1			COMPARABLE SALE # 2			COMPARABLE SALE # 3		
	Address and Unit #		109 De La Cruz Street, Old San Juan, PR 00901		154 Sol Street, Old San Juan Apt. 3-B, San Juan, PR 00901			213 Sol Street, Old San Juan Apt. 1, San Juan, PR 00901			102 Sol Street, Old San Juan Apt. 1, San Juan, PR 00901		
	Project Name and Phase		Villa Gabriela (Gabriela's Home) 1		Gaudi Condominium 1			Ricardo Manuel Condominium 1			Solsticio Condominium 1		
	Proximity to Subject				0.03 miles NW			0.07 miles NE			0.10 miles W		
	Sale Price		\$ N/A		\$ 293.81			\$ 230.43			\$ 309.84		
	Sale Price/Gross Liv. Area		\$ sq. ft.		\$ 358,000 sq. ft.			\$ 430,000 sq. ft.			\$ 510,000 sq. ft.		
	Data Source(s)				Tasamax.com ID: 128230			Karibe-Registry Tract 4793			Tasamax.com ID: 129122		
	Verification Source(s)				Ext. Inspection			Ext. Inspection			Ext. Inspection		
	VALUE ADJUSTMENTS		DESCRIPTION		DESCRIPTION +(-) \$ Adjustment			DESCRIPTION +(-) \$ Adjustment			DESCRIPTION +(-) \$ Adjustment		
	Sales or Financing Concessions				ArmLth - Cov Not reported			ArmLth - Cash Not reported			ArmLth - Cov Not reported		
	Date of Sale/Time				07/31/2020			07/31/2020			08/26/2020		
	Location		Old San Juan		Old San Juan			Old San Juan			Old San Juan		
	Leasehold/Fee Simple		Fee Simple		Fee Simple			Fee Simple			Fee Simple		
	HOA Mo. Assessment		Proportional		Proportional			Proportional			Proportional		
	Common Elements and Rec. Facilities		Intercom,Patio Elevator		Similar Elevator			Similar None			Similar None		
	Floor Location		2nd		3rd			1st			1st		
	View		Street		Street			Street			Street		
	Design (Style)		Garden/Avg.		Garden/Avg.			Walk-Up/Avg.			Walk-Up/Avg.		
	Quality of Construction		Q4		Q4			Q4			Q4		
	Actual Age		+100		+100			+100			+100		
	Condition		Average		Good			-29.38			Good		
	Above Grade Room Count		Total Bdrms. Baths		Total Bdrms. Baths			Total Bdrms. Baths			Total Bdrms. Baths		
			Unk Unk Unk		5 2 2.0			6 2 2.0			5 1 2.0		
Gross Living Area		1,232 sq. ft.		1,218 sq. ft.			1,866 sq. ft.			1,646 sq. ft.			
Basement & Finished Rooms Below Grade		None None		None None			None None			None None			
Functional Utility		Average		Average			Average			Average			
Heating/Cooling		Unknown		WH/A/C			WH/A/C			WH/A/C			
Energy Efficient Items		Unknown		None			None			None			
Garage/Carport		None		None			None			None			
Porch/Patio/Deck		Unknown		Balcony			Balcony			Balcony			
Others		Unknown		None			None			None			
Net Adjustment (Total)				<input type="checkbox"/> + <input checked="" type="checkbox"/> -			\$ -29.38			<input type="checkbox"/> + <input type="checkbox"/> -			
Adjusted Sale Price of Comparables				Net Adj. 10.0 %			Net Adj. %			Net Adj. 10.0 %			
				Gross Adj. 10.0 %			\$ 264.43			Gross Adj. %			
							\$ 230.43			Gross Adj. 10.0 %			
										\$ 278.86			
Summary of Sales Comparison Approach The listed transactions refer to three (3) comparable apartments within subject's Old San Juan neighborhood. The comparable sales selected are competitive properties and the best available indicators to value for the subject as of the effective date of the appraisal report. All transactions were analyzed on a price per square foot basis. The transactions selected range in size from 1,218 to 1,866 square feet and provide adjusted price range from \$230.43 to \$278.86 per square foot with a most probable market value rounded of \$260 per square foot. The same weight was given to all comparables. A negative adjustment of 10% was given to comparable sales 1 and 3 to account the superiority in physical condition compared to subject. In summary, a price indication of \$260 per square foot provides a subject value conclusion rounded of \$320,000 (1,232 square foot x \$260 per square foot = \$320,320).													
Indicated Value by Sales Comparison Approach \$ 320,000													
INCOME	INCOME APPROACH TO VALUE (not required by Fannie Mae)												
	Estimated Monthly Market Rent \$		X Gross Rent Multiplier				= \$		Indicated Value by Income Approach				
	Summary of Income Approach (including support for market rent and GRM) The Income Approach was not developed because the subject-type properties (residential apartments) in the market area are typically purchased as the owners' primary residence.												
RECONCILIATION	Indicated Value by: Sales Comparison Approach \$ 320,000 Income Approach (if developed) \$												
	The Cost Approach is not applicable to condo properties. The Sales Comparison Approach was developed as it best reflects the actions of participants in the market place. The Income Approach was discarded since most properties in the area are owner occupied. Final Value estimated was based on Sales Comparison Approach method of valuation.												
	This appraisal is made <input checked="" type="checkbox"/> "as is", <input type="checkbox"/> subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed, <input type="checkbox"/> subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed, or <input type="checkbox"/> subject to the following required inspection based on the extraordinary assumption that the condition or deficiency does not require alteration or repair:												
Based on a visual inspection of the exterior areas of the subject property from at least the street, defined scope of work, statement of assumptions and limiting conditions, and appraiser's certification, my (our) opinion of the market value, as defined, of the real property that is the subject of this report is \$ 320,000 , as of 10/30/2020 , which is the date of the exterior inspection and the effective date of this appraisal.													

Freddie Mac Form 466 March 2005

Page 3 of 6

Fannie Mae Form 1075 March 2005

Form 1075 — "WinTOTAL" appraisal software by a la mode, inc. — 1-800-ALAMODE

**Exterior-Only Inspection Individual Condominium Unit Appraisal Report** File # Tract 5229

This report form is designed to report an appraisal of a unit in a condominium project or a condominium unit in a planned unit development (PUD). This report form is not designed to report an appraisal of a manufactured home or a unit in a cooperative project.

This appraisal report is subject to the following scope of work, intended use, intended user, definition of market value, statement of assumptions and limiting conditions, and certifications. Modifications, additions, or deletions to the intended use, intended user, definition of market value, or assumptions and limiting conditions are not permitted. The appraiser may expand the scope of work to include any additional research or analysis necessary based on the complexity of this appraisal assignment. Modifications or deletions to the certifications are also not permitted. However, additional certifications that do not constitute material alterations to this appraisal report, such as those required by law or those related to the appraiser's continuing education or membership in an appraisal organization, are permitted.

**SCOPE OF WORK:** The scope of work for this appraisal is defined by the complexity of this appraisal assignment and the reporting requirements of this appraisal report form, including the following definition of market value, statement of assumptions and limiting conditions, and certifications. The appraiser must, at a minimum: (1) perform a visual inspection of the exterior areas of the subject property from at least the street, (2) inspect and analyze the condominium project, (3) inspect the neighborhood, (4) inspect each of the comparable sales from at least the street, (5) research, verify, and analyze data from reliable public and/or private sources, and (6) report his or her analysis, opinions, and conclusions in this appraisal report.

The appraiser must be able to obtain adequate information about the physical characteristics (including, but not limited to, condition, room count, gross living area, etc.) of the subject property from the exterior-only inspection and reliable public and/or private sources to perform this appraisal. The appraiser should use the same type of data sources that he or she uses for comparable sales such as, but not limited to, multiple listing services, tax and assessment records, prior inspections, appraisal files, information provided by the property owner, etc.

**INTENDED USE:** The intended use of this appraisal report is for the lender/client to evaluate the property that is the subject of this appraisal for a mortgage finance transaction.

**INTENDED USER:** The intended user of this appraisal report is the lender/client.

**DEFINITION OF MARKET VALUE:** The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, 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: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what he or she considers his or her own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U. S. dollars or in terms of financial arrangements comparable thereto; and (5) 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.

\*Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgment.

**STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS:** The appraiser's certification in this report is subject to the following assumptions and limiting conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it, except for information that he or she became aware of during the research involved in performing this appraisal. The appraiser assumes that the title is good and marketable and will not render any opinions about the title.
2. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in this appraisal report whether any portion of the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
3. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand, or as otherwise required by law.
4. The appraiser has noted in this appraisal report any adverse conditions (such as needed repairs, deterioration, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the research involved in performing this appraisal. Unless otherwise stated in this appraisal report, the appraiser has no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the property (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) that would make the property less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, this appraisal report must not be considered as an environmental assessment of the property.
5. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that the completion, repairs, or alterations of the subject property will be performed in a professional manner.

**Exterior-Only Inspection Individual Condominium Unit Appraisal Report** File # Tract 5229**APPRAISER'S CERTIFICATION:** The Appraiser certifies and agrees that:

1. I have, at a minimum, developed and reported this appraisal in accordance with the scope of work requirements stated in this appraisal report.
2. I have performed a visual inspection of the exterior areas of the subject property from at least the street. I have reported the condition of the improvements in factual, specific terms. I have identified and reported the physical deficiencies that could affect the livability, soundness, or structural integrity of the property.
3. I performed this appraisal in accordance with the requirements of the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
4. I developed my opinion of the market value of the real property that is the subject of this report based on the sales comparison approach to value. I have adequate comparable market data to develop a reliable sales comparison approach for this appraisal assignment. I further certify that I considered the cost and income approaches to value but did not develop them, unless otherwise indicated in this report.
5. I researched, verified, analyzed, and reported on any current agreement for sale for the subject property, any offering for sale of the subject property in the twelve months prior to the effective date of this appraisal, and the prior sales of the subject property for a minimum of three years prior to the effective date of this appraisal, unless otherwise indicated in this report.
6. I researched, verified, analyzed, and reported on the prior sales of the comparable sales for a minimum of one year prior to the date of sale of the comparable sale, unless otherwise indicated in this report.
7. I selected and used comparable sales that are locationally, physically, and functionally the most similar to the subject property.
8. I have not used comparable sales that were the result of combining a land sale with the contract purchase price of a home that has been built or will be built on the land.
9. I have reported adjustments to the comparable sales that reflect the market's reaction to the differences between the subject property and the comparable sales.
10. I verified, from a disinterested source, all information in this report that was provided by parties who have a financial interest in the sale or financing of the subject property.
11. I have knowledge and experience in appraising this type of property in this market area.
12. I am aware of, and have access to, the necessary and appropriate public and private data sources, such as multiple listing services, tax assessment records, public land records and other such data sources for the area in which the property is located.
13. I obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable sources that I believe to be true and correct.
14. I have taken into consideration the factors that have an impact on value with respect to the subject neighborhood, subject property, and the proximity of the subject property to adverse influences in the development of my opinion of market value. I have noted in this appraisal report any adverse conditions (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) observed during the inspection of the subject property or that I became aware of during the research involved in performing this appraisal. I have considered these adverse conditions in my analysis of the property value, and have reported on the effect of the conditions on the value and marketability of the subject property.
15. I have not knowingly withheld any significant information from this appraisal report and, to the best of my knowledge, all statements and information in this appraisal report are true and correct.
16. I stated in this appraisal report my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the assumptions and limiting conditions in this appraisal report.
17. I have no present or prospective interest in the property that is the subject of this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or opinion of market value in this appraisal report on the race, color, religion, sex, age, marital status, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property or on any other basis prohibited by law.
18. My employment and/or compensation for performing this appraisal or any future or anticipated appraisals was not conditioned on any agreement or understanding, written or otherwise, that I would report (or present analysis supporting) a predetermined specific value, a predetermined minimum value, a range or direction in value, a value that favors the cause of any party, or the attainment of a specific result or occurrence of a specific subsequent event (such as approval of a pending mortgage loan application).
19. I personally prepared all conclusions and opinions about the real estate that were set forth in this appraisal report. If I relied on significant real property appraisal assistance from any individual or individuals in the performance of this appraisal or the preparation of this appraisal report, I have named such individual(s) and disclosed the specific tasks performed in this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in this appraisal report; therefore, any change made to this appraisal is unauthorized and I will take no responsibility for it.
20. I identified the lender/client in this appraisal report who is the individual, organization, or agent for the organization that ordered and will receive this appraisal report.

Exterior-Only Inspection Individual Condominium Unit Appraisal Report

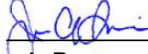
File # Tract 5229

21. The lender/client may disclose or distribute this appraisal report to: the borrower; another lender at the request of the borrower; the mortgagee or its successors and assigns; mortgage insurers; government sponsored enterprises; other secondary market participants; data collection or reporting services; professional appraisal organizations; any department, agency, or instrumentality of the United States; and any state, the District of Columbia, or other jurisdictions; without having to obtain the appraiser's or supervisory appraiser's (if applicable) consent. Such consent must be obtained before this appraisal report may be disclosed or distributed to any other party (including, but not limited to, the public through advertising, public relations, news, sales, or other media).
22. I am aware that any disclosure or distribution of this appraisal report by me or the lender/client may be subject to certain laws and regulations. Further, I am also subject to the provisions of the Uniform Standards of Professional Appraisal Practice that pertain to disclosure or distribution by me.
23. The borrower, another lender at the request of the borrower, the mortgagee or its successors and assigns, mortgage insurers, government sponsored enterprises, and other secondary market participants may rely on this appraisal report as part of any mortgage finance transaction that involves any one or more of these parties.
24. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.
25. Any intentional or negligent misrepresentation(s) contained in this appraisal report may result in civil liability and/or criminal penalties including, but not limited to, fine or imprisonment or both under the provisions of Title 18, United States Code, Section 1001, et seq., or similar state laws.

**SUPERVISORY APPRAISER'S CERTIFICATION:** The Supervisory Appraiser certifies and agrees that:

1. I directly supervised the appraiser for this appraisal assignment, have read the appraisal report, and agree with the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
2. I accept full responsibility for the contents of this appraisal report including, but not limited to, the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
3. The appraiser identified in this appraisal report is either a sub-contractor or an employee of the supervisory appraiser (or the appraisal firm), is qualified to perform this appraisal, and is acceptable to perform this appraisal under the applicable state law.
4. This appraisal report complies with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
5. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

APPRAISER

Signature   
Name Jose A. Roman  
Company Name Jose A. Roman  
Company Address Los Tasadores.com  
360 Calle Baleares, Puerto Nuevo, San Juan, PR 00920  
Telephone Number 1(855) TASADOR  
Email Address lostasadorespr@gmail.com  
Date of Signature and Report 11/17/2020  
Effective Date of Appraisal 10/30/2020  
State Certification # 160CR  
or State License # 1002EPA  
or Other \_\_\_\_\_  
State PR  
Expiration Date of Certification or License 05/22/2025

ADDRESS OF PROPERTY APPRAISED  
109 De La Cruz Street, Old San Juan, # 2E  
San Juan, PR 00901  
APPRAISED VALUE OF SUBJECT PROPERTY \$ 320,000  
LENDER/CLIENT  
Name Mr. Mark A. Kornfeld - Receiver  
Company Name Quarles & Brady LLP  
Company Address 101 East Kennedy Blvd., Suite 3400, Tampa,  
FL 33602-5195  
Email Address mark.kornfeld@quarles.com

SUPERVISORY APPRAISER (ONLY IF REQUIRED)

Signature \_\_\_\_\_  
Name \_\_\_\_\_  
Company Name \_\_\_\_\_  
Company Address \_\_\_\_\_  
Telephone Number \_\_\_\_\_  
Email Address \_\_\_\_\_  
Date of Signature \_\_\_\_\_  
State Certification # \_\_\_\_\_  
or State License # \_\_\_\_\_  
State \_\_\_\_\_  
Expiration Date of Certification or License \_\_\_\_\_

SUBJECT PROPERTY

- ☐ Did not inspect subject property  
☐ Did inspect exterior of subject property from street  
Date of Inspection \_\_\_\_\_

COMPARABLE SALES

- ☐ Did not inspect exterior of comparable sales from street  
☐ Did inspect exterior of comparable sales from street  
Date of Inspection \_\_\_\_\_



Subject Photo Page

Client	Mr. Mark A. Kornfeld - Receiver				
Property Address	109 De La Cruz Street, Old San Juan, Apt. 2E, Villa Gabriela Condominium				
City	San Juan	County	127	State	PR Zip Code 00901
Owner	Michael Scott Williams				

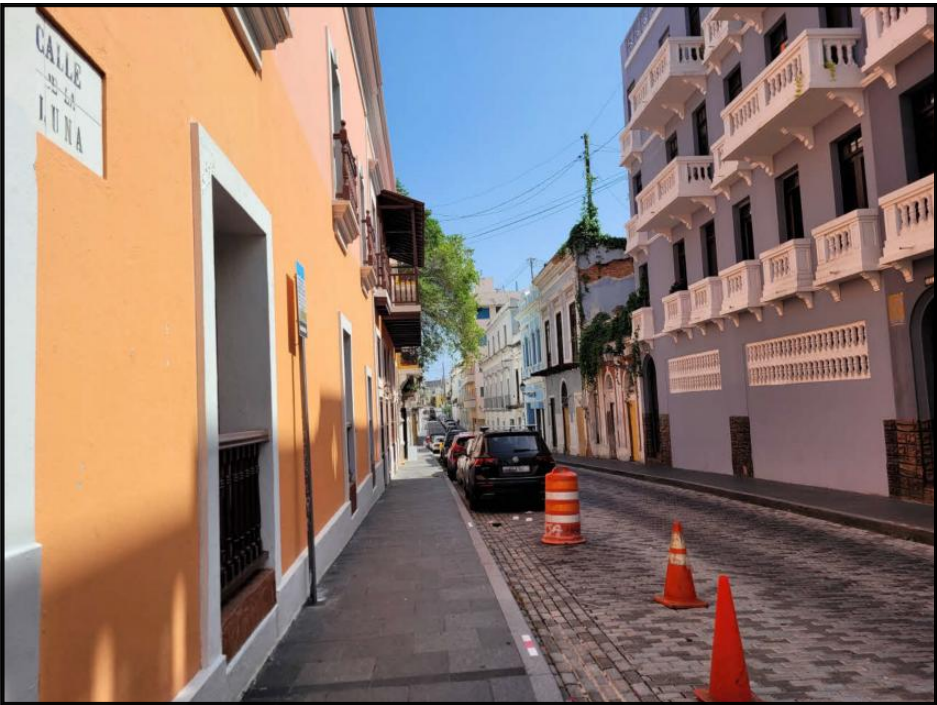


Subject Front

109 De La Cruz Street, Old San Juan, Apt  
Sales Price N/A  
Gross Living Area 1,232  
Total Rooms Unk  
Total Bedrooms Unk  
Total Bathrooms Unk  
Location Old San Juan  
View Street  
Site Typical  
Quality Q4  
Age +100



Subject Side



Subject Street



Comparable Photo Page

Client	Mr. Mark A. Kornfeld - Receiver				
Property Address	109 De La Cruz Street, Old San Juan, Apt. 2E, Villa Gabriela Condominium				
City	San Juan	County	127	State	PR Zip Code 00901
Owner	Michael Scott Williams				



Comparable 1

154 Sol Street, Old San Juan	
Prox. to Subject	0.03 miles NW
Sales Price	293.81
Gross Living Area	1,218
Total Rooms	5
Total Bedrooms	2
Total Bathrooms	2.0
Location	Old San Juan
View	Street
Site	Typical
Quality	Q4
Age	+100



Comparable 2

213 Sol Street, Old San Juan	
Prox. to Subject	0.07 miles NE
Sales Price	230.43
Gross Living Area	1,866
Total Rooms	6
Total Bedrooms	2
Total Bathrooms	2.0
Location	Old San Juan
View	Street
Site	Typical
Quality	Q4
Age	+100

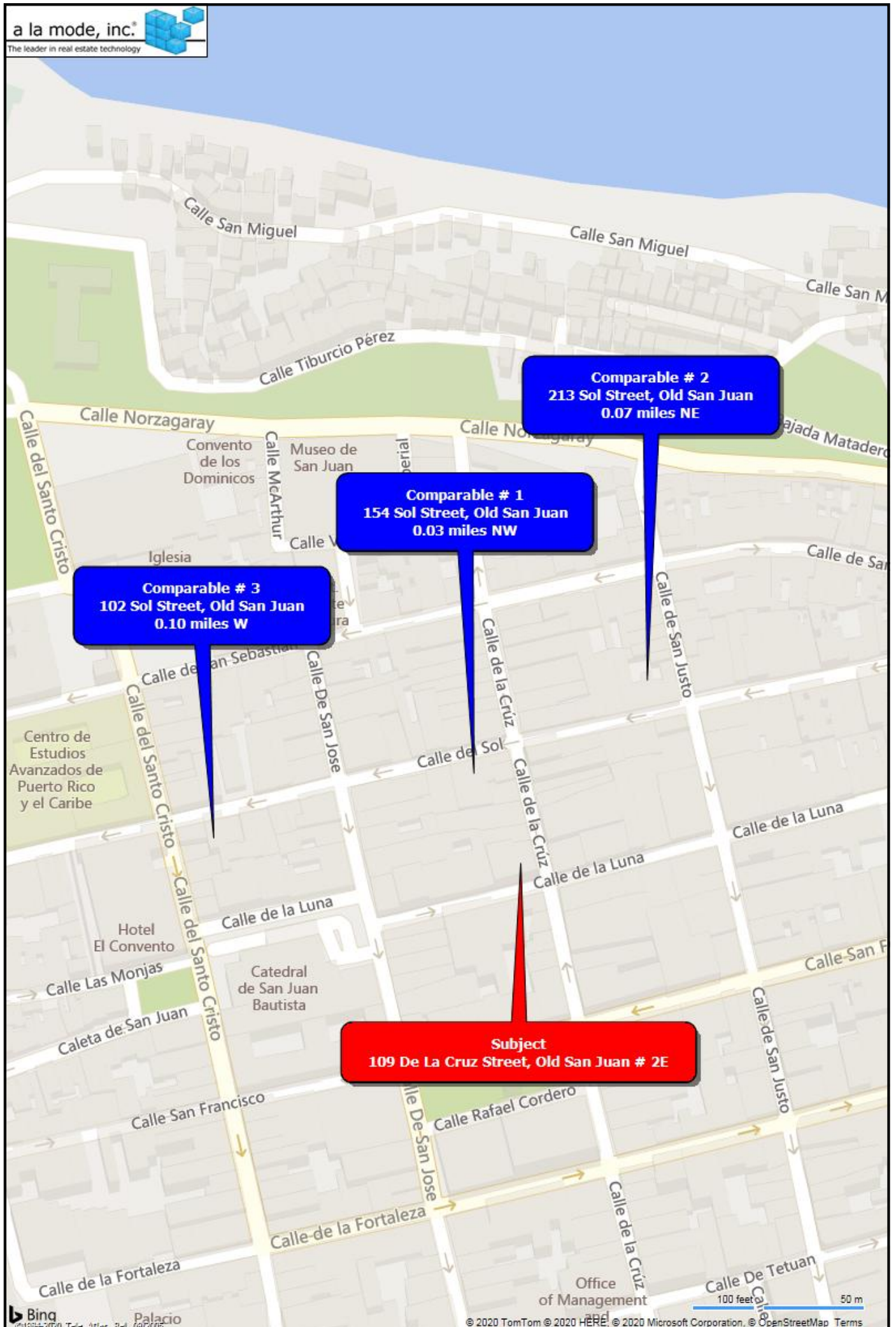


Comparable 3

102 Sol Street, Old San Juan	
Prox. to Subject	0.10 miles W
Sales Price	309.84
Gross Living Area	1,646
Total Rooms	5
Total Bedrooms	1
Total Bathrooms	2.0
Location	Old San Juan
View	Street
Site	Typical
Quality	Q4
Age	+100

## Location Map

Client	Mr. Mark A. Kornfeld - Receiver				
Property Address	109 De La Cruz Street, Old San Juan, Apt. 2E, Villa Gabriela Condominium				
City	San Juan	County	127	State	PR Zip Code 00901
Owner	Michael Scott Williams				





**Legal Description**

APARTAMENTO NUMERO DOS "E" (2E): URBANA: PROPIEDAD HORIZONTAL: Apartamento dos "E" (2E) localizado en el segundo piso del Condominio Gabriela's House con una cabida superficial de mil doscientos treinta y uno punto nueve pies cuadrados (1,231.9 p/c), equivalentes a ciento catorce punto cuatro metros cuadrados (114.4 m/c). Colinda por el **Norte**, en una distancia de veinticuatro pies cinco punto cinco pulgadas (24'5.5"), equivalentes a siete punto cuarenta y cinco metros (7.45 m), con la pared exterior del Condominio que da hacia la colindancia con la propiedad marcada con el numero ciento siete (107) de la Calle Cruz; por el **Sur**, en una distancia de veinticuatro pies cinco punto cinco pulgadas (24'5.5"), equivalentes a siete punto cuarenta y cinco metros (7.45 m), con el Apartamento dos "D" (2-D); por el **Este**, en una distancia de treinta y siete pies una pulgada (37'1"), equivalentes a once punto tres metros (11.3 m), con la pared exterior del Condominio que da hacia la propiedad marcada con el numero doscientos uno (201) de la Calle Luna y por el **Oeste**, en una distancia de treinta y siete pies una pulgada (37'1"), equivalentes a once punto tres metros (11.3 m), con el Apartamento dos "C" (2C) y con el Apartamento dos "D" (2D).

A este apartamento le corresponde un seis punto nueve, tres, cinco ocho por ciento (6.9358%) de los elementos Comunes del Condominio.

Inscrita al folio 118 del tomo 195 de San Juan, Finca número 5229, Primera Sección del Registro de la Propiedad de San Juan.



USPAP Compliance Addendum

Loan #  
File # Tract 5229

Client	Mr. Mark A. Kornfeld - Receiver		
Property Address	109 De La Cruz Street, Old San Juan, Apt. 2E, Villa Gabriela Condominium		
City	San Juan	County 127	State PR Zip Code 00901
Owner	Michael Scott Williams		

APPRAISAL AND REPORT IDENTIFICATION

This Appraisal Report is one of the following types:

☐ Appraisal Report

☒ Restricted Appraisal Report

This report was prepared in accordance with the requirements of the Appraisal Report option of USPAP Standards Rule 2-2(a).

This report was prepared in accordance with the requirements of the Restricted Appraisal Report option of USPAP Standards Rule 2-2(b). The intended user of this report is limited to the identified client. This is a Restricted Appraisal Report and the rationale for how the appraiser arrived at the opinions and conclusions set forth in the report may not be understood properly without the additional information in the appraiser's workfile.

Appraisal Was Prepared In Accordance With The Requirements Of Title Xi Of The Financial Institutions Reform, Recovery And Enforcement Act Of 1989, As Amended (12 U.S.C. 3331 Et Seq.) And Any Implementing Regulations.

ADDITIONAL CERTIFICATIONS

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

The statements of fact contained in this report are true and correct.

The report analyses, opinions, and conclusions are limited only by the reported assumptions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.

I have no (or the specified) present or prospective interest in the property that is the subject of this report and no (or specified) personal interest with respect to the parties involved.

I have no bias with respect to the property that is the subject of this report or the parties involved with this assignment.

My engagement in this assignment was not contingent upon developing or reporting predetermined results.

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.

My analyses, opinions, and conclusions were developed and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.

This appraisal report was prepared in accordance with the requirements of Title XI of FIRREA and any implementing regulations.

PRIOR SERVICES

☒ I have NOT performed services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

☐ I HAVE performed services, as an appraiser or in another capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment. Those services are described in the comments below.

PROPERTY INSPECTION

☒ I have NOT made a personal inspection of the property that is the subject of this report.

☐ I HAVE made a personal inspection of the property that is the subject of this report.

APPRAISAL ASSISTANCE

Unless otherwise noted, no one provided significant real property appraisal assistance to the person signing this certification. If anyone did provide significant assistance, they are hereby identified along with a summary of the extent of the assistance provided in the report.

Mr. Francisco J. Otero Valentin (1302EPA) provided significant professional assistance to the person signing this report.

ADDITIONAL COMMENTS


Additional USPAP related issues requiring disclosure and/or any state mandated requirements: As part of the scope of the assignment a "drive-by" inspection and / or an exterior observation of the subject project was carried out as per the client request. Moreover, this valuation report was carried out and makes reference to a copy of the legal description submitted by the client and previous appraisal reports of others units within the subject project. As such, this appraisal report assumed that the physical condition of the subject unit can be rated as average (C3) in general. Appraiser thereon assumes no responsibility and / or liability. Therefore, any discrepancy in the future will render the concluded value null and void.

MARKETING TIME AND EXPOSURE TIME FOR THE SUBJECT PROPERTY

☒ A reasonable marketing time for the subject property is 180 to 360 day(s) utilizing market conditions pertinent to the appraisal assignment.

☒ A reasonable exposure time for the subject property is 180 to 360 day(s).

APPRaiser

Signature   
Name Jose A. Roman  
Date of Signature 11/17/2020  
State Certification # 160CR  
or State License # 1002EPA  
State PR  
Expiration Date of Certification or License 05/22/2025  
  
Effective Date of Appraisal 10/30/2020

SUPERVISORY APPRAISER (ONLY IF REQUIRED)

Signature \_\_\_\_\_  
Name \_\_\_\_\_  
Date of Signature \_\_\_\_\_  
State Certification # \_\_\_\_\_  
or State License # \_\_\_\_\_  
State \_\_\_\_\_  
Expiration Date of Certification or License \_\_\_\_\_  
Supervisory Appraiser Inspection of Subject Property  
☐ Did Not ☐ Exterior-only from Street ☐ Interior and Exterior

Appraiser Independence Certification


I do hereby certify, I have followed the appraiser independence safeguards in compliance with Appraisal Independence and any applicable state laws I may be required to comply with. This includes but is not limited to the following:

- I am currently licensed and/or certified by the state in which the property to be appraised is located My license is the appropriate license for the appraisal assignment(s) and is reflected on the appraisal report.
- I certify that there have been no sanctions against me for any reason that would impair my ability to perform appraisals pursuant to the required guidelines.

I assert that no employee, director, officer, or agent of Mr. Mark A. Kornfeld - Receiver, or any other third party acting as joint venture partner, independent contractor, appraisal management company, or partner on behalf of Mr. Mark A. Kornfeld - Receiver, influenced, or attempted to influence the development, reporting, result, or review of my appraisal through coercion, extortion, collusion, compensation, inducement, intimidation, bribery, or in any other manner.

I further assert that Mr. Mark A. Kornfeld - Receiver has never participated in any of the following prohibited behavior in our business relationship:

- 1) Withholding or threatening to withhold timely payment or partial payment for an appraisal report;
- 2) Withholding or threatening to withhold future business with me, or demoting or terminating or threatening to demote or terminate me;
- 3) Expressly or impliedly promising future business, promotions, or increased compensation for myself;
- 4) Conditioning the ordering of my appraisal report or the payment of my appraisal fee or salary or bonus on the opinion, conclusion, or valuation to be reached, or on a preliminary value estimate requested from me;
- 5) Requesting that I provide an estimated, predetermined, or desired valuation in an appraisal report prior to the completion of the appraisal report, or requesting that I provide estimated values or comparable sales at any time prior to my completion of an appraisal report;
- 6) Provided me an anticipated, estimated, encouraged, or desired value for a subject property or a proposed or target amount to be loaned to the borrower, except that a copy of the sales contract for purchase transactions may be provided;
- 7) Provided to me, or my appraisal company, or any entity or person related to me as appraiser, appraisal company, stock or other financial or non-financial benefits;
- 8) Any other act or practice that impairs or attempts to impair my independence, objectivity, or impartiality or violates law or regulation, including, but not limited to, the Truth in Lending Act (TILA) and Regulation Z, or the USPAP.

  
\_\_\_\_\_  
Signature

\_\_\_\_\_  
Jose A. Roman  
Appraiser's Name

\_\_\_\_\_  
MIE #459  
State Title or Designation

\_\_\_\_\_  
11/17/2020  
Date

\_\_\_\_\_  
160CR  
State License or Certification #

\_\_\_\_\_  
05/22/2025  
Expiration Date of License or Certification

\_\_\_\_\_  
PR  
State

\_\_\_\_\_  
109 De La Cruz Street, Old San Juan, Apt. 2E, Villa Gabriela Condominium  
Address of Property Appraised

Appraiser’s License and Residential Certification (E&O Insurance NOT required in PR)

Client	Mr. Mark A. Kornfeld - Receiver			
Property Address	109 De La Cruz Street, Old San Juan, Apt. 2E, Villa Gabriela Condominium			
City	San Juan	County	127	State PR Zip Code 00901
Owner	Michael Scott Williams			

RENOVACIÓN APROBADA: 26 de abril, 2017  
RENEWAL APPROVED ON: April 26, 2017



Gobierno de Puerto Rico  
Government of Puerto Rico  
DEPARTAMENTO DE ESTADO  
Department of State  
Secretaría Auxiliar de Juntas Examinadoras  
Office of the Assistant Secretary of State for Examining Boards  
La Junta Examinadora de Evaluadores Profesionales de Bienes Raíces  
The Examining Board of Real Estate Appraisers

por la presente certifica que  
hereby certifies that

**José A. Román Maradiaga**

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

**Evaluador Profesional Certificación Residencial**  
Certified Residential Professional Appraiser

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

En San Juan, Puerto Rico, hoy 23 de mayo de 2017  
In San Juan, Puerto Rico, on May 23, 2017.

Número de Certificado: 160CR  
Certificate Number  
  
Vencimiento: 22 de mayo de 2021  
Expires: May 22, 2021





José D. Robles Koether  
Presidente  
(Board President)



Marianne E. Cortina Aldobol  
Directora  
Director

Appraiser's Certification  
PR: 160CR



Gobierno de Puerto Rico  
Government of Puerto Rico  
DEPARTAMENTO DE ESTADO  
Department of State  
Secretaría Auxiliar de Servicios y Juntas Examinadoras  
Office of the Assistant Secretary of State for Services and Examining Boards  
La Junta Examinadora de Evaluadores Profesionales de Bienes Raíces  
The Examining Board of Real Estate Appraisers

por la presente certifica que  
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**José A. Román Maradiaga**

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

**Evaluador Profesional Autorizado Licencia Estatal**  
State Licensed Professional Appraiser  
(Para evaluar todo tipo de propiedad, Gobierno Estatal y/o Municipal donde no exista un Interés Federal)

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

En San Juan, Puerto Rico, hoy 09 de marzo de 2020  
In San Juan, Puerto Rico, on March 09, 2020.

Número de Licencia: 1002EPA  
License Number: 1002EPA  
  
Efectividad: 09 de marzo de 2020 al 01 de marzo de 2024  
Valid: March 09, 2020 to March 01, 2024  
  
Vencimiento: 01 de marzo de 2024  
Expires: March 01, 2024





José D. Robles Koether  
Presidente  
(Board President)



Marianne E. Cortina Aldobol  
Secretaría Auxiliar  
(Assistant Secretary)

Appraiser's State License  
PR: 1002EPA

Form PICLG2 — "WinTOTAL" appraisal software by a la mode, inc. — 1-800-ALAMODE

## **3,019 SF Residential Condo Unit**

### **Appraisal Report**



### **LOCATED AT**

109 De La Cruz Street, Old San Juan  
Apt. PH-A, Villa Gabriela (Gabriela's House) Condominium  
San Juan, PR 00901

### **FOR**

Mr. Mark A. Kornfeld - Receiver  
Quarles & Brady LLP  
101 East Kennedy Blvd., Suite 3400  
Tampa, FL 33602-5195

### **AS OF**

10/30/2020

### **BY**

Jose A. Roman  
Real Estate Appraiser  
Lic #1002EPA  
360 Calle Baleares, Puerto Nuevo  
San Juan, PR 00920  
lostasadorespr@gmail.com  
www.lostasadores.com





Jose A. Roman  
Real Estate Appraiser  
360 Calle Baleares, Puerto Nuevo  
San Juan, PR 00920  
lostasadorespr@gmail.com

11/17/2020

Mr. Mark A. Kornfeld - Receiver  
Quarles & Brady LLP  
101 East Kennedy Blvd., Suite 3400  
Tampa, FL 33602-5195

Re: Property: 109 De La Cruz Street, Old San Juan  
Apt. PH-A, Villa Gabriela (Gabriela's House) Condominium  
San Juan, PR 00901  
Owner: Michael Scott Williams / Tract 5231

Market Value: 785,000  
Effective Date: 10/30/2020

Dear Mr. Kornfeld:

In accordance with your request, we have appraised the above referenced property. The report of that appraisal is attached.

The purpose of the appraisal is to develop an opinion of market value for the property described in this appraisal report, as improved, in unencumbered fee simple title of ownership. This report is based on a physical analysis of the site and improvements, a locational analysis of the neighborhood and city, and an economic analysis of the market for properties such as the subject. The appraisal was developed and the report was prepared in accordance with the Uniform Standards of Professional Appraisal Practice.

The opinion of value reported above is as of the stated effective date and is contingent upon the certification and limiting conditions attached.

It has been a pleasure to assist you. Please do not hesitate to contact me or any of my staff if we can be of additional service to you.

Sincerely,

Jose A. Roman  
Real Estate Appraiser MIE #459  
License or Certification #: 160CR  
State: PR Expires: 05/22/2021  
lostasadorespr@gmail.com

SUMMARY OF SALIENT FEATURES

SUBJECT INFORMATION	Subject Address	109 De La Cruz Street, Old San Juan, Apt. PH-A, Villa Gabriela Condominium
	Legal Description	Please refer to the legal deed.
	City	San Juan
	County	127
	State	PR
	Zip Code	00901
	Census Tract	0005.06
	Map Reference	41980
SALES PRICE	Sale Price	\$ N/A
	Date of Sale	N/A
CLIENT	Client	Mr. Mark A. Kornfeld - Receiver
	Owner	Michael Scott Williams
DESCRIPTION OF IMPROVEMENTS	Size (Square Feet)	3,019
	Price per Square Foot	\$
	Location	Old San Juan
	Age	+100
	Condition	Average
	Total Rooms	Unk
	Bedrooms	Unk
	Baths	Unk
APPRAISER	Appraiser	Jose A. Roman
	Date of Appraised Value	10/30/2020
VALUE	Opinion of Value	\$ 785,000

Exterior-Only Inspection Individual Condominium Unit Appraisal Report

File # Tract 5231

The purpose of this summary appraisal report is to provide the lender/client with an accurate, and adequately supported, opinion of the market value of the subject property.

Property Address109 De La Cruz Street, Old San Juan, Apt. Unit # PH-A City San JuanState PRZip Code 00901

BorrowerN/AOwner of Public Record Michael Scott WilliamsCounty 127

Legal DescriptionPlease refer to the legal deed.

Assessor's Parcel #040-002-026-15-012Tax Year 2021R.E. Taxes \$3,151.58

Project NameVilla Gabriela (Gabriela's House) CondominiumPhase # 1Map Reference 41980Census Tract 0005.06

Occupant

☐ Owner

☐ Tenant

☒ Vacant

Special Assessments \$NoneHOA \$Unk.

☐ per year

☐ per month

Property Rights Appraised

☒ Fee Simple

☐ Leasehold

☐ Other (describe)

Assignment Type

☐ Purchase Transaction

☐ Refinance Transaction

☒ Other (describe)

To form an opinion on the market value as of the effective date.

Lender/ClientMr. Mark A. Kornfeld - ReceiverAddress 101 East Kennedy Blvd., Suite 3400, Tampa, FL 33602-5195

Is the subject property currently offered for sale or has it been offered for sale in the twelve months prior to the effective date of this appraisal?

☐ Yes

☒ No

Report data source(s) used, offering price(s), and date(s).N/A

I

☐ did

☐ did not

analyze the contract for sale for the subject purchase transaction. Explain the results of the analysis of the contract for sale or why the analysis was not performed.

Contract Price \$N/ADate of ContractN/AIs the property seller the owner of public record?

☐ Yes

☐ No

Data Source(s)

Is there any financial assistance (loan charges, sale concessions, gift or downpayment assistance, etc.) to be paid by any party on behalf of the borrower?

☐ Yes

☐ No

If Yes, report the total dollar amount and describe the items to be paid.

Note: Race and the racial composition of the neighborhood are not appraisal factors.

Neighborhood Characteristics			Condominium Unit Housing Trends			Condominium Housing			Present Land Use %	
Location	<input checked="" type="checkbox"/> Urban <div><input type="checkbox"/> Suburban<div><input type="checkbox"/> Rural</div></div>	Property Values	<input type="checkbox"/> Increasing <div><input checked="" type="checkbox"/> Stable<div><input type="checkbox"/> Declining</div></div>	PRICE	AGE	One-Unit	30 %			
Built-Up	<input checked="" type="checkbox"/> Over 75% <div><input type="checkbox"/> 25-75%<div><input type="checkbox"/> Under 25%</div></div>	Demand/Supply	<input type="checkbox"/> Shortage <div><input checked="" type="checkbox"/> In Balance<div><input type="checkbox"/> Over Supply</div></div>	\$ (000)	(yrs)	2-4 Unit	15 %			
Growth	<input type="checkbox"/> Rapid <div><input checked="" type="checkbox"/> Stable<div><input type="checkbox"/> Slow</div></div>	Marketing Time	<input type="checkbox"/> Under 3 mths <div><input checked="" type="checkbox"/> 3-6 mths<div><input type="checkbox"/> Over 6 mths</div></div>	100	Low50	Multi-Family	20 %			
Neighborhood Boundaries	North: Atlantic Ocean; South: San Juan Bay; East: Puerta de Tierra Sector; West: San Juan Bay.			1,000	High+200	Commercial	30 %			
				350	Pred.+100	Other	05 %			
Neighborhood Description	Predominantly historic, residential, touristic & commercial mix-use market. The immediate subject subdivision area is composed of single family dwellings, condominiums, hotels and commercial properties. Shopping centers, private and public schools, hospitals and all services and amenities are located at a reasonable distance to subject area. No adverse factors were noted that might affect market value.									
Market Conditions (including support for the above conclusions)	Subject property's neighborhood is at present a stable market as property offers are in balance with the demand. Marketing time for reasonable priced properties is estimated at twelve (12) months. Some financing loan discounts, interest buydowns or concessions were found for comparable sales in this market. Other present land uses are public and vacant.									

Topography LevelSize TypicalDensity HighView Street

Specific Zoning ClassificationR-6Zoning DescriptionResidential

Zoning Compliance

☒ Legal

☐ Legal Nonconforming – Do the zoning regulations permit rebuilding to current density?

☐ Yes

☐ No

☐ Unk.

☐ No Zoning

☐ Illegal (describe)

Is the highest and best use of subject property as improved (or as proposed per plans and specifications) the present use?

☒ Yes

☐ No

If No, describe

Utilities	Public	Other (describe)	Public	Other (describe)	Off-site Improvements - Type	Public	Private
Electricity	<input checked="" type="checkbox"/>	<input type="checkbox"/> AEE	Water	<input checked="" type="checkbox"/> AAA	Street Asphalt	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Gas	<input type="checkbox"/>	<input type="checkbox"/> None	Sanitary Sewer	<input checked="" type="checkbox"/> AAA	Alley None	<input type="checkbox"/>	<input type="checkbox"/>
FEMA Special Flood Hazard Area	<input type="checkbox"/> Yes <div><input checked="" type="checkbox"/> No</div>	FEMA Flood Zone	X500	FEMA Map #	72000C0355J	FEMA Map Date	11/18/2009
Are the utilities and off-site improvements typical for the market area? <div><input checked="" type="checkbox"/> Yes<div><input type="checkbox"/> No</div></div> If No, describe							
Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)? <div><input type="checkbox"/> Yes<div><input checked="" type="checkbox"/> No</div></div> If Yes, describe							
There are no apparent adverse assessments, encroachments, or other adverse conditions.							

Data source(s) for project informationOffice Files / Previous Appraisal Reports

Project Description

☐ Detached

☐ Row or Townhouse

☒ Garden

☐ Mid-Rise

☐ High-Rise

☒ Other (describe)

General Description	General Description	Subject Phase	If Project Completed		If Project Incomplete	
# of Stories3	Exterior WallsRC/Avg.	# of Units12	# of Phases1	# of Planned Phases	N/A	
# of Elevators1	Roof SurfaceRC/Avg.	# of Units Completed12	# of Units12	# of Planned Units	N/A	
<input checked="" type="checkbox"/> Existing <div><input type="checkbox"/> Proposed</div>	Total # Parking0	# of Units For Sale1	# of Units for Sale1	# of Units for Sale	N/A	
<input type="checkbox"/> Under Construction	Ratio (spaces/units)0	# of Units Sold12	# of Units Sold12	# of Units Sold	N/A	
Year Built+100	TypeN/A	# of Units RentedUnk	# of Units RentedUnk	# of Units Rented	N/A	
Effective Age15	Guest ParkingN/A	# of Owner Occupied UnitsUnk	# of Owner Occupied UnitsUnk	# of Owner Occupied Units	N/A	

Project Primary Occupancy

☒ Principle Residence

☐ Second Home or Recreational

☐ Tenant

Is the developer/builder in control of the Homeowners' Association (HOA)?

☐ Yes

☒ No

Management Group -

☒ Homeowners' Association

☐ Developer

☐ Management Agent - Provide name of management company.

Does any single entity (the same individual, investor group, corporation, etc.) own more than 10% of the total units in the project?

☐ Yes

☒ No

If Yes, Describe

Was the project created by the conversion of existing building(s) into a condominium?

☒ Yes

☐ No

If Yes, describe the original use and date of conversion.

The subject project was an original multi-unit residential building. Villa Gabriela (Gabriela's House) Condominium was converted into horizontal property regime in 2003.

Are the units, common elements, and recreation facilities complete (including any planned rehabilitation for a condominium conversion)?

☒ Yes

☐ No

If No, describe

Is there any commercial space in the project?

☐ Yes

☒ No

If Yes, describe and indicate the overall percentage of the commercial space.

Freddie Mac Form 466 March 2005

Page 1 of 6

Fannie Mae Form 1075 March 2005

Form 1075 — "WinTOTAL" appraisal software by a la mode, inc. — 1-800-ALAMODE

# Exterior-Only Inspection Individual Condominium Unit Appraisal Report File # Tract 5231

PROJECT INFORMATION	Describe the condition of the project and quality of construction      Subject project is a residential condominium located at De La Cruz Street corner Luna Street in the Old San Juan Sector of the San Juan Municipality. Project physical condition and quality of construction is rated as average and normal depreciation is observed due to time and normal wear.																												
	Describe the common elements and recreational facilities.      Patio, intercom system and elevator.																												
	Are any common elements leased to or by the Homeowners' Association? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No    If Yes, describe the rental terms and options.																												
	Is the project subject to a ground rent? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No    If Yes, \$      per year (describe terms and conditions)      The ground rent is not typical in the market which subject belongs; due to this circumstance this item is not applicable.																												
PROJECT ANALYSIS	Are the parking facilities adequate for the project size and type? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No    If No, describe and comment on the effect on value and marketability.																												
	I <input type="checkbox"/> did <input checked="" type="checkbox"/> did not analyze the condominium project budget for the current year. Explain the results of the analysis of the budget (adequacy of fees, reserves, etc.), or why the analysis was not performed.    Project budget data not available to the appraiser. Appraiser assumed project budget to be adequate and typical of similar projects as of the effective date of the report.																												
	Are there any other fees (other than regular HOA charges) for the use of the project facilities? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No    If Yes, report the charges and describe.																												
	Compared to other competitive projects of similar quality and design, the subject unit charge appears <input type="checkbox"/> High <input checked="" type="checkbox"/> Average <input type="checkbox"/> Low    If High or Low, describe																												
UNIT IMPROVEMENTS	Are there any special or unusual characteristics of the project (based on the condominium documents, HOA meetings, or other information) known to the appraiser? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No    If Yes, describe and explain the effect on value and marketability.																												
	Unit Charge \$    Unk.      per month X 12 = \$      per year      Annual assessment charge per year per square feet of gross living area = \$    2.39																												
	Utilities included in the unit monthly assessment <input type="checkbox"/> None <input type="checkbox"/> Heat <input type="checkbox"/> Air Conditioning <input type="checkbox"/> Electricity <input type="checkbox"/> Gas <input type="checkbox"/> Water <input type="checkbox"/> Sewer <input type="checkbox"/> Cable <input type="checkbox"/> Other																												
	Source(s) used for physical characteristics of property <input type="checkbox"/> Previous Appraisal Files <input type="checkbox"/> MLS <input checked="" type="checkbox"/> Assessment and Tax Records <input type="checkbox"/> Prior Inspection <input checked="" type="checkbox"/> Property Owner <input checked="" type="checkbox"/> Other (describe)    Exterior Inspection & Office Files      Data Source for Gross Living Area    Legal description submitted by the client.																												
PRIOR SALE HISTORY	<table><thead><tr><th>General Description</th><th>Amenities</th><th>Appliances</th><th>Car Storage</th></tr></thead><tbody><tr><td>Floor #    3rd</td><td><input type="checkbox"/> Fireplace(s) #    None</td><td><input type="checkbox"/> Refrigerator    N/A</td><td><input checked="" type="checkbox"/> None</td></tr><tr><td># of Levels    One</td><td><input type="checkbox"/> WoodStove(s) #None</td><td><input type="checkbox"/> Range/Oven    N/A</td><td><input type="checkbox"/> Garage    <input type="checkbox"/> Covered    <input type="checkbox"/> Open</td></tr><tr><td>Heating Type    N/A    Fuel    N/A</td><td><input type="checkbox"/> Deck/Patio    None</td><td><input type="checkbox"/> Disp    <input type="checkbox"/> Microwave</td><td># of Cars</td></tr><tr><td><input type="checkbox"/> Central AC    <input type="checkbox"/> Individual AC</td><td><input type="checkbox"/> Porch/Balcony    Unk</td><td><input type="checkbox"/> Dishwasher    N/A</td><td><input type="checkbox"/> Assigned    <input type="checkbox"/> Owned</td></tr><tr><td><input type="checkbox"/> Other (describe)    Unk.</td><td><input type="checkbox"/> Other    Unk</td><td><input type="checkbox"/> Washer/Dryer    N/A</td><td>Parking Space #</td></tr></tbody></table>					General Description	Amenities	Appliances	Car Storage	Floor #    3rd	<input type="checkbox"/> Fireplace(s) #    None	<input type="checkbox"/> Refrigerator    N/A	<input checked="" type="checkbox"/> None	# of Levels    One	<input type="checkbox"/> WoodStove(s) #None	<input type="checkbox"/> Range/Oven    N/A	<input type="checkbox"/> Garage <input type="checkbox"/> Covered <input type="checkbox"/> Open	Heating Type    N/A    Fuel    N/A	<input type="checkbox"/> Deck/Patio    None	<input type="checkbox"/> Disp <input type="checkbox"/> Microwave	# of Cars	<input type="checkbox"/> Central AC <input type="checkbox"/> Individual AC	<input type="checkbox"/> Porch/Balcony    Unk	<input type="checkbox"/> Dishwasher    N/A	<input type="checkbox"/> Assigned <input type="checkbox"/> Owned	<input type="checkbox"/> Other (describe)    Unk.	<input type="checkbox"/> Other    Unk	<input type="checkbox"/> Washer/Dryer    N/A	Parking Space #
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	<input type="checkbox"/> Other (describe)    Unk.	<input type="checkbox"/> Other    Unk	<input type="checkbox"/> Washer/Dryer    N/A	Parking Space #																									
	Finished area above grade contains:    Unk    Rooms    Unk    Bedrooms    Unk    Bath(s)    3,019    Square Feet of Gross Living Area Above Grade																												
	Are the heating and cooling for the individual units separately metered? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No    If No, describe and comment on compatibility to other projects in the market area.    No heating needed in Puerto Rico due to tropical location. Cooling is by either central, wall or split units.																												
	Additional features (special energy efficient items, etc.)    Unknown.																												
Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.).    As part of the scope of the assignment a "drive-by" inspection and / or an exterior observation of the subject project was carried out as per the client request. Moreover, this valuation report was carried out and makes reference to a copy of the legal description submitted by the client and previous appraisal reports of others units within the subject project. As such, this appraisal report assumed that the physical condition of the subject unit can be rated as average (C3) in general. Appraiser thereon assumes no responsibility and / or liability. Therefore, any discrepancy in the future will render the concluded value null and void.																													
Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No    If Yes, describe																													
Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No    If No, describe																													
I <input checked="" type="checkbox"/> did <input type="checkbox"/> did not research the sale or transfer history of the subject property and comparable sales. If not, explain																													
My research <input type="checkbox"/> did <input checked="" type="checkbox"/> did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.																													
Data source(s)    Client, Owner, Legal Description, Public Record, Private Source as PRE.Com, Tasamax And Luis Abreu Data System																													
My research <input type="checkbox"/> did <input checked="" type="checkbox"/> did not reveal any prior sales or transfers of the comparable sales for the year prior to the date of sale of the comparable sale.																													
Data source(s)    Legal Description, Public record, Private source as puertoricoe.com, Tasamax and Luis Abreu Data System																													
Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales (report additional prior sales on page 3).																													
<table><thead><tr><th>ITEM</th><th>SUBJECT</th><th>COMPARABLE SALE #1</th><th>COMPARABLE SALE #2</th><th>COMPARABLE SALE #3</th></tr></thead><tbody><tr><td>Date of Prior Sale/Transfer</td><td></td><td></td><td></td><td></td></tr><tr><td>Price of Prior Sale/Transfer</td><td></td><td></td><td></td><td></td></tr><tr><td>Data Source(s)</td><td>Public Records</td><td>Public Records</td><td>Public Records</td><td>Public Records</td></tr><tr><td>Effective Date of Data Source(s)</td><td>10/30/2020</td><td>10/30/2020</td><td>10/30/2020</td><td>10/30/2020</td></tr></tbody></table>					ITEM	SUBJECT	COMPARABLE SALE #1	COMPARABLE SALE #2	COMPARABLE SALE #3	Date of Prior Sale/Transfer					Price of Prior Sale/Transfer					Data Source(s)	Public Records	Public Records	Public Records	Public Records	Effective Date of Data Source(s)	10/30/2020	10/30/2020	10/30/2020	10/30/2020
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Effective Date of Data Source(s)	10/30/2020	10/30/2020	10/30/2020	10/30/2020																									
Analysis of prior sale or transfer history of the subject property and comparable sales.    No prior sales of the subject property within three (3) years prior to the effective date of this appraisal was found, nor of the comparable sales within the past year.																													



Exterior-Only Inspection Individual Condominium Unit Appraisal Report													File # Tract 5231			
There are 40 comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ 250,000 to \$ 1,200,000 .																
There are 25 comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ 255,000 to \$ 750,000 .																
FEATURE		SUBJECT			COMPARABLE SALE # 1				COMPARABLE SALE # 2				COMPARABLE SALE # 3			
Address and Unit #		109 De La Cruz Street, Old San Juan, PR 00901			154 Sol Street, Old San Juan Apt. 3-B, San Juan, PR 00901				213 Sol Street, Old San Juan Apt. 1, San Juan, PR 00901				102 Sol Street, Old San Juan Apt. 1, San Juan, PR 00901			
Project Name and Phase		Villa Gabriela (Gabriela's Home)			Gaudi Condominium 1				Ricardo Manuel Condominium 1				Solsticio Condominium 1			
Proximity to Subject					0.03 miles NW				0.07 miles NE				0.10 miles W			
Sale Price		\$ N/A			\$ 293.81				\$ 230.43				\$ 309.84			
Sale Price/Gross Liv. Area		\$ sq. ft.			\$ 358,000 sq. ft.				\$ 430,000 sq. ft.				\$ 510,000 sq. ft.			
Data Source(s)					Tasamax.com ID: 128230				Karibe-Registry Tract 4793				Tasamax.com ID: 129122			
Verification Source(s)					Ext. Inspection				Ext. Inspection				Ext. Inspection			
VALUE ADJUSTMENTS		DESCRIPTION			DESCRIPTION +(-) \$ Adjustment				DESCRIPTION +(-) \$ Adjustment				DESCRIPTION +(-) \$ Adjustment			
Sales or Financing Concessions					ArmLth - Cov Not reported				ArmLth - Cash Not reported				ArmLth - Cov Not reported			
Date of Sale/Time					07/31/2020				07/31/2020				08/26/2020			
Location		Old San Juan			Old San Juan				Old San Juan				Old San Juan			
Leasehold/Fee Simple		Fee Simple			Fee Simple				Fee Simple				Fee Simple			
HOA Mo. Assessment		Proportional			Proportional				Proportional				Proportional			
Common Elements and Rec. Facilities		Intercom,Patio Elevator			Similar Elevator				Similar None				Similar None			
Floor Location		3rd			3rd				1st				1st			
View		Street			Street				Street				Street			
Design (Style)		Garden/Avg.			Garden/Avg.				Walk-Up/Avg.				Walk-Up/Avg.			
Quality of Construction		Q4			Q4				Q4				Q4			
Actual Age		+100			+100				+100				+100			
Condition		Average			Good -29.38				Average				Good -30.98			
Above Grade Room Count		Total	Bdrms.	Baths	Total	Bdrms.	Baths		Total	Bdrms.	Baths		Total	Bdrms.	Baths	
		Unk	Unk	Unk	5	2	2.0		6	2	2.0		5	1	2.0	
Gross Living Area		3,019 sq. ft.			1,218 sq. ft.				1,866 sq. ft.				1,646 sq. ft.			
Basement & Finished Rooms Below Grade		None			None				None				None			
Functional Utility		Average			Average				Average				Average			
Heating/Cooling		Unknown			WH/A/C				WH/A/C				WH/A/C			
Energy Efficient Items		Unknown			None				None				None			
Garage/Carport		None			None				None				None			
Porch/Patio/Deck		Unknown			Balcony				Balcony				Balcony			
Others		Unknown			None				None				None			
Net Adjustment (Total)					<input type="checkbox"/> + <input checked="" type="checkbox"/> - \$ -29.38				<input type="checkbox"/> + <input type="checkbox"/> - \$				<input type="checkbox"/> + <input checked="" type="checkbox"/> - \$ -30.98			
Adjusted Sale Price of Comparables					Net Adj. 10.0 % Gross Adj. 10.0 % \$ 264.43				Net Adj. % Gross Adj. % \$ 230.43				Net Adj. 10.0 % Gross Adj. 10.0 % \$ 278.86			
Summary of Sales Comparison Approach The listed transactions refer to three (3) comparable apartments within subject's Old San Juan neighborhood. The comparable sales selected are competitive properties and the best available indicators to value for the subject as of the effective date of the appraisal report. All transactions were analyzed on a price per square foot basis. The transactions selected range in size from 1,218 to 1,866 square feet and provide adjusted price range from \$230.43 to \$278.86 per square foot with a most probable market value rounded of \$260 per square foot. The same weight was given to all comparables. A negative adjustment of 10% was given to comparable sales 1 and 3 to account the superiority in physical condition compared to subject. In summary, a price indication of \$260 per square foot provides a subject value conclusion rounded of \$785,000 (3,019 square foot x \$260 per square foot = \$784,940).																
Indicated Value by Sales Comparison Approach \$ 785,000																
INCOME APPROACH TO VALUE (not required by Fannie Mae)																
Estimated Monthly Market Rent \$ X Gross Rent Multiplier = \$ Indicated Value by Income Approach																
Summary of Income Approach (including support for market rent and GRM) The Income Approach was not developed because the subject-type properties (residential apartments) in the market area are typically purchased as the owners' primary residence.																
Indicated Value by: Sales Comparison Approach \$ 785,000 Income Approach (if developed) \$																
The Cost Approach is not applicable to condo properties. The Sales Comparison Approach was developed as it best reflects the actions of participants in the market place. The Income Approach was discarded since most properties in the area are owner occupied. Final Value estimated was based on Sales Comparison Approach method of valuation.																
This appraisal is made <input checked="" type="checkbox"/> "as is", <input type="checkbox"/> subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed, <input type="checkbox"/> subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed, or <input type="checkbox"/> subject to the following required inspection based on the extraordinary assumption that the condition or deficiency does not require alteration or repair:																
Based on a visual inspection of the exterior areas of the subject property from at least the street, defined scope of work, statement of assumptions and limiting conditions, and appraiser's certification, my (our) opinion of the market value, as defined, of the real property that is the subject of this report is \$ 785,000 , as of 10/30/2020 , which is the date of the exterior inspection and the effective date of this appraisal.																

**Exterior-Only Inspection Individual Condominium Unit Appraisal Report** File # Tract 5231

This report form is designed to report an appraisal of a unit in a condominium project or a condominium unit in a planned unit development (PUD). This report form is not designed to report an appraisal of a manufactured home or a unit in a cooperative project.

This appraisal report is subject to the following scope of work, intended use, intended user, definition of market value, statement of assumptions and limiting conditions, and certifications. Modifications, additions, or deletions to the intended use, intended user, definition of market value, or assumptions and limiting conditions are not permitted. The appraiser may expand the scope of work to include any additional research or analysis necessary based on the complexity of this appraisal assignment. Modifications or deletions to the certifications are also not permitted. However, additional certifications that do not constitute material alterations to this appraisal report, such as those required by law or those related to the appraiser's continuing education or membership in an appraisal organization, are permitted.

**SCOPE OF WORK:** The scope of work for this appraisal is defined by the complexity of this appraisal assignment and the reporting requirements of this appraisal report form, including the following definition of market value, statement of assumptions and limiting conditions, and certifications. The appraiser must, at a minimum: (1) perform a visual inspection of the exterior areas of the subject property from at least the street, (2) inspect and analyze the condominium project, (3) inspect the neighborhood, (4) inspect each of the comparable sales from at least the street, (5) research, verify, and analyze data from reliable public and/or private sources, and (6) report his or her analysis, opinions, and conclusions in this appraisal report.

The appraiser must be able to obtain adequate information about the physical characteristics (including, but not limited to, condition, room count, gross living area, etc.) of the subject property from the exterior-only inspection and reliable public and/or private sources to perform this appraisal. The appraiser should use the same type of data sources that he or she uses for comparable sales such as, but not limited to, multiple listing services, tax and assessment records, prior inspections, appraisal files, information provided by the property owner, etc.

**INTENDED USE:** The intended use of this appraisal report is for the lender/client to evaluate the property that is the subject of this appraisal for a mortgage finance transaction.

**INTENDED USER:** The intended user of this appraisal report is the lender/client.

**DEFINITION OF MARKET VALUE:** The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, 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: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what he or she considers his or her own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U. S. dollars or in terms of financial arrangements comparable thereto; and (5) 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.

\*Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgment.

**STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS:** The appraiser's certification in this report is subject to the following assumptions and limiting conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it, except for information that he or she became aware of during the research involved in performing this appraisal. The appraiser assumes that the title is good and marketable and will not render any opinions about the title.
2. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in this appraisal report whether any portion of the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
3. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand, or as otherwise required by law.
4. The appraiser has noted in this appraisal report any adverse conditions (such as needed repairs, deterioration, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the research involved in performing this appraisal. Unless otherwise stated in this appraisal report, the appraiser has no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the property (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) that would make the property less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, this appraisal report must not be considered as an environmental assessment of the property.
5. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that the completion, repairs, or alterations of the subject property will be performed in a professional manner.

Exterior-Only Inspection Individual Condominium Unit Appraisal Report

File # Tract 5231

**APPRAISER’S CERTIFICATION:** The Appraiser certifies and agrees that:

1. I have, at a minimum, developed and reported this appraisal in accordance with the scope of work requirements stated in this appraisal report.
2. I have performed a visual inspection of the exterior areas of the subject property from at least the street. I have reported the condition of the improvements in factual, specific terms. I have identified and reported the physical deficiencies that could affect the livability, soundness, or structural integrity of the property.
3. I performed this appraisal in accordance with the requirements of the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
4. I developed my opinion of the market value of the real property that is the subject of this report based on the sales comparison approach to value. I have adequate comparable market data to develop a reliable sales comparison approach for this appraisal assignment. I further certify that I considered the cost and income approaches to value but did not develop them, unless otherwise indicated in this report.
5. I researched, verified, analyzed, and reported on any current agreement for sale for the subject property, any offering for sale of the subject property in the twelve months prior to the effective date of this appraisal, and the prior sales of the subject property for a minimum of three years prior to the effective date of this appraisal, unless otherwise indicated in this report.
6. I researched, verified, analyzed, and reported on the prior sales of the comparable sales for a minimum of one year prior to the date of sale of the comparable sale, unless otherwise indicated in this report.
7. I selected and used comparable sales that are locationally, physically, and functionally the most similar to the subject property.
8. I have not used comparable sales that were the result of combining a land sale with the contract purchase price of a home that has been built or will be built on the land.
9. I have reported adjustments to the comparable sales that reflect the market's reaction to the differences between the subject property and the comparable sales.
10. I verified, from a disinterested source, all information in this report that was provided by parties who have a financial interest in the sale or financing of the subject property.
11. I have knowledge and experience in appraising this type of property in this market area.
12. I am aware of, and have access to, the necessary and appropriate public and private data sources, such as multiple listing services, tax assessment records, public land records and other such data sources for the area in which the property is located.
13. I obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable sources that I believe to be true and correct.
14. I have taken into consideration the factors that have an impact on value with respect to the subject neighborhood, subject property, and the proximity of the subject property to adverse influences in the development of my opinion of market value. I have noted in this appraisal report any adverse conditions (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) observed during the inspection of the subject property or that I became aware of during the research involved in performing this appraisal. I have considered these adverse conditions in my analysis of the property value, and have reported on the effect of the conditions on the value and marketability of the subject property.
15. I have not knowingly withheld any significant information from this appraisal report and, to the best of my knowledge, all statements and information in this appraisal report are true and correct.
16. I stated in this appraisal report my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the assumptions and limiting conditions in this appraisal report.
17. I have no present or prospective interest in the property that is the subject of this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or opinion of market value in this appraisal report on the race, color, religion, sex, age, marital status, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property or on any other basis prohibited by law.
18. My employment and/or compensation for performing this appraisal or any future or anticipated appraisals was not conditioned on any agreement or understanding, written or otherwise, that I would report (or present analysis supporting) a predetermined specific value, a predetermined minimum value, a range or direction in value, a value that favors the cause of any party, or the attainment of a specific result or occurrence of a specific subsequent event (such as approval of a pending mortgage loan application).
19. I personally prepared all conclusions and opinions about the real estate that were set forth in this appraisal report. If I relied on significant real property appraisal assistance from any individual or individuals in the performance of this appraisal or the preparation of this appraisal report, I have named such individual(s) and disclosed the specific tasks performed in this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in this appraisal report; therefore, any change made to this appraisal is unauthorized and I will take no responsibility for it.
20. I identified the lender/client in this appraisal report who is the individual, organization, or agent for the organization that ordered and will receive this appraisal report.

Exterior-Only Inspection Individual Condominium Unit Appraisal Report

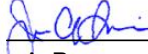
File # Tract 5231

21. The lender/client may disclose or distribute this appraisal report to: the borrower; another lender at the request of the borrower; the mortgagee or its successors and assigns; mortgage insurers; government sponsored enterprises; other secondary market participants; data collection or reporting services; professional appraisal organizations; any department, agency, or instrumentality of the United States; and any state, the District of Columbia, or other jurisdictions; without having to obtain the appraiser's or supervisory appraiser's (if applicable) consent. Such consent must be obtained before this appraisal report may be disclosed or distributed to any other party (including, but not limited to, the public through advertising, public relations, news, sales, or other media).
22. I am aware that any disclosure or distribution of this appraisal report by me or the lender/client may be subject to certain laws and regulations. Further, I am also subject to the provisions of the Uniform Standards of Professional Appraisal Practice that pertain to disclosure or distribution by me.
23. The borrower, another lender at the request of the borrower, the mortgagee or its successors and assigns, mortgage insurers, government sponsored enterprises, and other secondary market participants may rely on this appraisal report as part of any mortgage finance transaction that involves any one or more of these parties.
24. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.
25. Any intentional or negligent misrepresentation(s) contained in this appraisal report may result in civil liability and/or criminal penalties including, but not limited to, fine or imprisonment or both under the provisions of Title 18, United States Code, Section 1001, et seq., or similar state laws.

**SUPERVISORY APPRAISER'S CERTIFICATION:** The Supervisory Appraiser certifies and agrees that:

1. I directly supervised the appraiser for this appraisal assignment, have read the appraisal report, and agree with the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
2. I accept full responsibility for the contents of this appraisal report including, but not limited to, the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
3. The appraiser identified in this appraisal report is either a sub-contractor or an employee of the supervisory appraiser (or the appraisal firm), is qualified to perform this appraisal, and is acceptable to perform this appraisal under the applicable state law.
4. This appraisal report complies with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
5. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

APPRAISER

Signature   
Name Jose A. Roman  
Company Name Jose A. Roman  
Company Address Los Tasadores.com  
360 Calle Baleares, Puerto Nuevo, San Juan, PR 00920  
Telephone Number 1(855) TASADOR  
Email Address lostasadorespr@gmail.com  
Date of Signature and Report 11/17/2020  
Effective Date of Appraisal 10/30/2020  
State Certification # 160CR  
or State License # 1002EPA  
or Other \_\_\_\_\_  
State PR  
Expiration Date of Certification or License 05/22/2021

ADDRESS OF PROPERTY APPRAISED  
109 De La Cruz Street, Old San Juan, # PH-A  
San Juan, PR 00901  
APPRAISED VALUE OF SUBJECT PROPERTY \$ 785,000  
LENDER/CLIENT  
Name Mr. Mark A. Kornfeld - Receiver  
Company Name Quarles & Brady LLP  
Company Address 101 East Kennedy Blvd., Suite 3400, Tampa,  
FL 33602-5195  
Email Address mark.kornfeld@quarles.com

SUPERVISORY APPRAISER (ONLY IF REQUIRED)

Signature \_\_\_\_\_  
Name \_\_\_\_\_  
Company Name \_\_\_\_\_  
Company Address \_\_\_\_\_  
Telephone Number \_\_\_\_\_  
Email Address \_\_\_\_\_  
Date of Signature \_\_\_\_\_  
State Certification # \_\_\_\_\_  
or State License # \_\_\_\_\_  
State \_\_\_\_\_  
Expiration Date of Certification or License \_\_\_\_\_

SUBJECT PROPERTY

- ☐ Did not inspect subject property  
☐ Did inspect exterior of subject property from street  
Date of Inspection \_\_\_\_\_

COMPARABLE SALES

- ☐ Did not inspect exterior of comparable sales from street  
☐ Did inspect exterior of comparable sales from street  
Date of Inspection \_\_\_\_\_



Subject Photo Page

Client	Mr. Mark A. Kornfeld - Receiver				
Property Address	109 De La Cruz Street, Old San Juan, Apt. PH-A, Villa Gabriela Condominium				
City	San Juan	County	127	State	PR Zip Code 00901
Owner	Michael Scott Williams				

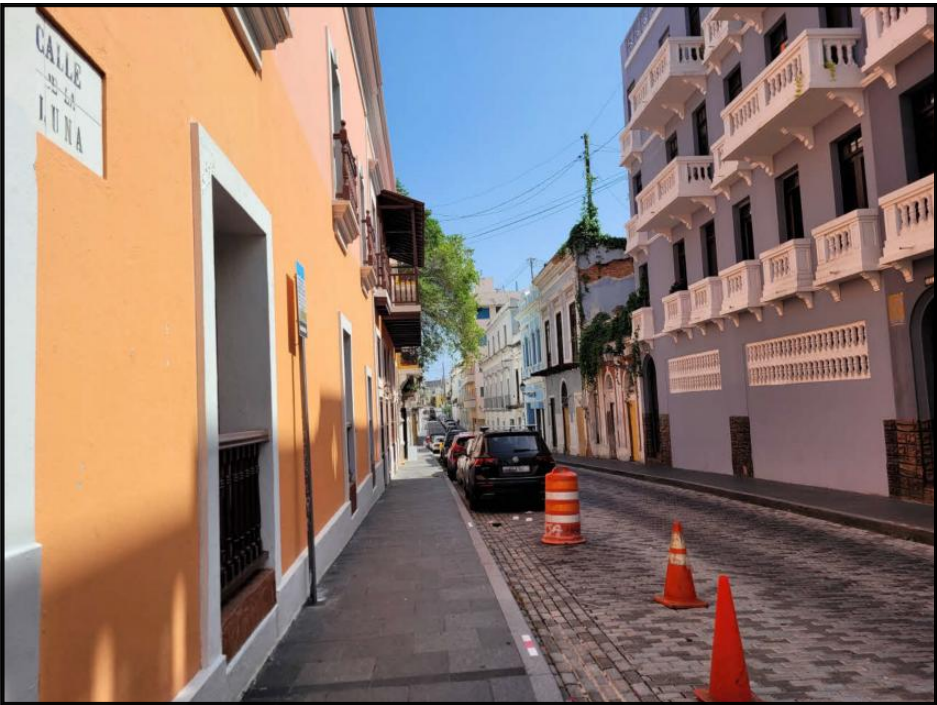


Subject Front

109 De La Cruz Street, Old San Juan, Apt  
Sales Price N/A  
Gross Living Area 3,019  
Total Rooms Unk  
Total Bedrooms Unk  
Total Bathrooms Unk  
Location Old San Juan  
View Street  
Site Typical  
Quality Q4  
Age +100



Subject Side



Subject Street



Comparable Photo Page

Client	Mr. Mark A. Kornfeld - Receiver				
Property Address	109 De La Cruz Street, Old San Juan, Apt. PH-A, Villa Gabriela Condominium				
City	San Juan	County	127	State	PR Zip Code 00901
Owner	Michael Scott Williams				



Comparable 1

154 Sol Street, Old San Juan	
Prox. to Subject	0.03 miles NW
Sales Price	293.81
Gross Living Area	1,218
Total Rooms	5
Total Bedrooms	2
Total Bathrooms	2.0
Location	Old San Juan
View	Street
Site	Typical
Quality	Q4
Age	+100



Comparable 2

213 Sol Street, Old San Juan	
Prox. to Subject	0.07 miles NE
Sales Price	230.43
Gross Living Area	1,866
Total Rooms	6
Total Bedrooms	2
Total Bathrooms	2.0
Location	Old San Juan
View	Street
Site	Typical
Quality	Q4
Age	+100

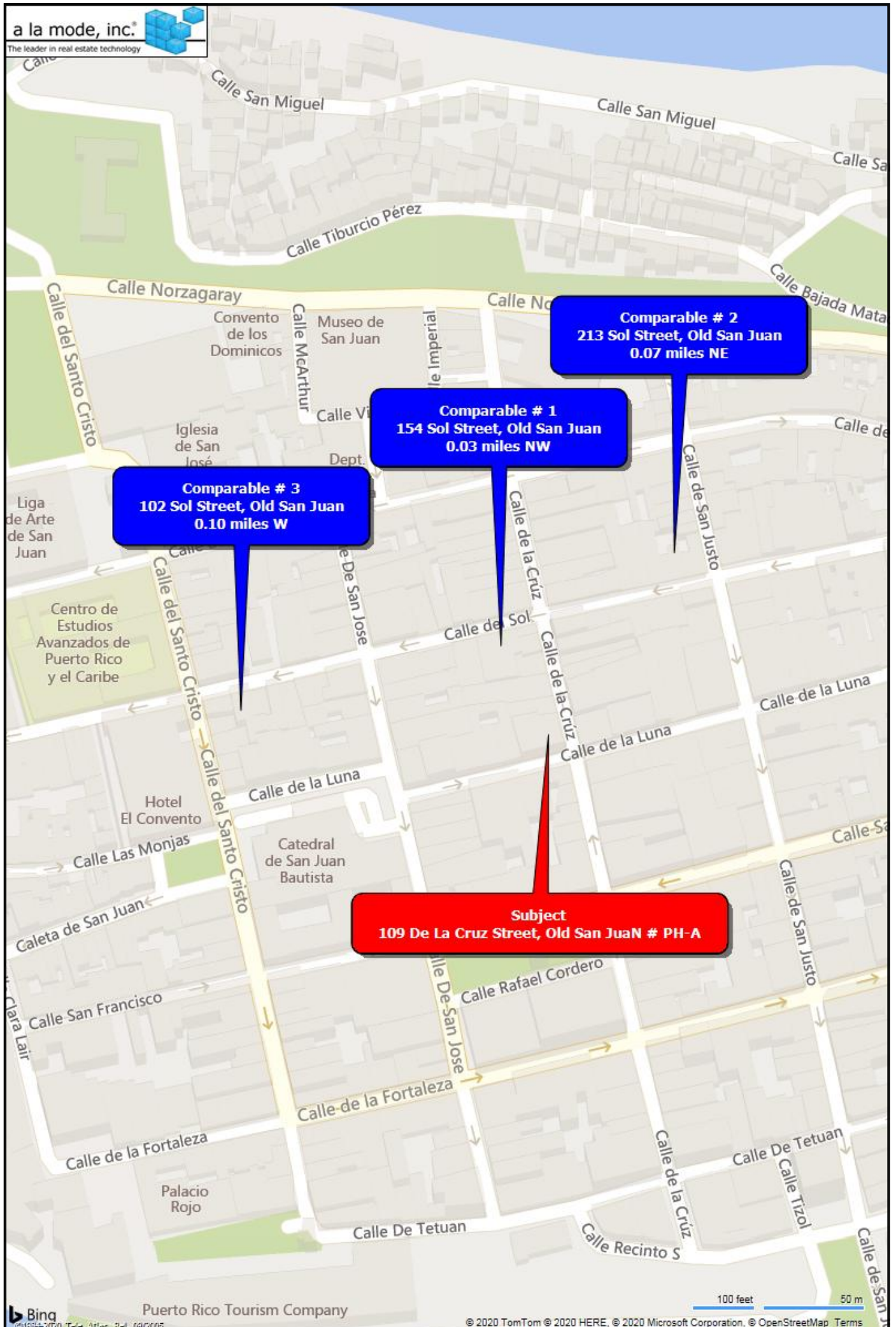


Comparable 3

102 Sol Street, Old San Juan	
Prox. to Subject	0.10 miles W
Sales Price	309.84
Gross Living Area	1,646
Total Rooms	5
Total Bedrooms	1
Total Bathrooms	2.0
Location	Old San Juan
View	Street
Site	Typical
Quality	Q4
Age	+100

## Location Map

Client	Mr. Mark A. Kornfeld - Receiver						
Property Address	109 De La Cruz Street, Old San Juan, Apt. PH-A, Villa Gabriela Condominium						
City	San Juan	County	127	State	PR	Zip Code	00901
Owner	Michael Scott Williams						





Legal Description

APARTAMENTO PENTHOUSE "A" (PH-A) URBANA: PROPIEDAD HORIZONTAL. Apartamento PH A, localizado en el tercer piso del Condominio Gabriela's House, con una cabida superficial de tres mil dieciocho punto siete pies cuadrados (3,018.7 p/c), equivalentes a doscientos ochenta punto cuatro metros cuadrados (280.4 m/c). Colinda por el **Norte**, en una distancia de setenta y un pies nueve pulgadas (71'9"), equivalentes a veintiún punto nueve metros (21.9 m) con la pared exterior del Condominio que da hacia la colindancia con la propiedad marcada con el número 107 de la Calle Cruz; por el **Sur**, en una distancia de setenta y un pies nueve pulgadas (71'9"), equivalentes a veintiún punto nueve metros (21.9 m), con la pared exterior del Condominio que da hacia la colindancia con la Calle Luna; por el **Este**, en una distancia de cincuenta y dos pies con seis pulgadas (52'6"), equivalentes a dieciséis metros (16.00 m) con el Apartamento Penthouse B ("PH-B") y por el **Oeste**, en una distancia de cincuenta y dos pies con seis pulgadas (52'56"), equivalentes a dieciséis metros (16.00 m) con la pared exterior del Condominio que da hacia la colindancia con la Calle Cruz.

A este apartamento le corresponde un dieciséis punto nueve, nueve, cinco ocho por ciento (16.9958%) de los elementos Comunes del Condominio.

Inscrita al folio 122 del tomo 195 de San Juan, Finca número 5231, Primera Sección del Registro de la Propiedad de San Juan.



USPAP Compliance Addendum

Loan #  
File # Tract 5231

Client	Mr. Mark A. Kornfeld - Receiver		
Property Address	109 De La Cruz Street, Old San Juan, Apt. PH-A, Villa Gabriela Condominium		
City	San Juan	County 127	State PR Zip Code 00901
Owner	Michael Scott Williams		

APPRAISAL AND REPORT IDENTIFICATION

This Appraisal Report is one of the following types:

☐ Appraisal Report

☒ Restricted Appraisal Report

This report was prepared in accordance with the requirements of the Appraisal Report option of USPAP Standards Rule 2-2(a).

This report was prepared in accordance with the requirements of the Restricted Appraisal Report option of USPAP Standards Rule 2-2(b). The intended user of this report is limited to the identified client. This is a Restricted Appraisal Report and the rationale for how the appraiser arrived at the opinions and conclusions set forth in the report may not be understood properly without the additional information in the appraiser's workfile.

Appraisal Was Prepared In Accordance With The Requirements Of Title Xi Of The Financial Institutions Reform, Recovery And Enforcement Act Of 1989, As Amended (12 U.S.C. 3331 Et Seq.) And Any Implementing Regulations.

ADDITIONAL CERTIFICATIONS

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

The statements of fact contained in this report are true and correct.

The report analyses, opinions, and conclusions are limited only by the reported assumptions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.

I have no (or the specified) present or prospective interest in the property that is the subject of this report and no (or specified) personal interest with respect to the parties involved.

I have no bias with respect to the property that is the subject of this report or the parties involved with this assignment.

My engagement in this assignment was not contingent upon developing or reporting predetermined results.

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.

My analyses, opinions, and conclusions were developed and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.

This appraisal report was prepared in accordance with the requirements of Title XI of FIRREA and any implementing regulations.

PRIOR SERVICES

☒ I have NOT performed services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

☐ I HAVE performed services, as an appraiser or in another capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment. Those services are described in the comments below.

PROPERTY INSPECTION

☒ I have NOT made a personal inspection of the property that is the subject of this report.

☐ I HAVE made a personal inspection of the property that is the subject of this report.

APPRAISAL ASSISTANCE

Unless otherwise noted, no one provided significant real property appraisal assistance to the person signing this certification. If anyone did provide significant assistance, they are hereby identified along with a summary of the extent of the assistance provided in the report.

Mr. Francisco J. Otero Valentin (1302EPA) provided significant professional assistance to the person signing this report.

ADDITIONAL COMMENTS


Additional USPAP related issues requiring disclosure and/or any state mandated requirements: As part of the scope of the assignment a "drive-by" inspection and / or an exterior observation of the subject project was carried out as per the client request. Moreover, this valuation report was carried out and makes reference to a copy of the legal description submitted by the client and previous appraisal reports of others units within the subject project. As such, this appraisal report assumed that the physical condition of the subject unit can be rated as average (C3) in general. Appraiser thereon assumes no responsibility and / or liability. Therefore, any discrepancy in the future will render the concluded value null and void.

MARKETING TIME AND EXPOSURE TIME FOR THE SUBJECT PROPERTY

☒ A reasonable marketing time for the subject property is 180 to 360 day(s) utilizing market conditions pertinent to the appraisal assignment.

☒ A reasonable exposure time for the subject property is 180 to 360 day(s).

APPRAISER SUPERVISORY APPRAISER (ONLY IF REQUIRED)

Signature 

Name Jose A. Roman

Date of Signature 11/17/2020

State Certification # 160CR

or State License # 1002EPA

State PR

Expiration Date of Certification or License 05/22/2021

Effective Date of Appraisal 10/30/2020

Signature

Name

Date of Signature

State Certification #

or State License #

State

Expiration Date of Certification or License

Supervisory Appraiser Inspection of Subject Property

☐ Did Not

☐ Exterior-only from Street

☐ Interior and Exterior

Appraiser Independence Certification


I do hereby certify, I have followed the appraiser independence safeguards in compliance with Appraisal Independence and any applicable state laws I may be required to comply with. This includes but is not limited to the following:

- I am currently licensed and/or certified by the state in which the property to be appraised is located My license is the appropriate license for the appraisal assignment(s) and is reflected on the appraisal report.
- I certify that there have been no sanctions against me for any reason that would impair my ability to perform appraisals pursuant to the required guidelines.

I assert that no employee, director, officer, or agent of Mr. Mark A. Kornfeld - Receiver, or any other third party acting as joint venture partner, independent contractor, appraisal management company, or partner on behalf of Mr. Mark A. Kornfeld - Receiver, influenced, or attempted to influence the development, reporting, result, or review of my appraisal through coercion, extortion, collusion, compensation, inducement, intimidation, bribery, or in any other manner.

I further assert that Mr. Mark A. Kornfeld - Receiver has never participated in any of the following prohibited behavior in our business relationship:

- 1) Withholding or threatening to withhold timely payment or partial payment for an appraisal report;
- 2) Withholding or threatening to withhold future business with me, or demoting or terminating or threatening to demote or terminate me;
- 3) Expressly or impliedly promising future business, promotions, or increased compensation for myself;
- 4) Conditioning the ordering of my appraisal report or the payment of my appraisal fee or salary or bonus on the opinion, conclusion, or valuation to be reached, or on a preliminary value estimate requested from me;
- 5) Requesting that I provide an estimated, predetermined, or desired valuation in an appraisal report prior to the completion of the appraisal report, or requesting that I provide estimated values or comparable sales at any time prior to my completion of an appraisal report;
- 6) Provided me an anticipated, estimated, encouraged, or desired value for a subject property or a proposed or target amount to be loaned to the borrower, except that a copy of the sales contract for purchase transactions may be provided;
- 7) Provided to me, or my appraisal company, or any entity or person related to me as appraiser, appraisal company, stock or other financial or non-financial benefits;
- 8) Any other act or practice that impairs or attempts to impair my independence, objectivity, or impartiality or violates law or regulation, including, but not limited to, the Truth in Lending Act (TILA) and Regulation Z, or the USPAP.

  
\_\_\_\_\_  
Signature  
  
\_\_\_\_\_  
Jose A. Roman  
Appraiser's Name  
  
\_\_\_\_\_  
MIE #459  
State Title or Designation

\_\_\_\_\_  
11/17/2020  
Date  
  
\_\_\_\_\_  
160CR  
State License or Certification #  
  
\_\_\_\_\_  
05/22/2021  
Expiration Date of License or Certification

\_\_\_\_\_  
PR  
State

\_\_\_\_\_  
109 De La Cruz Street, Old San Juan, Apt. PH-A, Villa Gabriela Condominium  
Address of Property Appraised

Appraiser’s License and Residential Certification (E&O Insurance NOT required in PR)

Client	Mr. Mark A. Kornfeld - Receiver			
Property Address	109 De La Cruz Street, Old San Juan, Apt. PH-A, Villa Gabriela Condominium			
City	San Juan	County	127	State PR Zip Code 00901
Owner	Michael Scott Williams			

RENOVACIÓN APROBADA: 26 de abril, 2017  
RENEWAL APPROVED ON: April 26, 2017



Gobierno de Puerto Rico  
Government of Puerto Rico  
DEPARTAMENTO DE ESTADO  
Department of State  
Secretaría Auxiliar de Juntas Examinadoras  
Office of the Assistant Secretary of State for Examining Boards  
La Junta Examinadora de Evaluadores Profesionales de Bienes Raíces  
The Examining Board of Real Estate Appraisers

por la presente certifica que  
hereby certifies that

**José A. Román Maradiaga**

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

**Evaluador Profesional Certificación Residencial**  
Certified Residential Professional Appraiser

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

En San Juan, Puerto Rico, hoy 23 de mayo de 2017  
In San Juan, Puerto Rico, on May 23, 2017.

Número de Certificado: 160CR  
Certificate Number  
  
Vencimiento: 22 de mayo de 2021  
Expires: May 22, 2021





José A. Román Maradiaga  
Presidente  
(Board President)



Mariana E. Cortina Aldobol  
Directora  
Director

Appraiser's Certification  
PR: 160CR



Gobierno de Puerto Rico  
Government of Puerto Rico  
DEPARTAMENTO DE ESTADO  
Department of State  
Secretaría Auxiliar de Servicios y Juntas Examinadoras  
Office of the Assistant Secretary of State for Services and Examining Boards  
La Junta Examinadora de Evaluadores Profesionales de Bienes Raíces  
The Examining Board of Real Estate Appraisers

por la presente certifica que  
hereby certifies that

**José A. Román Maradiaga**

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

**Evaluador Profesional Autorizado Licencia Estatal**  
State Licensed Professional Appraiser  
(Para evaluar todo tipo de propiedad, Gobierno Estatal y/o Municipal donde no exista un Interés Federal)

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

En San Juan, Puerto Rico, hoy 09 de marzo de 2020  
In San Juan, Puerto Rico, on March 09, 2020.

Número de Licencia: 1002EPA  
License Number: 1002EPA  
  
Efectividad: 09 de marzo de 2020 al 01 de marzo de 2024  
Valid: March 09, 2020 to March 01, 2024  
  
Vencimiento: 01 de marzo de 2024  
Expires: March 01, 2024





José D. Robles Koether  
Presidente  
(Board President)



Mariana E. Cortina Aldobol  
Secretaría Auxiliar  
(Assistant Secretary)

Appraiser's State License  
PR: 1002EPA

Form PICLG2 — "WinTOTAL" appraisal software by a la mode, inc. — 1-800-ALAMODE

## 2,043 SF Residential Condo Unit Appraisal Report



### LOCATED AT

109 De La Cruz Street, Old San Juan  
Apt. PH-B, Villa Gabriela (Gabriela's House) Condominium  
San Juan, PR 00901

### FOR

Mr. Mark A. Kornfeld - Receiver  
Quarles & Brady LLP  
101 East Kennedy Blvd., Suite 3400  
Tampa, FL 33602-5195

### AS OF

10/30/2020

### BY

Jose A. Roman  
Real Estate Appraiser  
Lic #1002EPA  
360 Calle Baleares, Puerto Nuevo  
San Juan, PR 00920  
lostasadorespr@gmail.com  
www.lostasadores.com





Jose A. Roman  
Real Estate Appraiser  
360 Calle Baleares, Puerto Nuevo  
San Juan, PR 00920  
lostasadorespr@gmail.com

11/17/2020

Mr. Mark A. Kornfeld - Receiver  
Quarles & Brady LLP  
101 East Kennedy Blvd., Suite 3400  
Tampa, FL 33602-5195

Re: Property: 109 De La Cruz Street, Old San Juan  
Apt. PH-B, Villa Gabriela (Gabriela's House) Condominium  
San Juan, PR 00901  
Owner: Michael Scott Williams / Tract 5231

Market Value: 530,000  
Effective Date: 10/30/2020

Dear Mr. Kornfeld:

In accordance with your request, we have appraised the above referenced property. The report of that appraisal is attached.

The purpose of the appraisal is to develop an opinion of market value for the property described in this appraisal report, as improved, in unencumbered fee simple title of ownership. This report is based on a physical analysis of the site and improvements, a locational analysis of the neighborhood and city, and an economic analysis of the market for properties such as the subject. The appraisal was developed and the report was prepared in accordance with the Uniform Standards of Professional Appraisal Practice.

The opinion of value reported above is as of the stated effective date and is contingent upon the certification and limiting conditions attached.

It has been a pleasure to assist you. Please do not hesitate to contact me or any of my staff if we can be of additional service to you.

Sincerely,



Jose A. Roman  
Real Estate Appraiser MIE #459  
License or Certification #: 160CR  
State: PR Expires: 05/22/2021  
lostasadorespr@gmail.com

SUMMARY OF SALIENT FEATURES

SUBJECT INFORMATION	Subject Address	109 De La Cruz Street, Old San Juan, Apt. PH-B, Villa Gabriela Condominium
	Legal Description	Please refer to the legal deed.
	City	San Juan
	County	127
	State	PR
	Zip Code	00901
	Census Tract	0005.06
	Map Reference	41980
SALES PRICE	Sale Price	\$ N/A
	Date of Sale	N/A
CLIENT	Client	Mr. Mark A. Kornfeld - Receiver
	Owner	Michael Scott Williams
DESCRIPTION OF IMPROVEMENTS	Size (Square Feet)	2,043
	Price per Square Foot	\$
	Location	Old San Juan
	Age	+100
	Condition	Average
	Total Rooms	Unk
	Bedrooms	Unk
	Baths	Unk
APPRAISER	Appraiser	Jose A. Roman
	Date of Appraised Value	10/30/2020
VALUE	Opinion of Value	\$ 530,000

Exterior-Only Inspection Individual Condominium Unit Appraisal Report

File # Tract 5232

The purpose of this summary appraisal report is to provide the lender/client with an accurate, and adequately supported, opinion of the market value of the subject property.

Property Address109 De La Cruz Street, Old San Juan, Apt. Unit # PH-BCitySan JuanStatePRZip Code00901

BorrowerN/AOwner of Public RecordMichael Scott WilliamsCounty127

Legal DescriptionPlease refer to the legal deed.

Assessor's Parcel #040-002-026-15-013Tax Year2021R.E. Taxes \$2,132.84

Project NameVilla Gabriela (Gabriela's House) CondominiumPhase #1Map Reference41980Census Tract0005.06

Occupant

☐ Owner

☐ Tenant

☒ Vacant

Special Assessments \$NoneHOA \$Unk.

☐ per year

☐ per month

Property Rights Appraised

☒ Fee Simple

☐ Leasehold

☐ Other (describe)

Assignment Type

☐ Purchase Transaction

☐ Refinance Transaction

☒ Other (describe)

To form an opinion on the market value as of the effective date.

Lender/ClientMr. Mark A. Kornfeld - ReceiverAddress101 East Kennedy Blvd., Suite 3400, Tampa, FL 33602-5195

Is the subject property currently offered for sale or has it been offered for sale in the twelve months prior to the effective date of this appraisal?

☐ Yes

☒ No

Report data source(s) used, offering price(s), and date(s).N/A

I

☐ did

☐ did not

analyze the contract for sale for the subject purchase transaction. Explain the results of the analysis of the contract for sale or why the analysis was not performed.

Contract Price \$N/ADate of ContractN/AIs the property seller the owner of public record?

☐ Yes

☐ No

Data Source(s)

Is there any financial assistance (loan charges, sale concessions, gift or downpayment assistance, etc.) to be paid by any party on behalf of the borrower?

☐ Yes

☐ No

If Yes, report the total dollar amount and describe the items to be paid.

Note: Race and the racial composition of the neighborhood are not appraisal factors.

Neighborhood Characteristics			Condominium Unit Housing Trends			Condominium Housing			Present Land Use %	
Location	<input checked="" type="checkbox"/> Urban <div><input type="checkbox"/> Suburban<div><input type="checkbox"/> Rural</div></div>	Property Values	<input type="checkbox"/> Increasing <div><input checked="" type="checkbox"/> Stable<div><input type="checkbox"/> Declining</div></div>	PRICE	AGE	One-Unit	30 %			
Built-Up	<input checked="" type="checkbox"/> Over 75% <div><input type="checkbox"/> 25-75%<div><input type="checkbox"/> Under 25%</div></div>	Demand/Supply	<input type="checkbox"/> Shortage <div><input checked="" type="checkbox"/> In Balance<div><input type="checkbox"/> Over Supply</div></div>	\$ (000)	(yrs)	2-4 Unit	15 %			
Growth	<input type="checkbox"/> Rapid <div><input checked="" type="checkbox"/> Stable<div><input type="checkbox"/> Slow</div></div>	Marketing Time	<input type="checkbox"/> Under 3 mths <div><input checked="" type="checkbox"/> 3-6 mths<div><input type="checkbox"/> Over 6 mths</div></div>	100	Low50	Multi-Family	20 %			
Neighborhood Boundaries	North: Atlantic Ocean; South: San Juan Bay; East: Puerta de Tierra Sector; West: San Juan Bay.			1,000	High+200	Commercial	30 %			
				350	Pred.+100	Other	05 %			
Neighborhood Description	Predominantly historic, residential, touristic & commercial mix-use market. The immediate subject subdivision area is composed of single family dwellings, condominiums, hotels and commercial properties. Shopping centers, private and public schools, hospitals and all services and amenities are located at a reasonable distance to subject area. No adverse factors were noted that might affect market value.									
Market Conditions (including support for the above conclusions)	Subject property's neighborhood is at present a stable market as property offers are in balance with the demand. Marketing time for reasonable priced properties is estimated at twelve (12) months. Some financing loan discounts, interest buydowns or concessions were found for comparable sales in this market. Other present land uses are public and vacant.									

Topography LevelSizeTypicalDensityHighViewStreet

Specific Zoning ClassificationR-6Zoning DescriptionResidential

Zoning Compliance

☒ Legal

☐ Legal Nonconforming – Do the zoning regulations permit rebuilding to current density?

☐ Yes

☐ No

☐ Unk.

☐ No Zoning

☐ Illegal (describe)

Is the highest and best use of subject property as improved (or as proposed per plans and specifications) the present use?

☒ Yes

☐ No

If No, describe

Utilities	Public	Other (describe)	Public	Other (describe)	Off-site Improvements - Type	Public	Private
Electricity	<input checked="" type="checkbox"/>	<input type="checkbox"/> AEE	Water	<input checked="" type="checkbox"/> AAA	Street Asphalt	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Gas	<input type="checkbox"/>	<input type="checkbox"/> None	Sanitary Sewer	<input checked="" type="checkbox"/> AAA	Alley None	<input type="checkbox"/>	<input type="checkbox"/>
FEMA Special Flood Hazard Area	<input type="checkbox"/> Yes <div><input checked="" type="checkbox"/> No</div>	FEMA Flood Zone	X500	FEMA Map #	72000C0355J	FEMA Map Date	11/18/2009
Are the utilities and off-site improvements typical for the market area? <div><input checked="" type="checkbox"/> Yes<div><input type="checkbox"/> No</div></div> If No, describe							
Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)? <div><input type="checkbox"/> Yes<div><input checked="" type="checkbox"/> No</div></div> If Yes, describe							
There are no apparent adverse assessments, encroachments, or other adverse conditions.							

Data source(s) for project informationOffice Files / Previous Appraisal Reports

Project Description

☐ Detached

☐ Row or Townhouse

☒ Garden

☐ Mid-Rise

☐ High-Rise

☒ Other (describe)

General Description	General Description	Subject Phase	If Project Completed		If Project Incomplete	
# of Stories3	Exterior WallsRC/Avg.	# of Units12	# of Phases1	# of Planned Phases	N/A	
# of Elevators1	Roof SurfaceRC/Avg.	# of Units Completed12	# of Units12	# of Planned Units	N/A	
<input checked="" type="checkbox"/> Existing <div><input type="checkbox"/> Proposed</div>	Total # Parking0	# of Units For Sale1	# of Units for Sale1	# of Units for Sale	N/A	
<input type="checkbox"/> Under Construction	Ratio (spaces/units)0	# of Units Sold12	# of Units Sold12	# of Units Sold	N/A	
Year Built+100	TypeN/A	# of Units RentedUnk	# of Units RentedUnk	# of Units Rented	N/A	
Effective Age15	Guest ParkingN/A	# of Owner Occupied UnitsUnk	# of Owner Occupied UnitsUnk	# of Owner Occupied Units	N/A	

Project Primary Occupancy

☒ Principle Residence

☐ Second Home or Recreational

☐ Tenant

Is the developer/builder in control of the Homeowners' Association (HOA)?

☐ Yes

☒ No

Management Group -

☒ Homeowners' Association

☐ Developer

☐ Management Agent - Provide name of management company.

Does any single entity (the same individual, investor group, corporation, etc.) own more than 10% of the total units in the project?

☐ Yes

☒ No

If Yes, Describe

Was the project created by the conversion of existing building(s) into a condominium?

☒ Yes

☐ No

If Yes, describe the original use and date of conversion.

The subject project was an original multi-unit residential building. Villa Gabriela (Gabriela's House) Condominium was converted into horizontal property regime in 2003.

Are the units, common elements, and recreation facilities complete (including any planned rehabilitation for a condominium conversion)?

☒ Yes

☐ No

If No, describe

Is there any commercial space in the project?

☐ Yes

☒ No

If Yes, describe and indicate the overall percentage of the commercial space.

Freddie Mac Form 466 March 2005

Page 1 of 6

Fannie Mae Form 1075 March 2005

Form 1075 — "WinTOTAL" appraisal software by a la mode, inc. — 1-800-ALAMODE

# Exterior-Only Inspection Individual Condominium Unit Appraisal Report File # Tract 5232

## PROJECT INFORMATION

## PROJECT ANALYSIS

## UNIT IMPROVEMENTS

## PRIOR SALE HISTORY



Exterior-Only Inspection Individual Condominium Unit Appraisal Report													File # Tract 5232			
There are 40 comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ 250,000 to \$ 1,200,000 .																
There are 25 comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ 255,000 to \$ 750,000 .																
FEATURE		SUBJECT			COMPARABLE SALE # 1				COMPARABLE SALE # 2				COMPARABLE SALE # 3			
Address and Unit #		109 De La Cruz Street, Old San Juan, PR 00901			154 Sol Street, Old San Juan Apt. 3-B, San Juan, PR 00901				213 Sol Street, Old San Juan Apt. 1, San Juan, PR 00901				102 Sol Street, Old San Juan Apt. 1, San Juan, PR 00901			
Project Name and Phase		Villa Gabriela (Gabriela's Home) 1			Gaudi Condominium 1				Ricardo Manuel Condominium 1				Solsticio Condominium 1			
Proximity to Subject					0.03 miles NW				0.07 miles NE				0.10 miles W			
Sale Price		\$ N/A			\$ 293.81				\$ 230.43				\$ 309.84			
Sale Price/Gross Liv. Area		\$ sq. ft.			\$ 358,000 sq. ft.				\$ 430,000 sq. ft.				\$ 510,000 sq. ft.			
Data Source(s)					Tasamax.com ID: 128230				Karibe-Registry Tract 4793				Tasamax.com ID: 129122			
Verification Source(s)					Ext. Inspection				Ext. Inspection				Ext. Inspection			
VALUE ADJUSTMENTS		DESCRIPTION			DESCRIPTION +(-) \$ Adjustment				DESCRIPTION +(-) \$ Adjustment				DESCRIPTION +(-) \$ Adjustment			
Sales or Financing Concessions					ArmLth - Cov Not reported				ArmLth - Cash Not reported				ArmLth - Cov Not reported			
Date of Sale/Time					07/31/2020				07/31/2020				08/26/2020			
Location		Old San Juan			Old San Juan				Old San Juan				Old San Juan			
Leasehold/Fee Simple		Fee Simple			Fee Simple				Fee Simple				Fee Simple			
HOA Mo. Assessment		Proportional			Proportional				Proportional				Proportional			
Common Elements and Rec. Facilities		Intercom,Patio Elevator			Similar Elevator				Similar None				Similar None			
Floor Location		3rd			3rd				1st				1st			
View		Street			Street				Street				Street			
Design (Style)		Garden/Avg.			Garden/Avg.				Walk-Up/Avg.				Walk-Up/Avg.			
Quality of Construction		Q4			Q4				Q4				Q4			
Actual Age		+100			+100				+100				+100			
Condition		Average			Good -29.38				Average				Good -30.98			
Above Grade Room Count		Total	Bd rms.	Baths	Total	Bd rms.	Baths		Total	Bd rms.	Baths		Total	Bd rms.	Baths	
		Unk	Unk	Unk	5	2	2.0		6	2	2.0		5	1	2.0	
Gross Living Area		2,043 sq. ft.			1,218 sq. ft.				1,866 sq. ft.				1,646 sq. ft.			
Basement & Finished Rooms Below Grade		None			None				None				None			
Functional Utility		Average			Average				Average				Average			
Heating/Cooling		Unknown			WH/A/C				WH/A/C				WH/A/C			
Energy Efficient Items		Unknown			None				None				None			
Garage/Carport		None			None				None				None			
Porch/Patio/Deck		Unknown			Balcony				Balcony				Balcony			
Others		Unknown			None				None				None			
Net Adjustment (Total)					<input type="checkbox"/> + <input checked="" type="checkbox"/> - \$ -29.38				<input type="checkbox"/> + <input type="checkbox"/> - \$				<input type="checkbox"/> + <input checked="" type="checkbox"/> - \$ -30.98			
Adjusted Sale Price of Comparables					Net Adj. 10.0 % Gross Adj. 10.0 % \$ 264.43				Net Adj. % Gross Adj. % \$ 230.43				Net Adj. 10.0 % Gross Adj. 10.0 % \$ 278.86			
Summary of Sales Comparison Approach The listed transactions refer to three (3) comparable apartments within subject's Old San Juan neighborhood. The comparable sales selected are competitive properties and the best available indicators to value for the subject as of the effective date of the appraisal report. All transactions were analyzed on a price per square foot basis. The transactions selected range in size from 1,218 to 1,866 square feet and provide adjusted price range from \$230.43 to \$278.86 per square foot with a most probable market value rounded of \$260 per square foot. The same weight was given to all comparables. A negative adjustment of 10% was given to comparable sales 1 and 3 to account the superiority in physical condition compared to subject. In summary, a price indication of \$260 per square foot provides a subject value conclusion rounded of \$530,000 (2,043 square foot x \$260 per square foot = \$531,180).																
Indicated Value by Sales Comparison Approach \$ 530,000																
INCOME APPROACH TO VALUE (not required by Fannie Mae)																
Estimated Monthly Market Rent \$ X Gross Rent Multiplier = \$ Indicated Value by Income Approach																
Summary of Income Approach (including support for market rent and GRM) The Income Approach was not developed because the subject-type properties (residential apartments) in the market area are typically purchased as the owners' primary residence.																
Indicated Value by: Sales Comparison Approach \$ 530,000 Income Approach (if developed) \$																
The Cost Approach is not applicable to condo properties. The Sales Comparison Approach was developed as it best reflects the actions of participants in the market place. The Income Approach was discarded since most properties in the area are owner occupied. Final Value estimated was based on Sales Comparison Approach method of valuation.																
This appraisal is made <input checked="" type="checkbox"/> "as is", <input type="checkbox"/> subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed, <input type="checkbox"/> subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed, or <input type="checkbox"/> subject to the following required inspection based on the extraordinary assumption that the condition or deficiency does not require alteration or repair:																
Based on a visual inspection of the exterior areas of the subject property from at least the street, defined scope of work, statement of assumptions and limiting conditions, and appraiser's certification, my (our) opinion of the market value, as defined, of the real property that is the subject of this report is \$ 530,000 , as of 10/30/2020 , which is the date of the exterior inspection and the effective date of this appraisal.																

**Exterior-Only Inspection Individual Condominium Unit Appraisal Report** File # Tract 5232

This report form is designed to report an appraisal of a unit in a condominium project or a condominium unit in a planned unit development (PUD). This report form is not designed to report an appraisal of a manufactured home or a unit in a cooperative project.

This appraisal report is subject to the following scope of work, intended use, intended user, definition of market value, statement of assumptions and limiting conditions, and certifications. Modifications, additions, or deletions to the intended use, intended user, definition of market value, or assumptions and limiting conditions are not permitted. The appraiser may expand the scope of work to include any additional research or analysis necessary based on the complexity of this appraisal assignment. Modifications or deletions to the certifications are also not permitted. However, additional certifications that do not constitute material alterations to this appraisal report, such as those required by law or those related to the appraiser's continuing education or membership in an appraisal organization, are permitted.

**SCOPE OF WORK:** The scope of work for this appraisal is defined by the complexity of this appraisal assignment and the reporting requirements of this appraisal report form, including the following definition of market value, statement of assumptions and limiting conditions, and certifications. The appraiser must, at a minimum: (1) perform a visual inspection of the exterior areas of the subject property from at least the street, (2) inspect and analyze the condominium project, (3) inspect the neighborhood, (4) inspect each of the comparable sales from at least the street, (5) research, verify, and analyze data from reliable public and/or private sources, and (6) report his or her analysis, opinions, and conclusions in this appraisal report.

The appraiser must be able to obtain adequate information about the physical characteristics (including, but not limited to, condition, room count, gross living area, etc.) of the subject property from the exterior-only inspection and reliable public and/or private sources to perform this appraisal. The appraiser should use the same type of data sources that he or she uses for comparable sales such as, but not limited to, multiple listing services, tax and assessment records, prior inspections, appraisal files, information provided by the property owner, etc.

**INTENDED USE:** The intended use of this appraisal report is for the lender/client to evaluate the property that is the subject of this appraisal for a mortgage finance transaction.

**INTENDED USER:** The intended user of this appraisal report is the lender/client.

**DEFINITION OF MARKET VALUE:** The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, 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: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what he or she considers his or her own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U. S. dollars or in terms of financial arrangements comparable thereto; and (5) 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.

\*Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgment.

**STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS:** The appraiser's certification in this report is subject to the following assumptions and limiting conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it, except for information that he or she became aware of during the research involved in performing this appraisal. The appraiser assumes that the title is good and marketable and will not render any opinions about the title.
2. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in this appraisal report whether any portion of the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
3. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand, or as otherwise required by law.
4. The appraiser has noted in this appraisal report any adverse conditions (such as needed repairs, deterioration, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the research involved in performing this appraisal. Unless otherwise stated in this appraisal report, the appraiser has no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the property (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) that would make the property less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, this appraisal report must not be considered as an environmental assessment of the property.
5. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that the completion, repairs, or alterations of the subject property will be performed in a professional manner.

**Exterior-Only Inspection Individual Condominium Unit Appraisal Report** File # Tract 5232**APPRAISER'S CERTIFICATION:** The Appraiser certifies and agrees that:

1. I have, at a minimum, developed and reported this appraisal in accordance with the scope of work requirements stated in this appraisal report.
2. I have performed a visual inspection of the exterior areas of the subject property from at least the street. I have reported the condition of the improvements in factual, specific terms. I have identified and reported the physical deficiencies that could affect the livability, soundness, or structural integrity of the property.
3. I performed this appraisal in accordance with the requirements of the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
4. I developed my opinion of the market value of the real property that is the subject of this report based on the sales comparison approach to value. I have adequate comparable market data to develop a reliable sales comparison approach for this appraisal assignment. I further certify that I considered the cost and income approaches to value but did not develop them, unless otherwise indicated in this report.
5. I researched, verified, analyzed, and reported on any current agreement for sale for the subject property, any offering for sale of the subject property in the twelve months prior to the effective date of this appraisal, and the prior sales of the subject property for a minimum of three years prior to the effective date of this appraisal, unless otherwise indicated in this report.
6. I researched, verified, analyzed, and reported on the prior sales of the comparable sales for a minimum of one year prior to the date of sale of the comparable sale, unless otherwise indicated in this report.
7. I selected and used comparable sales that are locationally, physically, and functionally the most similar to the subject property.
8. I have not used comparable sales that were the result of combining a land sale with the contract purchase price of a home that has been built or will be built on the land.
9. I have reported adjustments to the comparable sales that reflect the market's reaction to the differences between the subject property and the comparable sales.
10. I verified, from a disinterested source, all information in this report that was provided by parties who have a financial interest in the sale or financing of the subject property.
11. I have knowledge and experience in appraising this type of property in this market area.
12. I am aware of, and have access to, the necessary and appropriate public and private data sources, such as multiple listing services, tax assessment records, public land records and other such data sources for the area in which the property is located.
13. I obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable sources that I believe to be true and correct.
14. I have taken into consideration the factors that have an impact on value with respect to the subject neighborhood, subject property, and the proximity of the subject property to adverse influences in the development of my opinion of market value. I have noted in this appraisal report any adverse conditions (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) observed during the inspection of the subject property or that I became aware of during the research involved in performing this appraisal. I have considered these adverse conditions in my analysis of the property value, and have reported on the effect of the conditions on the value and marketability of the subject property.
15. I have not knowingly withheld any significant information from this appraisal report and, to the best of my knowledge, all statements and information in this appraisal report are true and correct.
16. I stated in this appraisal report my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the assumptions and limiting conditions in this appraisal report.
17. I have no present or prospective interest in the property that is the subject of this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or opinion of market value in this appraisal report on the race, color, religion, sex, age, marital status, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property or on any other basis prohibited by law.
18. My employment and/or compensation for performing this appraisal or any future or anticipated appraisals was not conditioned on any agreement or understanding, written or otherwise, that I would report (or present analysis supporting) a predetermined specific value, a predetermined minimum value, a range or direction in value, a value that favors the cause of any party, or the attainment of a specific result or occurrence of a specific subsequent event (such as approval of a pending mortgage loan application).
19. I personally prepared all conclusions and opinions about the real estate that were set forth in this appraisal report. If I relied on significant real property appraisal assistance from any individual or individuals in the performance of this appraisal or the preparation of this appraisal report, I have named such individual(s) and disclosed the specific tasks performed in this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in this appraisal report; therefore, any change made to this appraisal is unauthorized and I will take no responsibility for it.
20. I identified the lender/client in this appraisal report who is the individual, organization, or agent for the organization that ordered and will receive this appraisal report.

Exterior-Only Inspection Individual Condominium Unit Appraisal Report

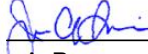
File # Tract 5232

21. The lender/client may disclose or distribute this appraisal report to: the borrower; another lender at the request of the borrower; the mortgagee or its successors and assigns; mortgage insurers; government sponsored enterprises; other secondary market participants; data collection or reporting services; professional appraisal organizations; any department, agency, or instrumentality of the United States; and any state, the District of Columbia, or other jurisdictions; without having to obtain the appraiser's or supervisory appraiser's (if applicable) consent. Such consent must be obtained before this appraisal report may be disclosed or distributed to any other party (including, but not limited to, the public through advertising, public relations, news, sales, or other media).
22. I am aware that any disclosure or distribution of this appraisal report by me or the lender/client may be subject to certain laws and regulations. Further, I am also subject to the provisions of the Uniform Standards of Professional Appraisal Practice that pertain to disclosure or distribution by me.
23. The borrower, another lender at the request of the borrower, the mortgagee or its successors and assigns, mortgage insurers, government sponsored enterprises, and other secondary market participants may rely on this appraisal report as part of any mortgage finance transaction that involves any one or more of these parties.
24. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.
25. Any intentional or negligent misrepresentation(s) contained in this appraisal report may result in civil liability and/or criminal penalties including, but not limited to, fine or imprisonment or both under the provisions of Title 18, United States Code, Section 1001, et seq., or similar state laws.

**SUPERVISORY APPRAISER'S CERTIFICATION:** The Supervisory Appraiser certifies and agrees that:

1. I directly supervised the appraiser for this appraisal assignment, have read the appraisal report, and agree with the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
2. I accept full responsibility for the contents of this appraisal report including, but not limited to, the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
3. The appraiser identified in this appraisal report is either a sub-contractor or an employee of the supervisory appraiser (or the appraisal firm), is qualified to perform this appraisal, and is acceptable to perform this appraisal under the applicable state law.
4. This appraisal report complies with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
5. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

APPRAISER

Signature   
Name Jose A. Roman  
Company Name Jose A. Roman  
Company Address Los Tasadores.com  
360 Calle Baleares, Puerto Nuevo, San Juan, PR 00920  
Telephone Number 1(855) TASADOR  
Email Address lostasadorespr@gmail.com  
Date of Signature and Report 11/17/2020  
Effective Date of Appraisal 10/30/2020  
State Certification # 160CR  
or State License # 1002EPA  
or Other \_\_\_\_\_  
State PR  
Expiration Date of Certification or License 05/22/2021

ADDRESS OF PROPERTY APPRAISED  
109 De La Cruz Street, Old San Juan, # PH-B  
San Juan, PR 00901  
APPRAISED VALUE OF SUBJECT PROPERTY \$ 530,000  
LENDER/CLIENT  
Name Mr. Mark A. Kornfeld - Receiver  
Company Name Quarles & Brady LLP  
Company Address 101 East Kennedy Blvd., Suite 3400, Tampa,  
FL 33602-5195  
Email Address mark.kornfeld@quarles.com

SUPERVISORY APPRAISER (ONLY IF REQUIRED)

Signature \_\_\_\_\_  
Name \_\_\_\_\_  
Company Name \_\_\_\_\_  
Company Address \_\_\_\_\_  
Telephone Number \_\_\_\_\_  
Email Address \_\_\_\_\_  
Date of Signature \_\_\_\_\_  
State Certification # \_\_\_\_\_  
or State License # \_\_\_\_\_  
State \_\_\_\_\_  
Expiration Date of Certification or License \_\_\_\_\_

SUBJECT PROPERTY

- ☐ Did not inspect subject property  
☐ Did inspect exterior of subject property from street  
Date of Inspection \_\_\_\_\_

COMPARABLE SALES

- ☐ Did not inspect exterior of comparable sales from street  
☐ Did inspect exterior of comparable sales from street  
Date of Inspection \_\_\_\_\_



Subject Photo Page

Client	Mr. Mark A. Kornfeld - Receiver				
Property Address	109 De La Cruz Street, Old San Juan, Apt. PH-B, Villa Gabriela Condominium				
City	San Juan	County	127	State	PR Zip Code 00901
Owner	Michael Scott Williams				

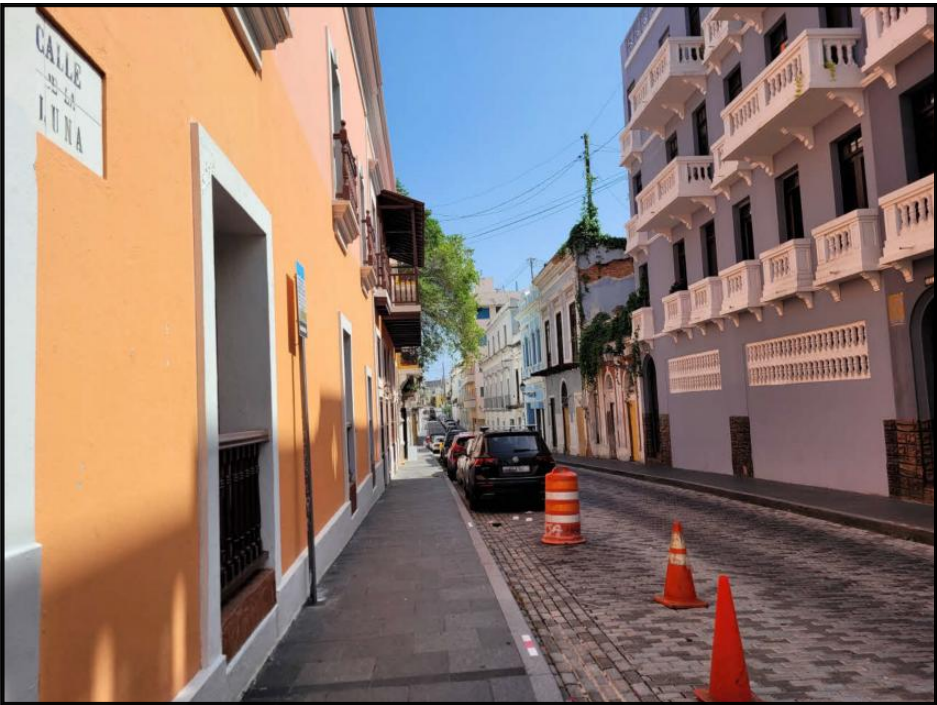


Subject Front

109 De La Cruz Street, Old San Juan, Apt  
Sales Price N/A  
Gross Living Area 2,043  
Total Rooms Unk  
Total Bedrooms Unk  
Total Bathrooms Unk  
Location Old San Juan  
View Street  
Site Typical  
Quality Q4  
Age +100



Subject Side



Subject Street



Comparable Photo Page

Client	Mr. Mark A. Kornfeld - Receiver				
Property Address	109 De La Cruz Street, Old San Juan, Apt. PH-B, Villa Gabriela Condominium				
City	San Juan	County	127	State	PR Zip Code 00901
Owner	Michael Scott Williams				



Comparable 1

154 Sol Street, Old San Juan	
Prox. to Subject	0.03 miles NW
Sales Price	293.81
Gross Living Area	1,218
Total Rooms	5
Total Bedrooms	2
Total Bathrooms	2.0
Location	Old San Juan
View	Street
Site	Typical
Quality	Q4
Age	+100



Comparable 2

213 Sol Street, Old San Juan	
Prox. to Subject	0.07 miles NE
Sales Price	230.43
Gross Living Area	1,866
Total Rooms	6
Total Bedrooms	2
Total Bathrooms	2.0
Location	Old San Juan
View	Street
Site	Typical
Quality	Q4
Age	+100

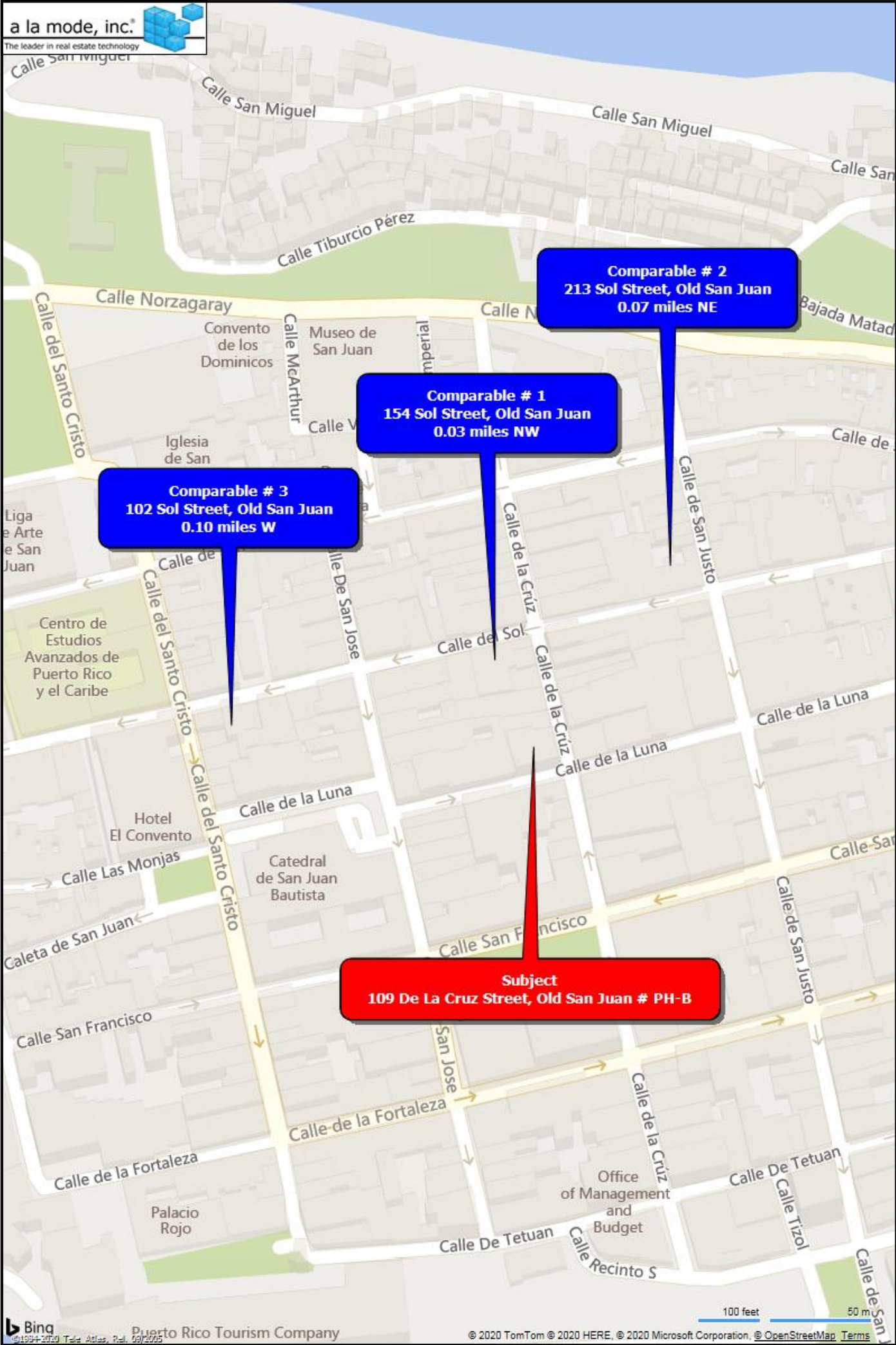


Comparable 3

102 Sol Street, Old San Juan	
Prox. to Subject	0.10 miles W
Sales Price	309.84
Gross Living Area	1,646
Total Rooms	5
Total Bedrooms	1
Total Bathrooms	2.0
Location	Old San Juan
View	Street
Site	Typical
Quality	Q4
Age	+100

Location Map

Client	Mr. Mark A. Kornfeld - Receiver			
Property Address	109 De La Cruz Street, Old San Juan, Apt. PH-B, Villa Gabriela Condominium			
City	San Juan	County	127	State PR Zip Code 00901
Owner	Michael Scott Williams			





Legal Description

APARTAMENTO PENTHOUSE "B" (PH-B) URBANA: PROPIEDAD HORIZONTAL. Apartamento PH B, localizado en el tercer piso del Condominio Gabriela's House, con una cabida superficial de dos mil cuarenta y dos punto ocho pies cuadrados (2,042.8 pc), equivalentes a ciento ochenta y nueve punto ocho metros cuadrados (189.8 mc). Colinda por el **Norte**, en una distancia de cincuenta y nueve pies nueve punto cinco pulgadas (59'9.5") equivalentes a dieciocho punto dos metros (18.2 m), con la pared exterior del Condominio que da hacia la colindancia con la propiedad marcada con el número ciento siete (107) de la Calle Cruz; por el **Sur**, en una distancia de cincuenta y siete pies nueve punto cinco pulgadas (57'9.5"), equivalentes a dieciocho punto dos metros (18.2 m), con la pared exterior del Condominio que da hacia la colindancia con la Calle Luna; por el **Este**, en una distancia de cincuenta y dos pies con seis pulgadas (52'6"), equivalentes a dieciséis metros (16.00) con la pared exterior del Condominio que da hacia la colindancia con la propiedad marcada con el doscientos uno (201) de la Calle Luna y por el **Oeste**, en una distancia de cincuenta y dos pies con seis pulgadas (52'6"), equivalentes a dieciséis metros (16.00 m) con la pared exterior del Condominio que da hacia la colindancia con el apartamento Penthouse A ("PH-A"). A este apartamento le corresponde un once punto cinco, cero, uno, tres por ciento (11.5013%) de los elementos Comunes del Condominio. Inscrita al folio 124 del tomo 195 de San Juan, Finca número 5232, Primera Sección del Registro de la Propiedad de San Juan.



USPAP Compliance Addendum

Loan #  
File # Tract 5232

Client	Mr. Mark A. Kornfeld - Receiver		
Property Address	109 De La Cruz Street, Old San Juan, Apt. PH-B, Villa Gabriela Condominium		
City	San Juan	County 127	State PR Zip Code 00901
Owner	Michael Scott Williams		

APPRAISAL AND REPORT IDENTIFICATION

This Appraisal Report is one of the following types:

☐ Appraisal Report

☒ Restricted Appraisal Report

This report was prepared in accordance with the requirements of the Appraisal Report option of USPAP Standards Rule 2-2(a).

This report was prepared in accordance with the requirements of the Restricted Appraisal Report option of USPAP Standards Rule 2-2(b). The intended user of this report is limited to the identified client. This is a Restricted Appraisal Report and the rationale for how the appraiser arrived at the opinions and conclusions set forth in the report may not be understood properly without the additional information in the appraiser's workfile.

Appraisal Was Prepared In Accordance With The Requirements Of Title Xi Of The Financial Institutions Reform, Recovery And Enforcement Act Of 1989, As Amended (12 U.S.C. 3331 Et Seq.) And Any Implementing Regulations.

ADDITIONAL CERTIFICATIONS

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

The statements of fact contained in this report are true and correct.

The report analyses, opinions, and conclusions are limited only by the reported assumptions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.

I have no (or the specified) present or prospective interest in the property that is the subject of this report and no (or specified) personal interest with respect to the parties involved.

I have no bias with respect to the property that is the subject of this report or the parties involved with this assignment.

My engagement in this assignment was not contingent upon developing or reporting predetermined results.

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.

My analyses, opinions, and conclusions were developed and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.

This appraisal report was prepared in accordance with the requirements of Title XI of FIRREA and any implementing regulations.

PRIOR SERVICES

☒ I have NOT performed services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

☐ I HAVE performed services, as an appraiser or in another capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment. Those services are described in the comments below.

PROPERTY INSPECTION

☒ I have NOT made a personal inspection of the property that is the subject of this report.

☐ I HAVE made a personal inspection of the property that is the subject of this report.

APPRAISAL ASSISTANCE

Unless otherwise noted, no one provided significant real property appraisal assistance to the person signing this certification. If anyone did provide significant assistance, they are hereby identified along with a summary of the extent of the assistance provided in the report.

Mr. Francisco J. Otero Valentin (1302EPA) provided significant professional assistance to the person signing this report.

ADDITIONAL COMMENTS


Additional USPAP related issues requiring disclosure and/or any state mandated requirements: As part of the scope of the assignment a "drive-by" inspection and / or an exterior observation of the subject project was carried out as per the client request. Moreover, this valuation report was carried out and makes reference to a copy of the legal description submitted by the client and previous appraisal reports of others units within the subject project. As such, this appraisal report assumed that the physical condition of the subject unit can be rated as average (C3) in general. Appraiser thereon assumes no responsibility and / or liability. Therefore, any discrepancy in the future will render the concluded value null and void.

MARKETING TIME AND EXPOSURE TIME FOR THE SUBJECT PROPERTY

☒ A reasonable marketing time for the subject property is 180 to 360 day(s) utilizing market conditions pertinent to the appraisal assignment.

☒ A reasonable exposure time for the subject property is 180 to 360 day(s).

APPRAISER SUPERVISORY APPRAISER (ONLY IF REQUIRED)

Signature 

Name Jose A. Roman

Date of Signature 11/17/2020

State Certification # 160CR

or State License # 1002EPA

State PR

Expiration Date of Certification or License 05/22/2021

Effective Date of Appraisal 10/30/2020

Signature

Name

Date of Signature

State Certification #

or State License #

State

Expiration Date of Certification or License

Supervisory Appraiser Inspection of Subject Property

☐ Did Not

☐ Exterior-only from Street

☐ Interior and Exterior

Appraiser Independence Certification


I do hereby certify, I have followed the appraiser independence safeguards in compliance with Appraisal Independence and any applicable state laws I may be required to comply with. This includes but is not limited to the following:

- I am currently licensed and/or certified by the state in which the property to be appraised is located My license is the appropriate license for the appraisal assignment(s) and is reflected on the appraisal report.
- I certify that there have been no sanctions against me for any reason that would impair my ability to perform appraisals pursuant to the required guidelines.

I assert that no employee, director, officer, or agent of Mr. Mark A. Kornfeld - Receiver, or any other third party acting as joint venture partner, independent contractor, appraisal management company, or partner on behalf of Mr. Mark A. Kornfeld - Receiver, influenced, or attempted to influence the development, reporting, result, or review of my appraisal through coercion, extortion, collusion, compensation, inducement, intimidation, bribery, or in any other manner.

I further assert that Mr. Mark A. Kornfeld - Receiver has never participated in any of the following prohibited behavior in our business relationship:

- 1) Withholding or threatening to withhold timely payment or partial payment for an appraisal report;
- 2) Withholding or threatening to withhold future business with me, or demoting or terminating or threatening to demote or terminate me;
- 3) Expressly or impliedly promising future business, promotions, or increased compensation for myself;
- 4) Conditioning the ordering of my appraisal report or the payment of my appraisal fee or salary or bonus on the opinion, conclusion, or valuation to be reached, or on a preliminary value estimate requested from me;
- 5) Requesting that I provide an estimated, predetermined, or desired valuation in an appraisal report prior to the completion of the appraisal report, or requesting that I provide estimated values or comparable sales at any time prior to my completion of an appraisal report;
- 6) Provided me an anticipated, estimated, encouraged, or desired value for a subject property or a proposed or target amount to be loaned to the borrower, except that a copy of the sales contract for purchase transactions may be provided;
- 7) Provided to me, or my appraisal company, or any entity or person related to me as appraiser, appraisal company, stock or other financial or non-financial benefits;
- 8) Any other act or practice that impairs or attempts to impair my independence, objectivity, or impartiality or violates law or regulation, including, but not limited to, the Truth in Lending Act (TILA) and Regulation Z, or the USPAP.

  
\_\_\_\_\_  
Signature

\_\_\_\_\_  
Jose A. Roman  
Appraiser's Name

\_\_\_\_\_  
MIE #459  
State Title or Designation

\_\_\_\_\_  
11/17/2020  
Date

\_\_\_\_\_  
160CR  
State License or Certification #

\_\_\_\_\_  
05/22/2021  
Expiration Date of License or Certification

\_\_\_\_\_  
PR  
State

\_\_\_\_\_  
109 De La Cruz Street, Old San Juan, Apt. PH-B, Villa Gabriela Condominium  
Address of Property Appraised

Appraiser’s License and Residential Certification (E&O Insurance NOT required in PR)

Client	Mr. Mark A. Kornfeld - Receiver			
Property Address	109 De La Cruz Street, Old San Juan, Apt. PH-B, Villa Gabriela Condominium			
City	San Juan	County	127	State PR Zip Code 00901
Owner	Michael Scott Williams			

RENOVACIÓN APROBADA: 26 de abril, 2017  
RENEWAL APPROVED ON: April 26, 2017



Gobierno de Puerto Rico  
Government of Puerto Rico

DEPARTAMENTO DE ESTADO  
Department of State

Secretaría Auxiliar de Juntas Examinadoras  
Office of the Assistant Secretary of State for Examining Boards

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

por la presente certifica que  
hereby certifies that

**José A. Román Maradiaga**

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

**Evaluador Profesional Certificación Residencial**  
Certified Residential Professional Appraiser

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

En San Juan, Puerto Rico, hoy 23 de mayo de 2017  
In San Juan, Puerto Rico, on May 23, 2017.

Número de Certificado: 160CR  
Certificate Number

Vencimiento: 22 de mayo de 2021  
Expires: May 22, 2021





José A. Román Maradiaga  
Presidente  
(Board President)



Mariana E. Cortina Aldobol  
Directora  
Director

Appraiser's Certification  
PR: 160CR



Gobierno de Puerto Rico  
Government of Puerto Rico

DEPARTAMENTO DE ESTADO  
Department of State

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

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

por la presente certifica que  
hereby certifies that

**José A. Román Maradiaga**

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

**Evaluador Profesional Autorizado Licencia Estatal**  
State Licensed Professional Appraiser

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

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

En San Juan, Puerto Rico, hoy 09 de marzo de 2020  
In San Juan, Puerto Rico, on March 09, 2020.

Número de Licencia: 1002EPA  
License Number: 1002EPA

Efectividad: 09 de marzo de 2020 al 01 de marzo de 2024  
Valid: March 09, 2020 to March 01, 2024

Vencimiento: 01 de marzo de 2024  
Expires: March 01, 2024





José D. Robles Koether  
Presidente  
(Board President)



Mariana E. Cortina Aldobol  
Secretaría Auxiliar  
(Assistant Secretary)

Appraiser's State License  
PR: 1002EPA

Form PICLG2 — "WinTOTAL" appraisal software by a la mode, inc. — 1-800-ALAMODE

SEC vs. Kinetic Investment Group, LLC, et al  
CASE NO.: 8:20-cv-394

## EXHIBIT “3” Part 3



**File No.:** 181-2020-0167 (2-E)

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Form GP-CONDO - "TOTAL" appraisal software by a la mode, inc. - 1-800-AI-AMODE 6/2007

INDIVIDUAL CONDO UNIT APPRAISAL REPORT

File No.: 181-2020-0167 (2-E)

PROJECT ANALYSIS

Summary of condominium project budget analysis for the current year (if analyzed):  
The condominium project budged is a private document that was not available for analysis. However, the subject HOA fees are at par with other competitive condominiums with similar facilities along the subject market area.

Other fees for the use of the project facilities (other than regular HOA charges):  
No

Compared to other competitive projects of similar quality and design, the subject unit charge appears  
☐ High ☒ Average ☐ Low (If High or Low, describe)

Are there any special or unusual characteristics of the project (based on the condominium documents, HOA meetings, or other information) known to the appraiser?  
☐ Yes ☒ No If Yes, describe and explain the effect on value and marketability.  
The HOA fees were not made available. See addenda for extraordinary assumptions.

DESCRIPTION OF THE UNIT IMPROVEMENTS

Unit Charge: \$ Not providec per month X 12 = \$ N/A per year. Annual assessment charge per year per SF of GLA = \$

Utilities included in the Unit Charge: ☐ None ☐ Heat ☐ Air Conditioning ☐ Electricity ☐ Gas ☐ Water ☐ Sewer ☐ Cable ☐ Other

Source(s) used for physical characteristics of property: ☐ New Inspection ☐ Previous Appraisal Files ☐ MLS ☐ Assessment and Tax Records ☐ Prior Inspection  
☐ Property Owner ☒ Other (describe) Client Data Source for Gross Living Area

General Description	Exterior Description	Foundation <input type="checkbox"/> N/A	Basement <input checked="" type="checkbox"/> N/A	Heating	None
Floor Location Three	Foundation Reinf. Concrete	Slab Concrete	Area Sq. Ft.	Type	N/A
# of Levels One	Exterior Walls RC/Masonry	Crawl Space No	% Finished	Fuel	N/A
Design (Style) Average	Roof Surface RC/Masonry	Basement No	Ceiling		
<input type="checkbox"/> Existing <input type="checkbox"/> Proposed	Gutters & Dwnspts. Adequate	Sump Pump <input type="checkbox"/> No	Walls	Cooling	Yes (Assumed)
<input type="checkbox"/> Under Construction	Window Type Wood	Dampness <input type="checkbox"/> No	Floor	Central	No
Actual Age (Yrs.) 120	Storm/Screens No/No	Settlement No	Outside Entry	Other	Yes
Effective Age (Yrs.) 25		Infestation No		Type	Unknown

Interior Description	Appliances	Attic <input type="checkbox"/> N/A	Amenities	Car Storage <input checked="" type="checkbox"/> None
Floors Marble/Ceramic/Gd.	Refrigerator <input type="checkbox"/>	Stairs <input type="checkbox"/>	Fireplace(s) # Woodstove(s) # None	<input type="checkbox"/> Garage #
Walls Concrete/Avg.	Range/Oven <input type="checkbox"/>	Drop Stair <input type="checkbox"/>	Patio No	<input type="checkbox"/> Covered #
Trim/Finish Plaster/Avg.	Disposal <input type="checkbox"/>	Scuttle <input type="checkbox"/>	Deck No	<input type="checkbox"/> Open #
Bath Floor Marble/Good	Dishwasher <input type="checkbox"/>	Doorway <input type="checkbox"/>	Porch No	Total # of cars
Bath Wainscot Ceramic/Avg.	Fan/Hood <input type="checkbox"/>	Floor <input type="checkbox"/>	Fence No	<input type="checkbox"/> Assigned
Doors Woo/Good	Microwave <input type="checkbox"/>	Heated <input type="checkbox"/>	Pool No	<input type="checkbox"/> Owned
	Washer/Dryer <input type="checkbox"/>	Finished <input type="checkbox"/>	Balcony Yes	Space #(s)

Finished area above grade contains: 5 Rooms 2 Bedrooms 2 Bath(s) 1,232 Square Feet of Gross Living Area Above Grade

Are the heating and cooling for the individual units separately metered? ☐ Yes ☒ No (If No, describe) Heating system is not typical in tropical Islands like Puerto Rico.

Additional features: The legal description does not stipulates the interior floor layout. The room count presented above was assumed based on comparison with other properties with similar square footage.

Describe the condition of the property (including physical, functional and external obsolescence): Per the client's request, this appraisal was based on an exterior inspection only. As such, It was assumed that the interior physical condition of the subject is similar to the exterior condition, which was considered to be average to good.

TRANSFER HISTORY

My research ☐ did ☒ did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.

Data Source(s): Public records, CRIM, tasaMax, Inc., Abreu Comparable Sales

1st Prior Subject Sale/Transfer	Analysis of sale/transfer history and/or any current agreement of sale/listing: N/A
Date:	
Price:	
Source(s):	
2nd Prior Subject Sale/Transfer	
Date:	
Price:	
Source(s):	

## **SALES COMPARISON APPROACH**

[illegible]

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INDIVIDUAL CONDO UNIT APPRAISAL REPORT

File No.: 181-2020-0167 (2-E)

INCOME APPROACH

INCOME APPROACH TO VALUE (if developed)

☒ The Income Approach was not developed for this appraisal.

FEATURE	SUBJECT	COMPARABLE RENTAL # 1				COMPARABLE RENTAL # 2				COMPARABLE RENTAL # 3			
Address	De La Cruz 109 Apt 2-E San Juan, PR 00901												
Project Phase	Gabriela's House (Villa Gabriela)												
Proximity to Subject													
Current Monthly Rent	\$			\$			\$			\$			\$
Rent/GLA	\$ /sq.ft.			\$ /sq.ft.			\$ /sq.ft.			\$ /sq.ft.			\$ /sq.ft.
Rent Control	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No			<input type="checkbox"/> Yes <input type="checkbox"/> No			<input type="checkbox"/> Yes <input type="checkbox"/> No		<input type="checkbox"/> Yes <input type="checkbox"/> No			
Data Source(s)													
Date of Lease(s)													
Location	Average												
View													
Age	120+												
Condition	Avg. to good												
Above Grade	Total Bdrms Baths	Total	Bdrms	Baths		Total	Bdrms	Baths		Total	Bdrms	Baths	
Room Count	5 2 2												
Gross Living Area	1,232 sq.ft.	sq.ft.				sq.ft.				sq.ft.			
Utilities Included													
Summary of Income Approach (including support for market rent and GRM):													
Opinion of Monthly Market Rent \$ X Gross Rent Multiplier = \$ Indicated Value by Income Approach													

COST

COST APPROACH TO VALUE (if developed)

☒ The Cost Approach was not developed for this appraisal.

Summary of Cost Approach:

RECONCILIATION

Indicated Value by: Sales Comparison Approach \$ 350,000 Cost Approach (if developed) \$ Income Approach (if developed) \$

Final Reconciliation Only the sales comparison approach was applicable. See addenda for valuation methodology.

This appraisal is made ☒ "as is", ☐ subject to completion per plans and specifications on the basis of a Hypothetical Condition that the improvements have been completed, ☐ subject to the following repairs or alterations on the basis of a Hypothetical Condition that the repairs or alterations have been completed, ☐ subject to the following required inspection based on the Extraordinary Assumption that the condition or deficiency does not require alteration or repair: No liability is assumed for the structural or mechanical elements of the subject improvements and it is assumed, that they comply with the required building codes.

See addenda for other comments.

☒ This report is also subject to other Hypothetical Conditions and/or Extraordinary Assumptions as specified in the attached addenda.

Based on the degree of inspection of the subject property, as indicated below, defined Scope of Work, Statement of Assumptions and Limiting Conditions, and Appraiser's Certifications, my (our) Opinion of the Market Value (or other specified value type), as defined herein, of the real property that is the subject of this report is: \$ 350,000 , as of: December 8, 2020 , which is the effective date of this appraisal. If indicated above, this Opinion of Value is subject to Hypothetical Conditions and/or Extraordinary Assumptions included in this report. See attached addenda.

ATTACHMENTS

A true and complete copy of this report contains 16 pages, including exhibits which are considered an integral part of the report. This appraisal report may not be properly understood without reference to the information contained in the complete report.

Attached Exhibits:

☒ Scope of Work

☒ Limiting Cond./Certifications

☒ Narrative Addendum

☒ Photograph Addenda

☐ Sketch Addendum

☒ Map Addenda

☐ Additional Sales

☐ Additional Rentals

☒ Flood Addendum

☐ Hypothetical Conditions

☒ Extraordinary Assumptions

☐ Budget Analysis

☐

☐

☐

SIGNATURES

Client Contact: Ivon Paddock Client Name: Quarles & Brady LLP

E-Mail: ivon.paddock@quarles.com Address: 701 Pennsylvania Avenue, NW, Suite 700 / Washington, DC 20006-580

APPRaiser



Appraiser Name: Juan R. Rivera Vega, SRA, MRICS

Company: Integra Realty Resources Caribbean/Puerto Rico

Phone: 787.782.4974 Fax:

E-Mail: jrivera@irr.com

Date of Report (Signature): 12/08/2020

License or Certification #: 725EPA/169CG State: PR

Designation: SRA, MRICS

Expiration Date of License or Certification: 1/17/2021-2/24/2023

Inspection of Subject: ☐ Interior & Exterior ☒ Exterior Only ☐ None

Date of Inspection: December 8, 2020

SUPERVISORY APPRAISER (if required) or CO-APPRAISER (if applicable)

Supervisory or Co-Appraiser Name:

Company:

Phone: Fax:

E-Mail:

Date of Report (Signature):

License or Certification #: State:

Designation:

Expiration Date of License or Certification:

Inspection of Subject: ☐ Interior & Exterior ☐ Exterior Only ☒ None

Date of Inspection:

GP CONDO

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6/2007



<b>Client:</b>	Quarles & Brady LLP	<b>Client File #:</b>	
<b>Subject Property:</b>	109 Calle De La Cruz Apt 2-E, San Juan, PR 00901	<b>Appraisal File #:</b>	181-2020-0167 (2-E)

**STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS**

This appraisal is subject to the following assumptions and limiting conditions:

- This report is prepared using forms developed and copyrighted by the Appraisal Institute. However, the content, analyses, and opinions set forth in this report are the sole product of the appraiser. The Appraisal Institute is not liable for any of the content, analyses, or opinions set forth herein.
- No responsibility is assumed for matters legal in character or nature. No opinion is rendered as to title, which is assumed to be good and marketable. All existing liens, encumbrances, and assessments have been disregarded, unless otherwise noted, and the property is appraised as though free and clear, having responsible ownership and competent management.
- I have examined the property described herein exclusively for the purposes of identification and description of the real property. The objective of my data collection is to develop an opinion of the highest and best use of the subject property and make meaningful comparisons in the valuation of the property. The appraiser's observations and reporting of the subject improvements are for the appraisal process and valuation purposes only and should not be considered as a warranty of any component of the property. This appraisal assumes (unless otherwise specifically stated) that the subject is structurally sound and all components are in working condition.
- I will not be required to give testimony or appear in court because of having made an appraisal of the property in question, unless specific arrangements to do so have been made in advance, or as otherwise required by law.
- I have noted in this appraisal report any significant adverse conditions (such as needed repairs, depreciation, the presence of hazardous wastes, toxic substances, etc.) discovered during the data collection process in performing the appraisal. Unless otherwise stated in this appraisal report, I have no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the property (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) that would make the property less valuable, and have assumed that there are no such conditions and make no guarantees or warranties, express or implied. I will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because I am not an expert in the field of environmental hazards, this appraisal report must not be considered as an environmental assessment of the property. I obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable public and/or private sources that I believe to be true and correct.
- I will not disclose the contents of this appraisal report except as provided for in the Standards and Ethical Rules under which this appraisal was developed and reported and/or applicable federal, state or local laws.
- The Client is the party or parties who engage an appraiser (by employment contract) in a specific assignment. A party receiving a copy of this report from the client does not, as a consequence, become a party to the appraiser-client relationship. Any person who receives a copy of this appraisal report as a consequence of disclosure requirements that apply to an appraiser's client, does not become an intended user of this report unless the client specifically identified them at the time of the assignment. The appraiser's written consent and approval must be obtained before this appraisal report can be conveyed by anyone to the public through advertising, public relations, news, sales, or other media.
- If this valuation conclusion is subject to satisfactory completion, repairs, or alterations, it is assumed that the improvements will be completed competently and without significant deviation.

**VALUE DEFINITION**

☒ Market Value Definition (below)

☐ Alternate Value Definition (attached)

MARKET VALUE is defined as the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and 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:

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised and acting in what they consider their own best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. 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.

Source: The Dictionary of Real Estate Appraisal, 6th ed., Appraisal Institute

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Client:	Quarles & Brady LLP	Client File #:	
Subject Property:	109 Calle De La Cruz Apt 2-E, San Juan, PR 00901	Appraisal File #:	181-2020-0167 (2-E)

**APPRAISER CERTIFICATION**

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

- The statements of fact contained in this report are true and correct.
- The reported analysis, opinions, and conclusions are limited only by the report assumptions and limiting conditions, and are my personal, unbiased professional analysis, opinions, and conclusions.
- I have no present (unless specified below) or prospective interest in the property that is the subject of this report, and I have no (unless specified below) personal interest with respect to the parties involved.
- I have no bias with respect to any property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon the developing or reporting predetermined results.
- 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.
- My analysis, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- Individuals who have provided significant real property appraisal assistance are named below. The specific tasks performed by those named are outlined in the Scope of Work section of this report.

☒ None ☐ Name(s)

As previously identified in the Scope of Work section of this report, the signer(s) of this report certify to the inspection of the property that is the subject of this report as follows:

Property Inspected by Appraiser ☒ Yes ☐ No

Property Inspected by Co-Appraiser ☐ Yes ☒ No

- Services provided, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment: ☒ None ☐ Specify services provided: I have not performed prior services, as an appraiser, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

**ADDITIONAL CERTIFICATION FOR APPRAISAL INSTITUTE MEMBERS, CANDIDATES AND PRACTICING AFFILIATES**

Appraisal Institute Designated Member, Candidate for Designation, or Practicing Affiliate Certify:

- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

- I am a Designated Member of the Appraisal Institute.  
As of the date of this report, I have completed the continuing education program of the Appraisal Institute.

**APPRAISERS SIGNATURES**

APPRAISER:

Signature

Name Juan R. Rivera Vega, SRA, MRICS

Report Date 12/08/2020

Trainee ☐ Licensed ☒ Certified Residential ☐ Certified General ☒

License # 725EPA/169CG State PR

Expiration Date 1/17/2021-2/24/2023

CO-APPRAISER:

Signature

Name

Report Date

Trainee ☐ Licensed ☐ Certified Residential ☐ Certified General ☐

License # State

Expiration Date

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Copy of Legal Description

Client	Quarles & Brady LLP				
Property Address	109 Calle De La Cruz Apt 2-E				
City	San Juan	County	Old San Juan	State	PR Zip Code 00901
Appraiser	Juan R. Rivera Vega, SRA, MRICS				

<p>-----C. APARTAMENTO NUMERO DOS "E" (2E): URBANA: PROPIEDAD HORIZONTAL: Apartamento dos "E" (2E) localizado en el segundo piso del Condominio Gabriela's House con una cabida superficial de mil doscientos treinta y uno punto nueve pies cuadrados (1,231.9 pc), equivalentes a ciento catorce punto cuatro metros cuadrados (114.4 mc). Colinda por el <b>Norte</b>, en una distancia de veinticuatro pies cinco punto cinco pulgadas (24'5.5"), equivalentes a siete punto cuarenta y cinco metros (7.45 m), con la pared exterior del Condominio que da hacia la colindancia con la propiedad marcada con el numero ciento siete (107) de la Calle Cruz; por el <b>Sur</b>, en una distancia de veinticuatro pies cinco punto cinco pulgadas (24'5.5"), equivalentes a siete punto cuarenta y cinco metros (7.45 m), con el Apartamento dos "D") (2-D); por el <b>Este</b>, en una distancia de treinta y siete pies una pulgada (37'1"), equivalentes a once punto tres metros (11.3 m), con la pared exterior del Condominio que da hacia la propiedad marcada con el numero doscientos uno (201) de la Calle Luna y por el <b>Oeste</b>, en una distancia de treinta y siete pies una pulgada (37'1"), equivalentes a once punto tres metros (11.3 m), con el Apartamento dos "C" (2C) y con el Apartamento dos "D" (2D).-----</p> <p>-----A este apartamento le corresponde un seis punto nueve, tres, cinco ocho por ciento (6.9358%) de los elementos Comunes del Condominio.</p> <p>-----Recorded in page 118 of volume 195 of San Juan, Property number 5229, Registry of the Property of San Juan, First Section.-----</p> <p>-----Cadaster number: 040-002-026-15-011.-----</p>
--



Subject Photos

Client	Quarles & Brady LLP				
Property Address	109 Calle De La Cruz Apt 2-E				
City	San Juan	County	Old San Juan	State	PR Zip Code 00901
Appraiser	Juan R. Rivera Vega, SRA, MRICS				





Comparable Photo Page

Client	Quarles & Brady LLP					
Property Address	109 Calle De La Cruz Apt 2-E					
City	San Juan	County	Old San Juan	State	PR	Zip Code 00901
Appraiser	Juan R. Rivera Vega, SRA, MRICS					



Comparable 1

154 Calle Del Sol Apt 3-B	
Prox. to Subject	0.05 miles W
Sale Price	358,000
Gross Living Area	1,218
Total Rooms	5
Total Bedrooms	2
Total Bathrooms	2
Location	Average
View	Average
Site	Typical
Quality	Adequate
Age	120+



Comparable 2

417 Calle Del Sol Apt 3	
Prox. to Subject	0.27 miles E
Sale Price	285,000
Gross Living Area	1,041
Total Rooms	4
Total Bedrooms	2
Total Bathrooms	1
Location	Inferior +10%
View	Average
Site	Typical
Quality	Adequate
Age	120+



Comparable 3

203 Calle De La Fortaleza Apt 2	
Prox. to Subject	0.22 miles SW
Sale Price	425,000
Gross Living Area	1,340
Total Rooms	6
Total Bedrooms	2
Total Bathrooms	2
Location	Superior -10%
View	Average
Site	Typical
Quality	Adequate
Age	120+

Flood Map

Client	Quarles & Brady LLP				
Property Address	109 Calle De La Cruz Apt 2-E				
City	San Juan	County	Old San Juan	State	PR Zip Code 00901
Appraiser	Juan R. Rivera Vega, SRA, MRICS				





Zoning Map

Client	Quarles & Brady LLP					
Property Address	109 Calle De La Cruz Apt 2-E					
City	San Juan	County	Old San Juan	State	PR	Zip Code 00901
Appraiser	Juan R. Rivera Vega, SRA, MRICS					



Addenda - Page 1

Scope of Work

To determine the appropriate scope of work for the assignment, we considered the intended use of the appraisal, the needs of the user, the complexity of the property, and other pertinent factors. These items are discussed as follows:

1. I observed the subject site by a physical inspection and analyzed aerial, topography and flood maps. I did not attempt to detect any environmental hazards at the subject, nor did I conduct any off-site research into potential environmental hazards which might impact the subject. Finally, no research into pending legal proceedings (such as planned condemnation for public-right-of-way, etc.) was undertaken by the appraisers;
2. I toured the subject’s surrounding environment and attempted to identify and consider those characteristics that may have a legal, economic or physical impact on the subject. However, unless otherwise noted in this appraisal, I did not conduct any research into non-observable neighborhood issues such as environmental contamination, pending public condemnation issues, etc.;
3. I physically observed the micro and/or macro market environments with respect to physical and economic factors relevant to the valuation process; expanded this knowledge through interviews with regional and/or local market participants, available published data and other various resources;
4. I conducted regional and/or local research with respect to applicable tax data, zoning requirements, flood zone status, demographics, and comparable listing, sale and lease information;
5. I analyzed the data gathered using appropriate and accepted appraisal methodology to arrive at a probable value indication via each applicable approach to value;
6. I correlated and reconciled the results into a reasonable and defensible value conclusion, as defined herein; and
7. I estimated a reasonable exposure time and marketing time associated with the value estimate presented.

Valuation Methodology

Appraisers usually consider the use of three approaches to value when developing a market value opinion for real property. These are the cost approach, sales comparison approach, and income capitalization approach. Use of the approaches in this assignment is summarized as follows:

The **sales comparison approach** is the most reliable valuation method for the subject due to the following:

- There is an active market for similar properties, and sufficient sales data is available for analysis.
- This approach directly considers the prices of alternative properties having similar utility.
- This approach is typically most relevant for owner-user properties.
- The listed transactions were acquired for owner- user concerns.

The **income capitalization approach** is not applicable valuation method because:

- This approach does not reflect the primary analysis undertaken by a typical owner-user.

The **cost approach** is not applicable to the assignment considering the following:

- Its application to individual units is limited since condominium unit cannot be reproduced separately from the rest of the project.

Exposure/Marketing Times

12 to 18 Months

Intended Users of the Appraisal

Quarles & Brady LLP

Use of the appraisal

Receivership estate sale transaction

Use of Real Estate as of the Effective Date of Value

The subject is a commercial unit in condominium as of the date of the appraisal.

Definition of Property Rights Appraised

Fee simple estate is defined as, “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.”

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

Sale History

There has been one sale of the subject in the past three years; a summary of the transaction

Sale Date	March 24, 2017
Seller	Ramiro Millan Catusas & Margarita Millan Torres
Buyer	Michael Scott Williams
Sale Price	\$250,000
Recording Number Instrument	Deed 2, Before Ana L. Toledo Davila Esquire
Expenditures Since Purchase	Unknown
Other Comments	Subject is part of a transaction that included four additional properties. The total price for the five properties was \$1,500,000.

To the best of our knowledge, there is no other sale or transfer of ownership has occurred within the past three years.

Pending Transactions

To the best of my knowledge, the property is not subject to an agreement of sale or an option to buy.



Addenda - Page 2

Report Format

This report is prepared under the Appraisal Report option of Standards Rule 2-2(a) of USPAP. As USPAP gives appraisers the flexibility to vary the level of information in an Appraisal Report depending on the intended use and intended users of the appraisal, I adhere to the Integra Realty Resources internal standards for an Appraisal Report – Standard Format.

This format summarizes the information analyzed, the appraisal methods employed, and the reasoning that supports the analyses, opinions, and conclusions.

Competency

I hereby confirm that I possess adequate knowledge and skills to perform the assignment competently, including an understanding area/regional market conditions, and factors which pertain to the property type in question.

Independence

I hereby confirm that I have no conflicts of interest or material involvement in the property which is the subject of this valuation; and that we are acting as unbiased, independent, external valuers.

RICS Valuer Registration

I confirm that I am in compliance with the RICS Valuer Registration program, which is mandatory for RICS members in the Caribbean region.

Currency

Unless otherwise stated, all financial figures in this report are expressed in United States.

Prior Services

USPAP requires appraisers to disclose to the client any services they have provided in connection with the subject property in the prior three years, including valuation, consulting, property management, brokerage, or any other services. The RICS Red Book also contains requirements for valuers to disclose previous involvement with the subject property within twelve months. I have not performed any services, as an appraiser or in any other capacity, regarding the property that is subject to this report within three-year period preceding acceptance of this assignment.

Economic Condition

The population on the island has been reduced by 532,095 people or -14.28 since 2010 as per the US Census. The reduction in population since April 1, 2010 translates into a declining demand (vacant residences) of about 228,881 units. In addition, this declining in demand results in an annual income loss on the island of\$4,466,613,388. As a result, values have been decreasing.

COVID-19

As of the date of value, the economy (globally, nationally, and locally) was in a state of rapid transition with a widespread expectation of the imminent onset of a significant recession. The outbreak of COVID-19 (corona virus disease of 2019) in China was declared a global pandemic by the World Health Organization (WHO) on March 11, 2020. Some market deterioration had occurred shortly before this date, but the declaration by the WHO soon led to municipal and statewide orders to “shelter in place,” causing widespread closures of businesses and a massive disruption to general commerce. The status of economic conditions is changing rapidly, creating great uncertainty in the markets. Our analysis of these and related issues is presented in the attached report. The value expressed herein represents our opinion based on the best available data reflective as of the date of value. While values are always subject to change over time, we caution the reader that in the current economic climate, market volatility creates the potential for a more significant change in value over a relatively short period of time.

General Public Market Sentiment

General public market sentiment is a changing roller coaster with each passing day. Right now, sentiment is cautious and trying not to overreact, but provide some relief, negotiate in good faith; try and be humane and understand the entire world is in this together. Some countries take two weeks off each year for holiday, and their entire economy doesn’t fall apart. The world is not going to take another four-week vacation from large components of consumer-facing and public activities.

Most humans are sequestered in their homes with limited social contact, with reasoned concerns for the health and safety of our families and friends, all the while consuming worldwide coverage and analysis of atypical death rates from an infectious virus not seen in over 100 years. Market sentiment more than likely gets worse in the coming weeks before it gets better, absent the announcement of a miracle cure/treatment during that time.

At this juncture, the global question facing market participants is: “How long does this crisis last and how deep will its impact become?” At this stage in the crises, there have been some re-gains in the job market, although unemployment is significantly higher than it was at the end of last year. There are at least three promising vaccines in the works which all are hoping will be widely available by the middle of next year.

Conclusion

This heightened uncertainty forms the basis of defined risk. Considering the subject’s relative sensitivity to the COVID-19 risks as of the effective date of the valuation, Integra rates the relative risks of the subject property as of the effective date as follows:

Risk Analysis	
Property Sensivity to Risk	Low - General opinion of market playersis that the residential market in this area is currently under adequate demands levels with considerable amount of potential buyers ready to buy.
Property Location Sensivity to Risk	Low/Ledium - Adequate location with historic good demand levels.
Cost of Capital Impact	Medium/High - Puerto Rico location is considered a higher risk that USA mainland.

**Addenda - Page 3**

For this appraisal, this asset type, and its relative sensitivity to the COVID-19 pandemic, the valuation considers issues impacting value. There has been an active residential market activity within the past two years with a stable price trend noted in the past six months. In addition, according to market participants interviews, the market is active with no effect in the residential values due to COVID-19 scenario. As such, no market conditions adjustment warranted.

**Highest and Best Use**

**As Vacant**

In this case, an opinion of the subject value “as if vacant” is not being developed as the subject is a commercial unit in condominium and this is beyond the scope of work.

**As Improved**

Within the physical and legal limitations of the subject site I find that allowed uses are basically limited to residential. The layout and positioning of the improvements are functional for continued use as a residential apartment in in condominium. There does not appear to be any alternative use that could reasonably be expected to provide a higher present value than the current use. As such, the current residential apartment unit in condominium use is concluded to be maximally productive and the highest and best use of the property as improved.

**Interim Use**

None

**Timing of Physical Use**

Immediately

**Market Participants**

Most Likely Buyer  
Owner User

**Most Likely User**

The buyer

**Additional Comments on Zoning**

Statements regarding zoning compliance are intended only in the most general sense. Zoning and building ordinances vary significantly from one municipality to another and can be extremely detailed. The scope of this report does not include a comparison of every potentially significant characteristic of the subject property's site and improvements relative to zoning and building ordinances.

The property seems to comply with most of the zoning parameters. However, complete zoning compliance assessment is beyond the scope of this appraisal assignment.

**Flood Maps**

Flood maps often lack sufficient detail to enable accurate determinations on the part of the appraiser. Please note item 3 of the attached Statement of Limiting Conditions.

**Environmental Conditions**

I have made no special effort to discover any adverse environmental conditions and accept no responsibility for such discovery. No readily apparent adverse environmental conditions were observed during the normal course of the property observation and it is assumed none exist. If any adverse environmental conditions are discovered, we should be notified, as the value opinion will likely require modification.

As noted in item 5 of the attached limiting conditions (please read in its entirety), I have no special expertise regarding environmental hazards and this report must not be considered as an environmental assessment of the property.

**Summary of Sales Comparison Approach**

The listed sales refer to the most recent and best data available for comparison within subject condominium. The unit of comparison typically employed for this type of property is based on sales prices. Note that all the adjustments were rounded to the nearest \$500.

**Analysis and Adjustment of Sales**

**Market Condition** - No adjustments warranted.

**Location** – Sale 2 is considered inferior in location as it is towards the eastern side of Old San Juan, while sale 3 enjoys superior location as it lies closer to the Governor of Puerto Rico residence towards the western side of Old San Juan. Properties along western side or closer to the western side have been historically more desirable than the ones at the eastern side. Thus, upward and downward adjustment was given to sales 2 and 3, respectively.

**Common Elements** - No adjustments warranted.

**Floor Location** - No adjustments warranted.

**View** - No adjustments warranted.

**Condition** - Sale 3 sold in superior condition than subject. Thus, downward adjustment was given to sale 3.

**Gross Living Area** - The differences in gross living areas between subject and the listed sales were made at \$150 per SF.

**Functional Utility** - No adjustments warranted.

**Heating/Cooling** - No adjustments warranted.



**Addenda - Page 4**

**Energy Efficient Items** - No adjustments warranted.

**Parking** - No adjustments warranted.

Prior to adjustment, the sales reflect a range of \$285,000 - \$425,000. After adjustment, the range is narrowed to \$342,000 - \$358,000, with an average of \$348,333. I give same weight to all sales and arrive at a rounded value indication of \$350,000 for the subject. On the other hand, for this appraisal the valuation considers issues impacting value, such as the market sensitivity, if any, due to the COVID-19 pandemic.

One sale included in the sales comparison approach sold after the lockdown. There are no indications to warrant a market conditions adjustment due to the pandemic scenario. Moreover, interviews performed with the different real estate brokers with expertise in Old San Juan properties, the pandemic scenario has not been an issue in the price's negotiations. As such, no further adjustments warranted.

**Extraordinary Assumptions**

The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is uncertain information accepted as fact. If the assumption is found to be false as of the effective date of the appraisal, we reserve the right to modify our value conclusions.

1. The gross living area of subject was gathered from a legal description provided by the client, has been assumed to be accurate.
2. It is assumed that the interior physical condition of the subject is similar to the exterior condition, which was considered to be average top good.
3. The room count presented in the appraisal report was assumed based on comparison with other properties with similar square footage, and has been assumed to be accurate.
4. It is assumed that the property comply with construction and building codes.
5. The HOA fess were not provided by the client. Neither liability nor responsibility is assumed in this respect.

**Hypothetical Conditions**

The value conclusions are based on the following hypothetical conditions that may affect the assignment results. A hypothetical condition is a condition contrary to known fact on the effective date of the appraisal but is supposed for the purpose of analysis.

1. None

Location Map

Client	Quarles & Brady LLP				
Property Address	109 Calle De La Cruz Apt 2-E				
City	San Juan	County	Old San Juan	State	PR Zip Code 00901
Appraiser	Juan R. Rivera Vega, SRA, MRICS				





INDIVIDUAL CONDO UNIT APPRAISAL REPORT

File No.: 181-2020-0167 (PH-A)

SUBJECT

ASSIGNMENT

MARKET AREA DESCRIPTION

PROJECT SITE DESCRIPTION

PROJECT INFORMATION

Property Address: 109 Calle De La Cruz		Unit #: PH-A	City: San Juan	State: PR															
Zip Code: 00901		County: Old San Juan	Legal Description: See an enclosed copy of legal description																
Assessor's Parcel #: 040-002-026-15-012																			
Tax Year: N/A		R.E. Taxes: \$ 0.00	Special Assessments: \$ 0.00	Borrower (if applicable):															
Current Owner of Record: Michael Scott Williams		Occupant: <input type="checkbox"/> Owner <input type="checkbox"/> Tenant (Market Rent) <input type="checkbox"/> Tenant (Regulated Rent) <input type="checkbox"/> Vacant																	
Project Type: <input checked="" type="checkbox"/> Condominium <input type="checkbox"/> Other (describe)		HOA: \$ N/A <input type="checkbox"/> per year <input type="checkbox"/> per month																	
Market Area Name: Old San Juan		Map Reference: 41980	Census Tract: 0005.06																
Project Name: Gabriela's House (Villa Gabriela) Condominium		Phase:																	
The purpose of this appraisal is to develop an opinion of: <input checked="" type="checkbox"/> Market Value (as defined), or <input type="checkbox"/> other type of value (describe)																			
This report reflects the following value (if not Current, see comments): <input checked="" type="checkbox"/> Current (the Inspection Date is the Effective Date) <input type="checkbox"/> Retrospective <input type="checkbox"/> Prospective																			
Approaches developed for this appraisal: <input checked="" type="checkbox"/> Sales Comparison Approach <input type="checkbox"/> Cost Approach <input type="checkbox"/> Income Approach (See Reconciliation Comments and Scope of Work)																			
Property Rights Appraised: <input checked="" type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold <input type="checkbox"/> Leased Fee <input type="checkbox"/> Other (describe)																			
Intended Use: Receivership estate sale transaction																			
Intended User(s) (by name or type): Quarles & Brady LLP																			
Client: Quarles & Brady LLP		Address: 701 Pennsylvania Avenue, NW, Suite 700 / Washington, DC 20006-5805																	
Appraiser: Juan R. Rivera Vega, SRA, MRICS		Address: PO Box 363425, San Juan, PR 00936-3425																	
Location: <input checked="" type="checkbox"/> Urban <input type="checkbox"/> Suburban <input type="checkbox"/> Rural		Predominant Occupancy <input checked="" type="checkbox"/> Owner <input type="checkbox"/> Tenant <input checked="" type="checkbox"/> Vacant (0-5%) <input type="checkbox"/> Vacant (>5%)	Condominium Housing		Present Land Use		Change in Land Use												
Built up: <input checked="" type="checkbox"/> Over 75% <input type="checkbox"/> 25-75% <input type="checkbox"/> Under 25%			PRICE \$ (000)	AGE (yrs)	One-Unit	30 %	<input checked="" type="checkbox"/> Not Likely												
Growth rate: <input type="checkbox"/> Rapid <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Slow			150	Low 10	2-4 Unit	10 %	<input type="checkbox"/> Likely *	<input type="checkbox"/> In Process *											
Property values: <input type="checkbox"/> Increasing <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Declining			750	High 500	Multi-Unit	20 %	* To:												
Demand/supply: <input type="checkbox"/> Shortage <input checked="" type="checkbox"/> In Balance <input type="checkbox"/> Over Supply			500	Pred 120	Comm'l	40 %													
Marketing time: <input type="checkbox"/> Under 3 Mos. <input checked="" type="checkbox"/> 3-6 Mos. <input type="checkbox"/> Over 6 Mos.																			
Market Area Boundaries, Description, and Market Conditions (including support for the above characteristics and trends):					Because of current market conditions														
mainly caused by the recession in effect since 2006, demand for housing units is low. Please refer to the addenda for additional comments on current market conditions.																			
Zoning Classification: C-3					Description: Intermediate Commercial														
Zoning Compliance: <input checked="" type="checkbox"/> Legal <input type="checkbox"/> Legal nonconforming (grandfathered) <input type="checkbox"/> Illegal <input type="checkbox"/> No zoning																			
Ground Rent (if applicable) \$ N/A/ N/A					Comments:														
Highest & Best Use as improved (or as proposed per plans & specifications): <input checked="" type="checkbox"/> Present use, or <input type="checkbox"/> Other use (explain)																			
Actual Use as of Effective Date: Residential apartment					Use as appraised in this report: Residential apartment														
Summary of Highest & Best Use: Please refers to the addenda																			
Utilities		Public	Other	Provider/Description	Off-site Improvements		Type	Public	Private	Density	Average								
Electricity		<input checked="" type="checkbox"/>	<input type="checkbox"/>	PREPA	Street		Bricks	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Size	Typical								
Gas		<input type="checkbox"/>	<input checked="" type="checkbox"/>	Private	Curb/Gutter		Concrete	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Topography	Level								
Water		<input checked="" type="checkbox"/>	<input type="checkbox"/>	PRASA	Sidewalk		Concrete	<input checked="" type="checkbox"/>	<input type="checkbox"/>	View	Typical								
Sanitary Sewer		<input checked="" type="checkbox"/>	<input type="checkbox"/>	PRASA	Street Lights		Yes	<input checked="" type="checkbox"/>	<input type="checkbox"/>										
Storm Sewer		<input checked="" type="checkbox"/>	<input type="checkbox"/>	PRASA	Alley		Few over the neighborhood	<input checked="" type="checkbox"/>	<input type="checkbox"/>										
Other site elements: <input type="checkbox"/> Inside Lot <input checked="" type="checkbox"/> Corner Lot <input type="checkbox"/> Cul de Sac <input type="checkbox"/> Underground Utilities <input checked="" type="checkbox"/> Other (describe)																			
FEMA Spec'l Flood Hazard Area <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No					FEMA Flood Zone		X	FEMA Map # 72000C0355J		FEMA Map Date 11/18/2009									
Site Comments: The gross living area was taken from a legal description furnished by the client and is assumed to be correct. Any changes will render the value conclusion null or void and no responsibilities or liability are assumed. No adverse site conditions or external factors were noted. A copy of the legal description is included in the exhibits section.																			
Data source(s) for project information																			
Project Description <input type="checkbox"/> Detached <input type="checkbox"/> Row or Townhouse <input type="checkbox"/> Garden <input type="checkbox"/> Mid-Rise <input type="checkbox"/> High-Rise <input checked="" type="checkbox"/> Other (describe) Low-rise																			
General Description of Project					Subject Phase		#	If Project Completed		#	If Project Incomplete		#						
# of Stories		3		Exterior Walls		RC/Masonry		Units		12		Planned Phases		N/A					
# of Elevators		1		Roof Surface		Reinf. Concrete		Units Completed		12		Planned Units		N/A					
<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Und.Cons.		Total # Parking		0		Units For Sale		0		Units for Sale		0		Units for Sale		N/A			
Design (Style)		Colonial		Ratio (spaces/unit)		N/A		Units Sold		12		Units Sold		12		Units Sold		N/A	
Actual Age (Yrs.)		500+		Parking Type(s)		N/A		Units Rented		0		Units Rented		0		Units Rented		N/A	
Effective Age (Yrs.)		15		Guest Parking		N/A		Owner Occup. Units		12		Owner Occup. Units		12		Owner Occup. Units			
Project Primary Occupancy <input checked="" type="checkbox"/> Principal Residence <input type="checkbox"/> Second Home or Recreational <input type="checkbox"/> Tenant																			
Is the developer/builder in control of the Homeowners' Association (HOA)? <input type="checkbox"/> Yes <input type="checkbox"/> No																			
Management Group: <input checked="" type="checkbox"/> Homeowners' Association <input type="checkbox"/> Developer <input type="checkbox"/> Management Agent (name of management agent or company):																			
Was the project created by the conversion of existing building(s) into a condominium? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No					If Yes, describe the original use and date of conversion.														
Are CC&Rs applicable? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Unknown					Have the documents been reviewed? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No														
Comments:																			
Project Comments (condition, quality of construction, completion status, etc.): The project's quality of construction, unit mix and appeal to market are considered adequate. The subject improvements appear to be properly constructed of materials and finish that are acceptable in this market and price range.																			
Common Elements and Recreational Facilities: Halls and elevator. There are no recreational facilities.																			



INDIVIDUAL CONDO UNIT APPRAISAL REPORT

File No.: 181-2020-0167 (PH-A)

PROJECT ANALYSIS

Summary of condominium project budget analysis for the current year (if analyzed):  
The condominium project budged is a private document that was not available for analysis. However, the subject HOA fees are at par with other competitive condominiums with similar facilities along the subject market area.

Other fees for the use of the project facilities (other than regular HOA charges):  
No

Compared to other competitive projects of similar quality and design, the subject unit charge appears  
☐ High ☒ Average ☐ Low (If High or Low, describe)

Are there any special or unusual characteristics of the project (based on the condominium documents, HOA meetings, or other information) known to the appraiser?  
☐ Yes ☒ No If Yes, describe and explain the effect on value and marketability.  
The HOA fees were not made available. See addenda for extraordinary assumptions.

DESCRIPTION OF THE UNIT IMPROVEMENTS

Unit Charge: \$ Not provided per month X 12 = \$ N/A per year. Annual assessment charge per year per SF of GLA = \$

Utilities included in the Unit Charge: ☐ None ☐ Heat ☐ Air Conditioning ☐ Electricity ☐ Gas ☐ Water ☐ Sewer ☐ Cable ☐ Other

Source(s) used for physical characteristics of property: ☐ New Inspection ☐ Previous Appraisal Files ☐ MLS ☐ Assessment and Tax Records ☐ Prior Inspection  
☐ Property Owner ☒ Other (describe) Client Data Source for Gross Living Area

General Description	Exterior Description	Foundation <input type="checkbox"/> N/A	Basement <input checked="" type="checkbox"/> N/A	Heating	None
Floor Location Three	Foundation Reinf. Concrete	Slab Concrete	Area Sq. Ft.	Type	N/A
# of Levels One	Exterior Walls RC/Masonry	Crawl Space No	% Finished	Fuel	N/A
Design (Style) Average	Roof Surface RC/Masonry	Basement No	Ceiling		
<input type="checkbox"/> Existing <input type="checkbox"/> Proposed	Gutters & Dwnspts. Adequate	Sump Pump <input type="checkbox"/> No	Walls	Cooling	Yes (Assumed)
<input type="checkbox"/> Under Construction	Window Type Wood	Dampness <input type="checkbox"/> No	Floor	Central	No
Actual Age (Yrs.) 120	Storm/Screens No/No	Settlement No	Outside Entry	Other	Yes
Effective Age (Yrs.) 25		Infestation No		Type	Unknown

Interior Description	Appliances	Attic <input type="checkbox"/> N/A	Amenities	Car Storage <input checked="" type="checkbox"/> None
Floors Marble/Ceramic/Gd.	Refrigerator <input type="checkbox"/>	Stairs <input type="checkbox"/>	Fireplace(s) # Woodstove(s) # None	<input type="checkbox"/> Garage #
Walls Concrete/Avg.	Range/Oven <input type="checkbox"/>	Drop Stair <input type="checkbox"/>	Patio No	<input type="checkbox"/> Covered #
Trim/Finish Plaster/Avg.	Disposal <input type="checkbox"/>	Scuttle <input type="checkbox"/>	Deck No	<input type="checkbox"/> Open #
Bath Floor Marble/Good	Dishwasher <input type="checkbox"/>	Doorway <input type="checkbox"/>	Porch No	Total # of cars
Bath Wainscot Ceramic/Avg.	Fan/Hood <input type="checkbox"/>	Floor <input type="checkbox"/>	Fence No	<input type="checkbox"/> Assigned
Doors Woo/Good	Microwave <input type="checkbox"/>	Heated <input type="checkbox"/>	Pool No	<input type="checkbox"/> Owned
	Washer/Dryer <input type="checkbox"/>	Finished <input type="checkbox"/>	Balcony Yes	Space #(s)

Finished area above grade contains: 9 Rooms 4 Bedrooms 3 Bath(s) 3,019 Square Feet of Gross Living Area Above Grade

Are the heating and cooling for the individual units separately metered? ☐ Yes ☒ No (If No, describe) Heating system is not typical in tropical Islands like Puerto Rico.

Additional features: The legal description does not stipulates the interior floor layout. The room count presented above was assumed based on comparison with other properties with similar square footage.

Describe the condition of the property (including physical, functional and external obsolescence): Per the client's request, this appraisal was based on an exterior inspection only. As such, It was assumed that the interior physical condition of the subject is similar to the exterior condition, which was considered to be average to good.

TRANSFER HISTORY

My research ☐ did ☒ did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.

Data Source(s): Public records, CRIM, tasaMax, Inc., Abreu Comparable Sales

1st Prior Subject Sale/Transfer	Analysis of sale/transfer history and/or any current agreement of sale/listing: N/A
Date:	
Price:	
Source(s):	
2nd Prior Subject Sale/Transfer	
Date:	
Price:	
Source(s):	

INDIVIDUAL CONDO UNIT APPRAISAL REPORT

File No.: 181-2020-0167 (PH-A)

SALES COMPARISON APPROACH TO VALUE (if developed)

☐ The Sales Comparison Approach was not developed for this appraisal.

FEATURE	SUBJECT	COMPARABLE SALE # 1			COMPARABLE SALE # 2			COMPARABLE SALE # 3				
Address	109 Calle De La Cruz # PH-A San Juan, PR 00901	53 Calle Del Sol Apt 2-A San Juan, PR 00901			102 Calle Del Sol Apt 1 San Juan, PR 00901			213 Calle Del Sol Apt 1A San Juan, PR 00901				
Project	Gabriela's House (Villa Gabriela)	Alfonso III, Old San Juan			El Solsticio			Ricardo Manuel				
Phase	1	1			1			1				
Proximity to Subject		0.14 miles W			0.11 miles W			0.03 miles NE				
Sale Price	\$ N/A		\$	621,000		\$	510,000		\$	430,000		
Sale Price/GLA	\$ /sq.ft.	\$	189.44 /sq.ft.		\$	309.84 /sq.ft.		\$	230.44 /sq.ft.			
Data Source(s)	Client	Public Records			Public Records			Public Records				
Verification Source(s)	Walk-Through	CRIM			CRIM			CRIM				
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) \$ Adjust.		DESCRIPTION	+(-) \$ Adjust.		DESCRIPTION	+(-) \$ Adjust.			
Sales or Financing												
Concessions	None	None			None			None				
Date of Sale/Time	N/A	12/07/2020			8/26/2020			7/31/2020				
Rights Appraised	Fee Simple	Fee Simple			Fee Simple			Fee Simple				
Location	Average	Average			Average			Average				
HOA Fees (\$/Month)	0.00	N/A			N/A			N/A				
Common Elements and Recreational Facilities												
Floor Location	None	None			None			None				
View	3rd	1-2-3			1st			1st				
Design (Style)	Average	Average			Average			Average				
Quality of Construction	Average	Average			Average			Average				
Age	Adequate	Adequate			Adequate			Adequate				
Condition	120+	120+			120+			120+				
	Avg. to good	Similar			Superior -5%	-25,500		Inferior +15%	+64,500			
Above Grade	Total	Bdms	Baths	Total	Bdms	Baths	Total	Bdms	Baths	Total		
Room Count	9	4	3	7	3	3	5	2	1	7		
Gross Living Area	3,019 sq.ft.			3,278 sq.ft.			-23,500			1,646 sq.ft.		
Basement & Finished Rooms Below Grade							+123,500			1,866 sq.ft.		
Functional Utility	None			None						+104,000		
Heating/Cooling	None			None			None			None		
Energy Efficient Items	Adequate			Adequate			Adequate			Adequate		
Parking	None/AC			None/AC			None/AC			None/AC		
Porch/Patio/Deck	None			None			None			None		
Other	Balcony/Terrace			Balcony/Terrace			Balcony/Terrace			Balcony/Terrace		
	None			None			None			None		
Net Adjustment (Total)				<input type="checkbox"/> + <input checked="" type="checkbox"/> - \$ -23,500			<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ 98,000			<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ 168,500		
Adjusted Sale Price of Comparables				Net 3.8 % Gross 3.8 % \$ 597,500			Net 19.2 % Gross 29.2 % \$ 608,000			Net 39.2 % Gross 39.2 % \$ 598,500		
Summary of Sales Comparison Approach The listed sales refer to the most recent and best data available for comparison within subject condominium. The unit of comparison typically employed for this type of property is based on sales prices. Note that all the adjustments were rounded to the nearest \$500.												
Analysis and Adjustment of Sales												
Market Condition - No adjustments warranted.												
Floor Location - No adjustments warranted.												
View - No adjustments warranted.												
Condition - Sales 2 sold in superior condition than subject, while sale 3 in inferior condition. Thus, downward adjustment to sale 1 and upward adjustment to sale 3.												
Gross Living Area - The differences in gross living areas between subject and the listed sales were made at \$90 per SF.												
Functional Utility - No adjustments warranted.												
Heating/Cooling - No adjustments warranted.												
Energy Efficient Items - No adjustments warranted.												
Parking - No adjustments warranted.												
Prior to adjustment, the sales reflect a range of \$430,000 - \$621,000. After adjustment, the range is narrowed to \$597,500 - \$608,000, with an average of \$601,333. I give most weight to sale 1 and arrive at a rounded value indication of \$600,000 for the subject.												
On the other hand, for this appraisal the valuation considers issues impacting value, such as the market sensitivity, if any, due to the COVID-19 pandemic. The sales included in the sales comparison approach sold after the lockdown. There are no indications to warrant a market conditions adjustments due to the pandemic scenario. Moreover, interviews performed with the different real estate brokers with expertise in Old San Juan properties, the pandemic scenario has not been an issue in the prices negotiations. As such, no further adjustments warranted.												
Indicated Value by Sales Comparison Approach \$ 600,000												

INDIVIDUAL CONDO UNIT APPRAISAL REPORT

File No.: 181-2020-0167 (PH-A)

INCOME APPROACH

INCOME APPROACH TO VALUE (if developed)

☒ The Income Approach was not developed for this appraisal.

FEATURE	SUBJECT	COMPARABLE RENTAL # 1				COMPARABLE RENTAL # 2				COMPARABLE RENTAL # 3			
Address	109 Calle De La Cruz # PH-A San Juan, PR 00901												
Project Phase	Gabriela's House (Villa Gabriela)												
Proximity to Subject													
Current Monthly Rent	\$			\$			\$			\$			\$
Rent/GLA	\$ /sq.ft.			\$ /sq.ft.			\$ /sq.ft.			\$ /sq.ft.			\$ /sq.ft.
Rent Control	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No			<input type="checkbox"/> Yes <input type="checkbox"/> No			<input type="checkbox"/> Yes <input type="checkbox"/> No		<input type="checkbox"/> Yes <input type="checkbox"/> No			
Data Source(s)													
Date of Lease(s)													
Location	Average												
View													
Age	120+												
Condition	Avg. to good												
Above Grade	Total Bdrms Baths	Total	Bdrms	Baths		Total	Bdrms	Baths		Total	Bdrms	Baths	
Room Count	9 4 3												
Gross Living Area	3,019 sq.ft.	sq.ft.				sq.ft.				sq.ft.			
Utilities Included													
Summary of Income Approach (including support for market rent and GRM):													
Opinion of Monthly Market Rent \$ X Gross Rent Multiplier = \$ Indicated Value by Income Approach													

COST

COST APPROACH TO VALUE (if developed)

☒ The Cost Approach was not developed for this appraisal.

Summary of Cost Approach:

RECONCILIATION

Indicated Value by: Sales Comparison Approach \$ 600,000 Cost Approach (if developed) \$ N/A Income Approach (if developed) \$ N/A

Final Reconciliation Only the sales comparison approach was applicable. See addenda for valuation methodology.

This appraisal is made ☒ "as is", ☐ subject to completion per plans and specifications on the basis of a Hypothetical Condition that the improvements have been completed, ☐ subject to the following repairs or alterations on the basis of a Hypothetical Condition that the repairs or alterations have been completed, ☐ subject to the following required inspection based on the Extraordinary Assumption that the condition or deficiency does not require alteration or repair: No liability is assumed for the structural or mechanical elements of the Subject improvements and it is assumed, that they comply with the required building codes.

See addenda for other comments...

☒ This report is also subject to other Hypothetical Conditions and/or Extraordinary Assumptions as specified in the attached addenda.

Based on the degree of inspection of the subject property, as indicated below, defined Scope of Work, Statement of Assumptions and Limiting Conditions, and Appraiser's Certifications, my (our) Opinion of the Market Value (or other specified value type), as defined herein, of the real property that is the subject of this report is: \$ 600,000 , as of: December 8, 2020 , which is the effective date of this appraisal. If indicated above, this Opinion of Value is subject to Hypothetical Conditions and/or Extraordinary Assumptions included in this report. See attached addenda.

ATTACHMENTS

A true and complete copy of this report contains 15 pages, including exhibits which are considered an integral part of the report. This appraisal report may not be properly understood without reference to the information contained in the complete report.

Attached Exhibits:

☒ Scope of Work

☒ Limiting Cond./Certifications

☒ Narrative Addendum

☒ Photograph Addenda

☐ Sketch Addendum

☒ Map Addenda

☐ Additional Sales

☐ Additional Rentals

☒ Flood Addendum

☐ Hypothetical Conditions

☒ Extraordinary Assumptions

☐ Budget Analysis

☐

☐

☐

SIGNATURES

Client Contact: Ivon Paddock Client Name: Quarles & Brady LLP

E-Mail: ivon.paddock@quarles.com Address: 701 Pennsylvania Avenue, NW, Suite 700 / Washington, DC 20006-580

APPRaiser



Appraiser Name: Juan R. Rivera Vega, SRA, MRICS

Company: Integra Realty Resources Caribbean/Puerto Rico

Phone: 787.782.4974 Fax:

E-Mail: jrivera@irr.com

Date of Report (Signature): 12/08/2020

License or Certification #: 725EPA/169CG State: PR

Designation: SRA, MRICS

Expiration Date of License or Certification: 1/17/2021-2/24/2023

Inspection of Subject: ☐ Interior & Exterior ☒ Exterior Only ☐ None

Date of Inspection: December 8, 2020

SUPERVISORY APPRAISER (if required) or CO-APPRAISER (if applicable)

Supervisory or Co-Appraiser Name:

Company:

Phone: Fax:

E-Mail:

Date of Report (Signature):

License or Certification #: State:

Designation:

Expiration Date of License or Certification:

Inspection of Subject: ☐ Interior & Exterior ☐ Exterior Only ☒ None

Date of Inspection:

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Client:	Quarles & Brady LLP	Client File #:	
Subject Property:	109 Calle De La Cruz # PH-A, San Juan, PR 00901	Appraisal File #:	181-2020-0167 (PH-A)

**STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS**

This appraisal is subject to the following assumptions and limiting conditions:

- This report is prepared using forms developed and copyrighted by the Appraisal Institute. However, the content, analyses, and opinions set forth in this report are the sole product of the appraiser. The Appraisal Institute is not liable for any of the content, analyses, or opinions set forth herein.
- No responsibility is assumed for matters legal in character or nature. No opinion is rendered as to title, which is assumed to be good and marketable. All existing liens, encumbrances, and assessments have been disregarded, unless otherwise noted, and the property is appraised as though free and clear, having responsible ownership and competent management.
- I have examined the property described herein exclusively for the purposes of identification and description of the real property. The objective of my data collection is to develop an opinion of the highest and best use of the subject property and make meaningful comparisons in the valuation of the property. The appraiser's observations and reporting of the subject improvements are for the appraisal process and valuation purposes only and should not be considered as a warranty of any component of the property. This appraisal assumes (unless otherwise specifically stated) that the subject is structurally sound and all components are in working condition.
- I will not be required to give testimony or appear in court because of having made an appraisal of the property in question, unless specific arrangements to do so have been made in advance, or as otherwise required by law.
- I have noted in this appraisal report any significant adverse conditions (such as needed repairs, depreciation, the presence of hazardous wastes, toxic substances, etc.) discovered during the data collection process in performing the appraisal. Unless otherwise stated in this appraisal report, I have no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the property (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) that would make the property less valuable, and have assumed that there are no such conditions and make no guarantees or warranties, express or implied. I will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because I am not an expert in the field of environmental hazards, this appraisal report must not be considered as an environmental assessment of the property. I obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable public and/or private sources that I believe to be true and correct.
- I will not disclose the contents of this appraisal report except as provided for in the Standards and Ethical Rules under which this appraisal was developed and reported and/or applicable federal, state or local laws.
- The Client is the party or parties who engage an appraiser (by employment contract) in a specific assignment. A party receiving a copy of this report from the client does not, as a consequence, become a party to the appraiser-client relationship. Any person who receives a copy of this appraisal report as a consequence of disclosure requirements that apply to an appraiser's client, does not become an intended user of this report unless the client specifically identified them at the time of the assignment. The appraiser's written consent and approval must be obtained before this appraisal report can be conveyed by anyone to the public through advertising, public relations, news, sales, or other media.
- If this valuation conclusion is subject to satisfactory completion, repairs, or alterations, it is assumed that the improvements will be completed competently and without significant deviation.

**VALUE DEFINITION**

☒ Market Value Definition (below)

☐ Alternate Value Definition (attached)

MARKET VALUE is defined as the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and 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:

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised and acting in what they consider their own best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. 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.

Source: The Dictionary of Real Estate Appraisal, 6th ed., Appraisal Institute

\*NOTICE: The Appraisal Institute publishes this form for use by appraisers where the appraiser deems use of the form appropriate. Depending on the assignment, the appraiser may need to provide additional data, analysis and work product not called for in this form. The Appraisal Institute makes no representations, warranties or guarantees as to, and assumes no responsibility for, the data, analysis or work product, or third party certifications, verifications, data specifications, scores, indexes, or valuation tools, used or provided by the individual appraiser(s) or others in the specific contents of the AI Reports®. AI Reports® AI-900.05 Certification, Assumptions and Limiting Conditions© Appraisal Institute 2017, All Rights Reserved June 2017

<b>Client:</b>	Quarles & Brady LLP	<b>Client File #:</b>	
<b>Subject Property:</b>	109 Calle De La Cruz # PH-A, San Juan, PR 00901	<b>Appraisal File #:</b>	181-2020-0167 (PH-A)

APPRAISER CERTIFICATION

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

- The statements of fact contained in this report are true and correct.
- The reported analysis, opinions, and conclusions are limited only by the report assumptions and limiting conditions, and are my personal, unbiased professional analysis, opinions, and conclusions.
- I have no present (unless specified below) or prospective interest in the property that is the subject of this report, and I have no (unless specified below) personal interest with respect to the parties involved.
- I have no bias with respect to any property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon the developing or reporting predetermined results.
- 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.
- My analysis, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- Individuals who have provided significant real property appraisal assistance are named below. The specific tasks performed by those named are outlined in the Scope of Work section of this report.

☒ None      ☐ Name(s)

As previously identified in the Scope of Work section of this report, the signer(s) of this report certify to the inspection of the property that is the subject of this report as follows:

Property Inspected by Appraiser      ☒ Yes      ☐ No

Property Inspected by Co-Appraiser      ☐ Yes      ☒ No

- Services provided, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment:      ☒ None      ☐ Specify services provided:      I have not performed prior services, as an appraiser, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

ADDITIONAL CERTIFICATION FOR APPRAISAL INSTITUTE MEMBERS, CANDIDATES AND PRACTICING AFFILIATES

Appraisal Institute Designated Member, Candidate for Designation, or Practicing Affiliate Certify:

- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

<ul style="list-style-type: none"> <li>▪ I am a Designated Member of the Appraisal Institute.</li> </ul> <p>As of the date of this report, I have completed the continuing education program of the Appraisal Institute.</p>	<ul style="list-style-type: none"> <li>▪</li> </ul>
--	---

APPRAISERS SIGNATURES

<b>APPRAISER:</b> Signature Name <u>Juan R. Rivera Vega, SRA, MRICS</u> Report Date <u>12/08/2020</u> Trainee <input type="checkbox"/> Licensed <input checked="" type="checkbox"/> Certified Residential <input type="checkbox"/> Certified General <input checked="" type="checkbox"/> License # <u>725EPA/169CG</u> State <u>PR</u> Expiration Date <u>1/17/2021-2/24/2023</u>	<b>CO-APPRAISER:</b> Signature _____ Name _____ Report Date _____ Trainee <input type="checkbox"/> Licensed <input type="checkbox"/> Certified Residential <input type="checkbox"/> Certified General <input type="checkbox"/> License # _____ State _____ Expiration Date _____
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\*NOTICE: The Appraisal Institute publishes this form for use by appraisers where the appraiser deems use of the form appropriate. Depending on the assignment, the appraiser may need to provide additional data, analysis and work product not called for in this form. The Appraisal Institute makes no representations, warranties or guarantees as to, and assumes no responsibility for, the data, analysis or work product, or third party certifications, verifications, data specifications, scores, indexes, or valuation tools, used or provided by the individual appraiser(s) or others in the specific contents of the AI Reports®. AI Reports® AI-900.05 Certification, Assumptions and Limiting Conditions© Appraisal Institute 2017, All Rights Reserved June 2017

Copy of Legal Description

Client	Quarles & Brady LLP				
Property Address	109 Calle De La Cruz # PH-A				
City	San Juan	County	Old San Juan	State	PR Zip Code 00901
Appraiser	Juan R. Rivera Vega, SRA, MRICS				

-----URBANA: APARTAMENTO PENTHOUSE "A" (PH-A)  
URBANA: PROPIEDAD HORIZONTAL. Apartamento PH A,  
localizado en el tercer piso del Condominio  
Gabriela's House, con una cabida superficial de  
tres mil dieciocho punto siete pies cuadrados  
(3,018.7 pc), equivalentes a doscientos ochenta  
punto cuatro metros cuadrados (280.4 mc). Colinda  
por el **Norte**, en una distancia de setenta y un

1

pies nueve pulgadas (71'9"), equivalentes a  
veintiún punto nueve metros (21.9 m) con la pared  
exterior del Condominio que da hacia la  
colindancia con la propiedad marcada con el número  
107 de la Calle Cruz; por el **Sur**, en una distancia  
de setenta y un pies nueve pulgadas (71'9"),  
equivalentes a veintiún punto nueve metros (21.9  
m), con la pared exterior del Condominio que da  
hacia la colindancia con la Calle Luna; por el  
**Este**, en una distancia de cincuenta y dos pies con  
seis pulgadas (52'6"), equivalentes a dieciséis  
metros (16.00 m) con el Apartamento Penthouse B  
("PH-B") y por el **Oeste**, en una distancia de  
cincuenta y dos pies con seis pulgadas (52'6"),  
equivalentes a dieciséis metros (16.00 m) con la  
pared exterior del Condominio que da hacia la  
colindancia con la Calle Cruz.-----

-----A este apartamento le corresponde un  
dieciséis punto nueve, nueve, cinco, ocho  
por ciento (16.9958%) de los elementos Comunes del  
Condominio.-----

-----Recorded in page 122 of volume 195 of San  
Juan, Property number 5231, Registry of the  
Property of San Juan, First Section.-----

-----Cadaster number: 040-002-026-15-012.-----

Form MAP.PLAT - "TOTAL" appraisal software by a la mode, inc. - 1-800-ALAMODE



Subject Photos

Client	Quarles & Brady LLP					
Property Address	109 Calle De La Cruz # PH-A					
City	San Juan	County	Old San Juan	State	PR	Zip Code 00901
Appraiser	Juan R. Rivera Vega, SRA, MRICS					





Comparable Photo Page

Client	Quarles & Brady LLP					
Property Address	109 Calle De La Cruz # PH-A					
City	San Juan	County	Old San Juan	State	PR	Zip Code 00901
Appraiser	Juan R. Rivera Vega, SRA, MRICS					



Comparable 1

53 Calle Del Sol Apt 2-A	
Prox. to Subject	0.14 miles W
Sale Price	621,000
Gross Living Area	3,278
Total Rooms	7
Total Bedrooms	3
Total Bathrooms	3
Location	Average
View	Average
Site	Typical
Quality	Adequate
Age	120+



Comparable 2

102 Calle Del Sol Apt 1	
Prox. to Subject	0.11 miles W
Sale Price	510,000
Gross Living Area	1,646
Total Rooms	5
Total Bedrooms	2
Total Bathrooms	1
Location	Average
View	Average
Site	Typical
Quality	Adequate
Age	120+



Comparable 3

213 Calle Del Sol Apt 1A	
Prox. to Subject	0.03 miles NE
Sale Price	430,000
Gross Living Area	1,866
Total Rooms	7
Total Bedrooms	2
Total Bathrooms	2
Location	Average
View	Average
Site	Typical
Quality	Adequate
Age	120+

Flood Map

Client	Quarles & Brady LLP				
Property Address	109 Calle De La Cruz # PH-A				
City	San Juan	County	Old San Juan	State	PR Zip Code 00901
Appraiser	Juan R. Rivera Vega, SRA, MRICS				





Zoning Map

Client	Quarles & Brady LLP					
Property Address	109 Calle De La Cruz # PH-A					
City	San Juan	County	Old San Juan	State	PR	Zip Code 00901
Appraiser	Juan R. Rivera Vega, SRA, MRICS					





Addenda - Page 1

Scope of Work

To determine the appropriate scope of work for the assignment, I considered the intended use of the appraisal, the needs of the user, the complexity of the property, and other pertinent factors. These items are discussed as follows:

1. I observed the subject site by a physical inspection and analyzed aerial, topography and flood maps. I did not attempt to detect any environmental hazards at the subject, nor did I conduct any off-site research into potential environmental hazards which might impact the subject. Finally, no research into pending legal proceedings (such as planned condemnation for public-right-of-way, etc.) was undertaken by the appraisers;
2. I toured the subject’s surrounding environment and attempted to identify and consider those characteristics that may have a legal, economic or physical impact on the subject. However, unless otherwise noted in this appraisal, I did not conduct any research into non-observable neighborhood issues such as environmental contamination, pending public condemnation issues, etc.;
3. I physically observed the micro and/or macro market environments with respect to physical and economic factors relevant to the valuation process; expanded this knowledge through interviews with regional and/or local market participants, available published data and other various resources;
4. I conducted regional and/or local research with respect to applicable tax data, zoning requirements, flood zone status, demographics, and comparable listing, sale and lease information;
5. I analyzed the data gathered using appropriate and accepted appraisal methodology to arrive at a probable value indication via each applicable approach to value;
6. I correlated and reconciled the results into a reasonable and defensible value conclusion, as defined herein; and
7. I estimated a reasonable exposure time and marketing time associated with the value estimate presented.

Valuation Methodology

Appraisers usually consider the use of three approaches to value when developing a market value opinion for real property. These are the cost approach, sales comparison approach, and income capitalization approach. Use of the approaches in this assignment is summarized as follows:

The **sales comparison approach** is the most reliable valuation method for the subject due to the following:

- There is an active market for similar properties, and sufficient sales data is available for analysis.
- This approach directly considers the prices of alternative properties having similar utility.
- This approach is typically most relevant for owner-user properties.
- The listed transactions were acquired for owner- user concerns.

The **income capitalization approach** is not applicable valuation method because:

- This approach does not reflect the primary analysis undertaken by a typical owner-user.

The **cost approach** is not applicable to the assignment considering the following:

- Its application to individual units is limited since condominium unit cannot be reproduced separately from the rest of the project.

Exposure/Marketing Times

12 to 18 Months

Intended Users of the Appraisal

Quarles & Brady LLP

Use of the appraisal

Receivership estate sale transaction

Use of Real Estate as of the Effective Date of Value

The subject is a commercial unit in condominium as of the date of the appraisal.

Definition of Property Rights Appraised

Fee simple estate is defined as, “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.”

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

Sale History

There has been one sale of the subject in the past three years; a summary of the transaction

Sale Date	March 24, 2017
Seller	Ramiro Millan Catusas & Margarita Millan Torres
Buyer	Michael Scott Williams
Sale Price	\$625,000
Recording Number Instrument	Deed 2, Before Ana L. Toledo Davila Esquire
Expenditures Since Purchase	Unknown
Other Comments	Subject is part of a transaction that included four additional properties. The total price for the five properties was \$1,500,000.

To the best of our knowledge, there is no other sale or transfer of ownership has occurred within the past three years.

Pending Transactions

To the best of my knowledge, the property is not subject to an agreement of sale or an option to buy.

Addenda - Page 2

Report Format

This report is prepared under the Appraisal Report option of Standards Rule 2-2(a) of USPAP. As USPAP gives appraisers the flexibility to vary the level of information in an Appraisal Report depending on the intended use and intended users of the appraisal, I adhere to the Integra Realty Resources internal standards for an Appraisal Report – Standard Format.

This format summarizes the information analyzed, the appraisal methods employed, and the reasoning that supports the analyses, opinions, and conclusions.

Competency

I hereby confirm that I possess adequate knowledge and skills to perform the assignment competently, including an understanding area/regional market conditions, and factors which pertain to the property type in question.

Independence

I hereby confirm that I have no conflicts of interest or material involvement in the property which is the subject of this valuation; and that we are acting as unbiased, independent, external valuers.

RICS Valuer Registration

I confirm that I am in compliance with the RICS Valuer Registration program, which is mandatory for RICS members in the Caribbean region.

Currency

Unless otherwise stated, all financial figures in this report are expressed in United States.

Prior Services

USPAP requires appraisers to disclose to the client any services they have provided in connection with the subject property in the prior three years, including valuation, consulting, property management, brokerage, or any other services. The RICS Red Book also contains requirements for valuers to disclose previous involvement with the subject property within twelve months. I have not performed any services, as an appraiser or in any other capacity, regarding the property that is subject to this report within three-year period preceding acceptance of this assignment.

Economic Condition

The population on the island has been reduced by 532,095 people or -14.28 since 2010 as per the US Census. The reduction in population since April 1, 2010 translates into a declining demand (vacant residences) of about 228,881 units. In addition, this declining in demand results in an annual income loss on the island of\$4,466,613,388. As a result, values have been decreasing.

COVID-19

As of the date of value, the economy (globally, nationally, and locally) was in a state of rapid transition with a widespread expectation of the imminent onset of a significant recession. The outbreak of COVID-19 (corona virus disease of 2019) in China was declared a global pandemic by the World Health Organization (WHO) on March 11, 2020. Some market deterioration had occurred shortly before this date, but the declaration by the WHO soon led to municipal and statewide orders to “shelter in place,” causing widespread closures of businesses and a massive disruption to general commerce. The status of economic conditions is changing rapidly, creating great uncertainty in the markets. Our analysis of these and related issues is presented in the attached report. The value expressed herein represents our opinion based on the best available data reflective as of the date of value. While values are always subject to change over time, we caution the reader that in the current economic climate, market volatility creates the potential for a more significant change in value over a relatively short period of time.

General Public Market Sentiment

General public market sentiment is a changing roller coaster with each passing day. Right now, sentiment is cautious and trying not to overreact, but provide some relief, negotiate in good faith; try and be humane and understand the entire world is in this together. Some countries take two weeks off each year for holiday, and their entire economy doesn’t fall apart. The world is not going to take another four-week vacation from large components of consumer-facing and public activities.

Most humans are sequestered in their homes with limited social contact, with reasoned concerns for the health and safety of our families and friends, all the while consuming worldwide coverage and analysis of atypical death rates from an infectious virus not seen in over 100 years. Market sentiment more than likely gets worse in the coming weeks before it gets better, absent the announcement of a miracle cure/treatment during that time.

At this juncture, the global question facing market participants is: “How long does this crisis last and how deep will its impact become?” At this stage in the crises, there have been some re-gains in the job market, although unemployment is significantly higher than it was at the end of last year. There are at least three promising vaccines in the works which all are hoping will be widely available by the middle of next year.

Conclusion

This heightened uncertainty forms the basis of defined risk. Considering the subject’s relative sensitivity to the COVID-19 risks as of the effective date of the valuation, Integra rates the relative risks of the subject property as of the effective date as follows:

Risk Analysis	
Property Sensivity to Risk	Low - General opinion of market playersis that the residential market in this area is currently under adequate demands levels with considerable amount of potential buyers ready to buy.
Property Location Sensivity to Risk	Low/Ledium - Adequate location with historic good demand levels.
Cost of Capital Impact	Medium/High - Puerto Rico location is considered a higher risk that USA mainland.



**Addenda - Page 3**

For this appraisal, this asset type, and its relative sensitivity to the COVID-19 pandemic, the valuation considers issues impacting value. There has been an active residential market activity within the past two years with a stable price trend noted in the past six months. In addition, according to market participants interviews, the market is active with no effect in the residential values due to COVID-19 scenario. As such, no market conditions adjustment warranted.

**Highest and Best Use**

**As Vacant**

In this case, an opinion of the subject value “as if vacant” is not being developed as the subject is a commercial unit in condominium and this is beyond the scope of work.

**As Improved**

Within the physical and legal limitations of the subject site I find that allowed uses are basically limited to residential. The layout and positioning of the improvements are functional for continued use as a residential apartment in in condominium. There does not appear to be any alternative use that could reasonably be expected to provide a higher present value than the current use. As such, the current residential apartment unit in condominium use is concluded to be maximally productive and the highest and best use of the property as improved.

**Interim Use**

None

**Timing of Physical Use**

Immediately

**Market Participants**

Most Likely Buyer  
Owner User

**Most Likely User**

The buyer

**Additional Comments on Zoning**

Statements regarding zoning compliance are intended only in the most general sense. Zoning and building ordinances vary significantly from one municipality to another and can be extremely detailed. The scope of this report does not include a comparison of every potentially significant characteristic of the subject property's site and improvements relative to zoning and building ordinances.

The property seems to comply with most of the zoning parameters. However, complete zoning compliance assessment is beyond the scope of this appraisal assignment.

**Flood Maps**

Flood maps often lack sufficient detail to enable accurate determinations on the part of the appraiser. Please note item 3 of the attached Statement of Limiting Conditions.

**Environmental Conditions**

I have made no special effort to discover any adverse environmental conditions and accept no responsibility for such discovery. No readily apparent adverse environmental conditions were observed during the normal course of the property observation and it is assumed none exist. If any adverse environmental conditions are discovered, we should be notified, as the value opinion will likely require modification.

As noted in item 5 of the attached limiting conditions (please read in its entirety), I have no special expertise regarding environmental hazards and this report must not be considered as an environmental assessment of the property.

**Extraordinary Assumptions**

The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is uncertain information accepted as fact. If the assumption is found to be false as of the effective date of the appraisal, we reserve the right to modify our value conclusions.

1. The gross living area of subject was gathered from a legal description provided by the client, has been assumed to be accurate.
2. It is assumed that the interior physical condition of the subject is similar to the exterior condition, which was considered to be average top good.
3. The room count presented in the appraisal report was assumed based on comparison with other properties with similar square footage, and has been assumed to be accurate.
4. It is assumed that the property comply with construction and building codes.
5. The HOA fess were not provided by the client. Neither liability nor responsibility is assumed in this respect.

**Hypothetical Conditions**

The value conclusions are based on the following hypothetical conditions that may affect the assignment results. A hypothetical condition is a condition contrary to known fact on the effective date of the appraisal but is supposed for the purpose of analysis.

1. None



Location Map

Client	Quarles & Brady LLP					
Property Address	109 Calle De La Cruz # Ph-A					
City	San Juan	County	Old San Juan	State	PR	Zip Code 00901
Appraiser	Juan R. Rivera Vega, SRA, MRICS					



INDIVIDUAL CONDO UNIT APPRAISAL REPORT

File No.: 181-2020-0167(PH-B)

SUBJECT

ASSIGNMENT

MARKET AREA DESCRIPTION

PROJECT SITE DESCRIPTION

PROJECT INFORMATION

Property Address: De La Cruz 109		Unit #: PH-B		City: San Juan		State: PR	
Zip Code: 00901		County: Old San Juan		Legal Description: See an enclosed copy of legal description			
Assessor's Parcel #: 040-002-026-15-013							
Tax Year: N/A		R.E. Taxes: \$ 0.00		Special Assessments: \$ 0.00		Borrower (if applicable):	
Current Owner of Record: Michael Scott Williams		Occupant:		<input type="checkbox"/> Owner <input type="checkbox"/> Tenant (Market Rent) <input type="checkbox"/> Tenant (Regulated Rent) <input type="checkbox"/> Vacant			
Project Type: <input checked="" type="checkbox"/> Condominium <input type="checkbox"/> Other (describe)		HOA: \$ N/A		<input type="checkbox"/> per year <input type="checkbox"/> per month			
Market Area Name: Old San Juan		Map Reference: 41980		Census Tract: 0005.06			
Project Name: Gabriela's House (Villa Gabriela) Condominium				Phase:			
The purpose of this appraisal is to develop an opinion of: <input checked="" type="checkbox"/> Market Value (as defined), or <input type="checkbox"/> other type of value (describe)							
This report reflects the following value (if not Current, see comments): <input checked="" type="checkbox"/> Current (the Inspection Date is the Effective Date) <input type="checkbox"/> Retrospective <input type="checkbox"/> Prospective							
Approaches developed for this appraisal: <input checked="" type="checkbox"/> Sales Comparison Approach <input type="checkbox"/> Cost Approach <input type="checkbox"/> Income Approach (See Reconciliation Comments and Scope of Work)							
Property Rights Appraised: <input checked="" type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold <input type="checkbox"/> Leased Fee <input type="checkbox"/> Other (describe)							
Intended Use: Receivership estate sale transaction							
Intended User(s) (by name or type): Quarles & Brady LLP							
Client: Quarles & Brady LLP		Address: 701 Pennsylvania Avenue, NW, Suite 700 / Washington, DC 20006-5805					
Appraiser: Juan R. Rivera Vega, SRA, MRICS		Address: PO Box 363425, San Juan, PR 00936-3425					
Location: <input checked="" type="checkbox"/> Urban <input type="checkbox"/> Suburban <input type="checkbox"/> Rural		Built up: <input checked="" type="checkbox"/> Over 75% <input type="checkbox"/> 25-75% <input type="checkbox"/> Under 25%		Growth rate: <input type="checkbox"/> Rapid <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Slow		Property values: <input type="checkbox"/> Increasing <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Declining	
Demand/supply: <input type="checkbox"/> Shortage <input checked="" type="checkbox"/> In Balance <input type="checkbox"/> Over Supply		Marketing time: <input type="checkbox"/> Under 3 Mos. <input checked="" type="checkbox"/> 3-6 Mos. <input type="checkbox"/> Over 6 Mos.		Predominant Occupancy: <input checked="" type="checkbox"/> Owner <input type="checkbox"/> Tenant <input checked="" type="checkbox"/> Vacant (0-5%) <input type="checkbox"/> Vacant (>5%)		Condominium Housing: PRICE \$ (000) 150 750 500 AGE (yrs) Low 10 High 500 Pred 120	
Present Land Use: One-Unit 30 % 2-4 Unit 10 % Multi-Unit 20 % Comm'l 40 % 0 %		Change in Land Use: <input checked="" type="checkbox"/> Not Likely <input type="checkbox"/> Likely * <input type="checkbox"/> In Process * * To:					
Market Area Boundaries, Description, and Market Conditions (including support for the above characteristics and trends): Because of current market conditions mainly caused by the recession in effect since 2006, demand for housing units is low. Please refer to the addenda for additional comments on current market conditions.							
Zoning Classification: C-3 Description: Intermediate Commercial							
Zoning Compliance: <input checked="" type="checkbox"/> Legal <input type="checkbox"/> Legal nonconforming (grandfathered) <input type="checkbox"/> Illegal <input type="checkbox"/> No zoning							
Ground Rent (if applicable) \$ N/A/ N/A Comments:							
Highest & Best Use as improved (or as proposed per plans & specifications): <input checked="" type="checkbox"/> Present use, or <input type="checkbox"/> Other use (explain)							
Actual Use as of Effective Date: Residential apartment Use as appraised in this report: Residential apartment							
Summary of Highest & Best Use: Please refers to the addenda							
Utilities Public Other Provider/Description		Off-site Improvements Type Public Private		Density Average			
Electricity <input checked="" type="checkbox"/> PREPA		Street Bricks <input checked="" type="checkbox"/>		Size Typical			
Gas <input type="checkbox"/> Private		Curb/Gutter Concrete <input checked="" type="checkbox"/>		Topography Level			
Water <input checked="" type="checkbox"/> PRASA		Sidewalk Concrete <input checked="" type="checkbox"/>		View Typical			
Sanitary Sewer <input checked="" type="checkbox"/> PRASA		Street Lights Yes <input checked="" type="checkbox"/>					
Storm Sewer <input checked="" type="checkbox"/> PRASA		Alley Few over the neighborhood <input checked="" type="checkbox"/>					
Other site elements: <input type="checkbox"/> Inside Lot <input checked="" type="checkbox"/> Corner Lot <input type="checkbox"/> Cul de Sac <input type="checkbox"/> Underground Utilities <input checked="" type="checkbox"/> Other (describe)							
FEMA Spec'l Flood Hazard Area <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No FEMA Flood Zone X FEMA Map # 72000C0355J FEMA Map Date 11/18/2009							
Site Comments: The gross living area was taken from a legal description furnished by the client and is assumed to be correct. Any changes will render the value conclusion null or void and no responsibilities or liability are assumed. No adverse site conditions or external factors were noted. A copy of the legal description is included in the exhibits section.							
Data source(s) for project information							
Project Description <input type="checkbox"/> Detached <input type="checkbox"/> Row or Townhouse <input type="checkbox"/> Garden <input type="checkbox"/> Mid-Rise <input type="checkbox"/> High-Rise <input checked="" type="checkbox"/> Other (describe) Low-rise							
General Description of Project		Subject Phase		If Project Completed		If Project Incomplete	
# of Stories 3 Exterior Walls RC/Masonry		Units 12		Phases 1		Planned Phases N/A	
# of Elevators 1 Roof Surface Reinf. Concrete		Units Completed 12		Units 12		Planned Units N/A	
<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Und.Cons. Total # Parking 0		Units For Sale 0		Units for Sale 0		Units for Sale N/A	
Design (Style) Colonial Ratio (spaces/unit) N/A		Units Sold 12		Units Sold 12		Units Sold N/A	
Actual Age (Yrs.) 500+ Parking Type(s) N/A		Units Rented 0		Units Rented 0		Units Rented N/A	
Effective Age (Yrs.) 15 Guest Parking N/A		Owner Occup. Units 12		Owner Occup. Units 12		Owner Occup. Units	
Project Primary Occupancy <input checked="" type="checkbox"/> Principal Residence <input type="checkbox"/> Second Home or Recreational <input type="checkbox"/> Tenant							
Is the developer/builder in control of the Homeowners' Association (HOA)? <input type="checkbox"/> Yes <input type="checkbox"/> No							
Management Group: <input checked="" type="checkbox"/> Homeowners' Association <input type="checkbox"/> Developer <input type="checkbox"/> Management Agent (name of management agent or company):							
Was the project created by the conversion of existing building(s) into a condominium? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, describe the original use and date of conversion.							
Are CC&Rs applicable? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Unknown Have the documents been reviewed? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Comments:							
Project Comments (condition, quality of construction, completion status, etc.): The project's quality of construction, unit mix and appeal to market are considered adequate. The subject improvements appear to be properly constructed of materials and finish that are acceptable in this market and price range.							
Common Elements and Recreational Facilities: Halls and elevator. There are no recreational facilities.							



INDIVIDUAL CONDO UNIT APPRAISAL REPORT

File No.: 181-2020-0167(PH-B)

PROJECT ANALYSIS

Summary of condominium project budget analysis for the current year (if analyzed):  
The condominium project budged is a private document that was not available for analysis. However, the subject HOA fees are at par with other competitive condominiums with similar facilities along the subject market area.

Other fees for the use of the project facilities (other than regular HOA charges):  
No

Compared to other competitive projects of similar quality and design, the subject unit charge appears  
☐ High ☒ Average ☐ Low (If High or Low, describe)

Are there any special or unusual characteristics of the project (based on the condominium documents, HOA meetings, or other information) known to the appraiser?  
☐ Yes ☒ No If Yes, describe and explain the effect on value and marketability.  
The HOA fees were not made available. See addenda for extraordinary assumptions.

DESCRIPTION OF THE UNIT IMPROVEMENTS

Unit Charge: \$ Not providec per month X 12 = \$ N/A per year. Annual assessment charge per year per SF of GLA = \$

Utilities included in the Unit Charge: ☐ None ☐ Heat ☐ Air Conditioning ☐ Electricity ☐ Gas ☐ Water ☐ Sewer ☐ Cable ☐ Other

Source(s) used for physical characteristics of property: ☐ New Inspection ☐ Previous Appraisal Files ☐ MLS ☐ Assessment and Tax Records ☐ Prior Inspection  
☐ Property Owner ☒ Other (describe) Client Data Source for Gross Living Area

General Description	Exterior Description	Foundation <input type="checkbox"/> N/A	Basement <input checked="" type="checkbox"/> N/A	Heating	None
Floor Location Three	Foundation Reinf. Concrete	Slab Concrete	Area Sq. Ft.	Type	N/A
# of Levels One	Exterior Walls RC/Masonry	Crawl Space No	% Finished	Fuel	N/A
Design (Style) Average	Roof Surface RC/Masonry	Basement No	Ceiling		
<input type="checkbox"/> Existing <input type="checkbox"/> Proposed	Gutters & Dwnspts. Adequate	Sump Pump <input type="checkbox"/> No	Walls	Cooling	Yes (Assumed)
<input type="checkbox"/> Under Construction	Window Type Wood	Dampness <input type="checkbox"/> No	Floor	Central	No
Actual Age (Yrs.) 120	Storm/Screens No/No	Settlement No	Outside Entry	Other	Yes
Effective Age (Yrs.) 25		Infestation No		Type	Unknown

Interior Description	Appliances	Attic <input type="checkbox"/> N/A	Amenities	Car Storage <input checked="" type="checkbox"/> None
Floors Marble/Ceramic/Gd.	Refrigerator <input type="checkbox"/>	Stairs <input type="checkbox"/>	Fireplace(s) # Woodstove(s) # None	<input type="checkbox"/> Garage #
Walls Concrete/Avg.	Range/Oven <input type="checkbox"/>	Drop Stair <input type="checkbox"/>	Patio No	<input type="checkbox"/> Covered #
Trim/Finish Plaster/Avg.	Disposal <input type="checkbox"/>	Scuttle <input type="checkbox"/>	Deck No	<input type="checkbox"/> Open #
Bath Floor Marble/Good	Dishwasher <input type="checkbox"/>	Doorway <input type="checkbox"/>	Porch No	Total # of cars
Bath Wainscot Ceramic/Avg.	Fan/Hood <input type="checkbox"/>	Floor <input type="checkbox"/>	Fence No	<input type="checkbox"/> Assigned
Doors Woo/Good	Microwave <input type="checkbox"/>	Heated <input type="checkbox"/>	Pool No	<input type="checkbox"/> Owned
	Washer/Dryer <input type="checkbox"/>	Finished <input type="checkbox"/>	Balcony Yes	Space #(s)

Finished area above grade contains: 7 Rooms 3 Bedrooms 2 Bath(s) 2,043 Square Feet of Gross Living Area Above Grade

Are the heating and cooling for the individual units separately metered? ☐ Yes ☒ No (If No, describe) Heating system is not typical in tropical Islands like Puerto Rico.

Additional features: The legal description does not stipulates the interior floor layout. The room count presented above was assumed based on comparison with other properties with similar square footage.

Describe the condition of the property (including physical, functional and external obsolescence): Per the client's request, this appraisal was based on an exterior inspection only. As such, It was assumed that the interior physical condition of the subject is similar to the exterior condition, which was considered to be average to good.

TRANSFER HISTORY

My research ☐ did ☒ did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.

Data Source(s): Public records, CRIM, tasaMax, Inc., Abreu Comparable Sales

1st Prior Subject Sale/Transfer	Analysis of sale/transfer history and/or any current agreement of sale/listing: N/A
Date:	
Price:	
Source(s):	
2nd Prior Subject Sale/Transfer	
Date:	
Price:	
Source(s):	



INDIVIDUAL CONDO UNIT APPRAISAL REPORT

File No.: 181-2020-0167(PH-B)

SALES COMPARISON APPROACH TO VALUE (if developed)

☐ The Sales Comparison Approach was not developed for this appraisal.

FEATURE	SUBJECT	COMPARABLE SALE # 1			COMPARABLE SALE # 2			COMPARABLE SALE # 3						
Address	De La Cruz 109, # PH-B San Juan, PR 00901	53 Calle De La Cruz Apt 2 San Juan, PR 00901			102 Calle Del Sol Apt 1 San Juan, PR 00901			213 Calle Del Sol Apt 1A San Juan, PR 00901						
Project Phase	Gabriela's House (Villa Gabriela) 1	Alfonso III, Old San Juan 1			El Solsticio 1			Ricardo Manuel 1						
Proximity to Subject		0.05 miles N			0.11 miles W			0.03 miles NE						
Sale Price	\$ N/A		\$	621,000		\$	510,000		\$	430,000				
Sale Price/GLA	\$ /sq.ft.	\$	189.44 /sq.ft.		\$	309.84 /sq.ft.		\$	230.44 /sq.ft.					
Data Source(s)	Client	Public Records			Public Records			Public Records						
Verification Source(s)	Walk-Through	CRIM			CRIM			CRIM						
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) \$ Adjust.		DESCRIPTION	+(-) \$ Adjust.		DESCRIPTION	+(-) \$ Adjust.					
Sales or Financing Concessions	None	None			None			None						
Date of Sale/Time	N/A	12/07/2020			8/26/2020			7/31/2020						
Rights Appraised	Fee Simple	Fee Simple			Fee Simple			Fee Simple						
Location	Average	Average			Average			Average						
HOA Fees (\$/Month)	Not provided	109.95			Unknown			Unknown						
Common Elements and Recreational Facilities	None	None			None			None						
Floor Location	3rd	2-3			1st			1st						
View	Average	Average			Average			Average						
Design (Style)	Average	Average			Average			Average						
Quality of Construction	Adequate	Adequate			Adequate			Adequate						
Age	120+	120+			120+			120+						
Condition	Avg. to good	Similar			Superior -5%			-25,500		Inferior +15%	+64,500			
Above Grade Room Count	Total Bdrms Baths	7 3 2	7 3 2		5 2 1		7 2 2							
Gross Living Area		2,043 sq.ft.			3,278 sq.ft.			-111,000		1,646 sq.ft.		+35,500	1,866 sq.ft.	+16,000
Basement & Finished Rooms Below Grade	None	None			None			None						
Functional Utility	Adequate	Adequate			Adequate			Adequate						
Heating/Cooling	None/AC	None/AC			None/AC			None/AC						
Energy Efficient Items	None	None			None			None						
Parking	None	None			None			None						
Porch/Patio/Deck	Balcony/Terrace	Similar			Similar			Similar						
Net Adjustment (Total)		<input type="checkbox"/> + <input checked="" type="checkbox"/> -	\$ -111,000		<input checked="" type="checkbox"/> + <input type="checkbox"/> -	\$ 10,000		<input checked="" type="checkbox"/> + <input type="checkbox"/> -	\$ 80,500					
Adjusted Sale Price of Comparables		Net 17.9 %	\$ 510,000		Net 2.0 %	\$ 520,000		Net 18.7 %	\$ 510,500					
		Gross 17.9 %			Gross 12.0 %			Gross 18.7 %						
Summary of Sales Comparison Approach The listed sales refer to the most recent and best data available for comparison within subject condominium. The unit of comparison typically employed for this type of property is based on sales prices. Note that all the adjustments were rounded to the nearest \$500.														
Analysis and Adjustment of Sales														
Market Condition - No adjustments warranted.														
Floor Location - No adjustments warranted.														
View - No adjustments warranted.														
Condition - Sales 2 sold in superior condition than subject, while sale 3 in inferior condition. Thus, downward adjustment to sale 1 and upward adjustment to sale 3.														
Gross Living Area - The differences in gross living areas between subject and the listed sales were made at \$90 per SF.														
Functional Utility - No adjustments warranted.														
Heating/Cooling - No adjustments warranted.														
Energy Efficient Items - No adjustments warranted.														
Parking - No adjustments warranted.														
Prior to adjustment, the sales reflect a range of \$430,000 - \$621,000. After adjustment, the range is narrowed to \$510,000 - \$520,000, with an average of \$513,500. I give most weight to sale 1 and arrive at a rounded value indication of \$510,000 for the subject.														
On the other hand, for this appraisal the valuation considers issues impacting value, such as the market sensitivity, if any, due to the COVID-19 pandemic. The sales included in the sales comparison approach sold after the lockdown. There are no indications to warrant a market conditions adjustments due to the pandemic scenario. Moreover, interviews performed with the different real estate brokers with expertise in Old San Juan properties, the pandemic scenario has not been an issue in the prices negotiations. As such, no further adjustments warranted.														
Indicated Value by Sales Comparison Approach \$ 510,000														

INDIVIDUAL CONDO UNIT APPRAISAL REPORT

File No.: 181-2020-0167(PH-B)

INCOME APPROACH

INCOME APPROACH TO VALUE (if developed)

☒ The Income Approach was not developed for this appraisal.

FEATURE	SUBJECT	COMPARABLE RENTAL # 1				COMPARABLE RENTAL # 2				COMPARABLE RENTAL # 3			
Address	De La Cruz 109, # PH-B San Juan, PR 00901												
Project Phase	Gabriela's House (Villa Gabriela)												
Proximity to Subject													
Current Monthly Rent	\$			\$			\$			\$			\$
Rent/GLA	\$ /sq.ft.			\$ /sq.ft.			\$ /sq.ft.			\$ /sq.ft.			\$ /sq.ft.
Rent Control	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No			<input type="checkbox"/> Yes <input type="checkbox"/> No			<input type="checkbox"/> Yes <input type="checkbox"/> No		<input type="checkbox"/> Yes <input type="checkbox"/> No			
Data Source(s)													
Date of Lease(s)													
Location	Average												
View													
Age	120+												
Condition	Avg. to good												
Above Grade	Total Bdrms Baths	Total	Bdrms	Baths		Total	Bdrms	Baths		Total	Bdrms	Baths	
Room Count	7 3 2												
Gross Living Area	2,043 sq.ft.	sq.ft.				sq.ft.				sq.ft.			
Utilities Included													
Summary of Income Approach (including support for market rent and GRM):													
Opinion of Monthly Market Rent \$ X Gross Rent Multiplier = \$ Indicated Value by Income Approach													

COST

COST APPROACH TO VALUE (if developed)

☒ The Cost Approach was not developed for this appraisal.

Summary of Cost Approach:

RECONCILIATION

Indicated Value by: Sales Comparison Approach \$ 510,000 Cost Approach (if developed) \$ Income Approach (if developed) \$

Final Reconciliation Only the sales comparison approach was applicable. See addenda for valuation methodology.

This appraisal is made ☒ "as is", ☐ subject to completion per plans and specifications on the basis of a Hypothetical Condition that the improvements have been completed, ☐ subject to the following repairs or alterations on the basis of a Hypothetical Condition that the repairs or alterations have been completed, ☐ subject to the following required inspection based on the Extraordinary Assumption that the condition or deficiency does not require alteration or repair: No liability is assumed for the structural or mechanical elements of the subject improvements and it is assumed, that they comply with the required building codes.

See addenda for other comments.

☒ This report is also subject to other Hypothetical Conditions and/or Extraordinary Assumptions as specified in the attached addenda.

Based on the degree of inspection of the subject property, as indicated below, defined Scope of Work, Statement of Assumptions and Limiting Conditions, and Appraiser's Certifications, my (our) Opinion of the Market Value (or other specified value type), as defined herein, of the real property that is the subject of this report is: \$ 490,000 , as of: December 8, 2020 , which is the effective date of this appraisal.

If indicated above, this Opinion of Value is subject to Hypothetical Conditions and/or Extraordinary Assumptions included in this report. See attached addenda.

ATTACHMENTS

A true and complete copy of this report contains 15 pages, including exhibits which are considered an integral part of the report. This appraisal report may not be properly understood without reference to the information contained in the complete report.

Attached Exhibits:

☒ Scope of Work

☒ Limiting Cond./Certifications

☒ Narrative Addendum

☒ Photograph Addenda

☐ Sketch Addendum

☒ Map Addenda

☐ Additional Sales

☐ Additional Rentals

☒ Flood Addendum

☐ Hypothetical Conditions

☒ Extraordinary Assumptions

☐ Budget Analysis

☐

☐

☐

SIGNATURES

Client Contact: Ivon Paddock Client Name: Quarles & Brady LLP

E-Mail: ivon.paddock@quarles.com Address: 701 Pennsylvania Avenue, NW, Suite 700 / Washington, DC 20006-580

APPRaiser



Appraiser Name: Juan R. Rivera Vega, SRA, MRICS

Company: 12/08/2020

Phone: 787.782.4974 Fax:

E-Mail: jrivera@irr.com

Date of Report (Signature): 12/08/2020

License or Certification #: 725EPA/169CG State: PR

Designation: 1/17/2021-2/24/2023

Expiration Date of License or Certification: 1/17/2021-2/24/2023

Inspection of Subject: ☐ Interior & Exterior ☒ Exterior Only ☐ None

Date of Inspection: December 8, 2020

SUPERVISORY APPRAISER (if required) or CO-APPRAISER (if applicable)

Supervisory or Co-Appraiser Name:

Company:

Phone: Fax:

E-Mail:

Date of Report (Signature):

License or Certification #: State:

Designation:

Expiration Date of License or Certification:

Inspection of Subject: ☐ Interior & Exterior ☐ Exterior Only ☒ None

Date of Inspection:

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Client:	Quarles & Brady LLP	Client File #:	
Subject Property:	109 Calle De La Cruz # PH-B, San Juan, PR 00901	Appraisal File #:	181-2020-0167(PH-B)

**STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS**

This appraisal is subject to the following assumptions and limiting conditions:

- This report is prepared using forms developed and copyrighted by the Appraisal Institute. However, the content, analyses, and opinions set forth in this report are the sole product of the appraiser. The Appraisal Institute is not liable for any of the content, analyses, or opinions set forth herein.
- No responsibility is assumed for matters legal in character or nature. No opinion is rendered as to title, which is assumed to be good and marketable. All existing liens, encumbrances, and assessments have been disregarded, unless otherwise noted, and the property is appraised as though free and clear, having responsible ownership and competent management.
- I have examined the property described herein exclusively for the purposes of identification and description of the real property. The objective of my data collection is to develop an opinion of the highest and best use of the subject property and make meaningful comparisons in the valuation of the property. The appraiser's observations and reporting of the subject improvements are for the appraisal process and valuation purposes only and should not be considered as a warranty of any component of the property. This appraisal assumes (unless otherwise specifically stated) that the subject is structurally sound and all components are in working condition.
- I will not be required to give testimony or appear in court because of having made an appraisal of the property in question, unless specific arrangements to do so have been made in advance, or as otherwise required by law.
- I have noted in this appraisal report any significant adverse conditions (such as needed repairs, depreciation, the presence of hazardous wastes, toxic substances, etc.) discovered during the data collection process in performing the appraisal. Unless otherwise stated in this appraisal report, I have no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the property (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) that would make the property less valuable, and have assumed that there are no such conditions and make no guarantees or warranties, express or implied. I will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because I am not an expert in the field of environmental hazards, this appraisal report must not be considered as an environmental assessment of the property. I obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable public and/or private sources that I believe to be true and correct.
- I will not disclose the contents of this appraisal report except as provided for in the Standards and Ethical Rules under which this appraisal was developed and reported and/or applicable federal, state or local laws.
- The Client is the party or parties who engage an appraiser (by employment contract) in a specific assignment. A party receiving a copy of this report from the client does not, as a consequence, become a party to the appraiser-client relationship. Any person who receives a copy of this appraisal report as a consequence of disclosure requirements that apply to an appraiser's client, does not become an intended user of this report unless the client specifically identified them at the time of the assignment. The appraiser's written consent and approval must be obtained before this appraisal report can be conveyed by anyone to the public through advertising, public relations, news, sales, or other media.
- If this valuation conclusion is subject to satisfactory completion, repairs, or alterations, it is assumed that the improvements will be completed competently and without significant deviation.

**VALUE DEFINITION**

☒ Market Value Definition (below)

☐ Alternate Value Definition (attached)

MARKET VALUE is defined as the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and 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:

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised and acting in what they consider their own best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. 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.

Source: The Dictionary of Real Estate Appraisal, 6th ed., Appraisal Institute

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<b>Client:</b>	Quarles & Brady LLP	<b>Client File #:</b>	
<b>Subject Property:</b>	109 Calle De La Cruz # PH-B, San Juan, PR 00901	<b>Appraisal File #:</b>	181-2020-0167(PH-B)

APPRAISER CERTIFICATION

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

- The statements of fact contained in this report are true and correct.
- The reported analysis, opinions, and conclusions are limited only by the report assumptions and limiting conditions, and are my personal, unbiased professional analysis, opinions, and conclusions.
- I have no present (unless specified below) or prospective interest in the property that is the subject of this report, and I have no (unless specified below) personal interest with respect to the parties involved.
- I have no bias with respect to any property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon the developing or reporting predetermined results.
- 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.
- My analysis, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- Individuals who have provided significant real property appraisal assistance are named below. The specific tasks performed by those named are outlined in the Scope of Work section of this report.

☒ None      ☐ Name(s)

As previously identified in the Scope of Work section of this report, the signer(s) of this report certify to the inspection of the property that is the subject of this report as follows:

Property Inspected by Appraiser      ☒ Yes      ☐ No

Property Inspected by Co-Appraiser      ☐ Yes      ☒ No

- Services provided, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment:      ☒ None      ☐ Specify services provided:      I have not performed prior services, as an appraiser, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

ADDITIONAL CERTIFICATION FOR APPRAISAL INSTITUTE MEMBERS, CANDIDATES AND PRACTICING AFFILIATES

Appraisal Institute Designated Member, Candidate for Designation, or Practicing Affiliate Certify:

- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

<ul style="list-style-type: none"> <li>▪ I am a Designated Member of the Appraisal Institute.</li> </ul> <p>As of the date of this report, I have completed the continuing education program of the Appraisal Institute.</p>	<ul style="list-style-type: none"> <li>▪</li> </ul>
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APPRAISERS SIGNATURES

<b>APPRAISER:</b> Signature Name <u>Juan R. Rivera Vega, SRA, MRICS</u> Report Date <u>12/08/2020</u> Trainee <input type="checkbox"/> Licensed <input checked="" type="checkbox"/> Certified Residential <input type="checkbox"/> Certified General <input checked="" type="checkbox"/> License # <u>725EPA/169CG</u> State <u>PR</u> Expiration Date <u>1/17/2021-2/24/2023</u>	<b>CO-APPRAISER:</b> Signature _____ Name _____ Report Date _____ Trainee <input type="checkbox"/> Licensed <input type="checkbox"/> Certified Residential <input type="checkbox"/> Certified General <input type="checkbox"/> License # _____ State _____ Expiration Date _____
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Copy of Legal Description

Client	Quarles & Brady LLP				
Property Address	109 Calle De La Cruz # PH-B				
City	San Juan	County	Old San Juan	State	PR Zip Code 00901
Appraiser	Juan R. Rivera Vega, SRA, MRICS				

----B. APARTAMENTO PENTHOUSE "B" (PH-B) URBANA: PROPIEDAD HORIZONTAL. Apartamento PH B, localizado en el tercer piso del Condominio Gabriela's House, con una cabida superficial de dos mil cuarenta y dos punto ocho pies cuadrados (2,042.8 pc), equivalentes a ciento ochenta y nueve punto ocho metros cuadrados (189.8 mc). Colinda por el **Norte**, en una distancia de cincuenta y nueve pies nueve punto cinco pulgadas (59'9.5") equivalentes a dieciocho punto dos metros (18.2 m), con la pared exterior del Condominio que da hacia la colindancia con la propiedad marcada con el número ciento siete (107) de la Calle Cruz; por el **Sur**, en una distancia de cincuenta y siete pies nueve punto cinco pulgadas (57'9.5"), equivalentes a dieciocho punto dos metros (18.2 m), con la pared exterior del Condominio que da hacia la colindancia con la Calle Luna; por el **Este**, en una distancia de cincuenta y dos pies con seis pulgadas (52'6"), equivalentes a dieciséis metros (16.00) con la pared exterior del Condominio que da hacia la colindancia con la propiedad marcada con el doscientos uno (201) de la Calle Luna y por el **Oeste**, en una distancia de cincuenta y dos pies con seis pulgadas (52'6"), equivalentes a dieciséis metros (16.00 m) con la pared exterior del Condominio que da hacia la colindancia con el apartamento Penthouse "B" ("PH-B").-----

----A este apartamento le corresponde un once punto cinco, cero, uno, tres por ciento (11.5013%) de los elementos Comunes del Condominio.-----

----Recorded in page 124 of volume 195 of San

Juan, Property number 5232, Registry of the Property of San Juan, First Section.-----

----Cadastral number: 040-002-026-15-013.-----



Subject Photos

Client	Quarles & Brady LLP					
Property Address	109 Calle De La Cruz # PH-B					
City	San Juan	County	Old San Juan	State	PR	Zip Code 00901
Appraiser	Juan R. Rivera Vega, SRA, MRICS					





Comparable Photo Page

Client	Quarles & Brady LLP					
Property Address	109 Calle De La Cruz # Ph-B					
City	San Juan	County	Old San Juan	State	PR	Zip Code 00901
Appraiser	Juan R. Rivera Vega, SRA, MRICS					



Comparable 1

53 Calle De La Cruz Apt 2	
Prox. to Subject	0.05 miles N
Sale Price	621,000
Gross Living Area	3,278
Total Rooms	7
Total Bedrooms	3
Total Bathrooms	2
Location	Average
View	Average
Site	Typical
Quality	Adequate
Age	120+



Comparable 2

102 Calle Del Sol Apt 1	
Prox. to Subject	0.11 miles W
Sale Price	510,000
Gross Living Area	1,646
Total Rooms	5
Total Bedrooms	2
Total Bathrooms	1
Location	Average
View	Average
Site	Typical
Quality	Adequate
Age	120+



Comparable 3

213 Calle Del Sol Apt 1A	
Prox. to Subject	0.03 miles NE
Sale Price	430,000
Gross Living Area	1,866
Total Rooms	7
Total Bedrooms	2
Total Bathrooms	2
Location	Average
View	Average
Site	Typical
Quality	Adequate
Age	120+

Flood Map

Client	Quarles & Brady LLP				
Property Address	109 Calle De La Cruz # PH-B				
City	San Juan	County	Old San Juan	State	PR Zip Code 00901
Appraiser	Juan R. Rivera Vega, SRA, MRICS				





Zoning Map

Client	Quarles & Brady LLP					
Property Address	109 Calle De La Cruz # PH-B					
City	San Juan	County	Old San Juan	State	PR	Zip Code 00901
Appraiser	Juan R. Rivera Vega, SRA, MRICS					





Addenda - Page 1

Scope of Work

To determine the appropriate scope of work for the assignment, we considered the intended use of the appraisal, the needs of the user, the complexity of the property, and other pertinent factors. These items are discussed as follows:

1. I observed the subject site by a physical inspection and analyzed aerial, topography and flood maps. I did not attempt to detect any environmental hazards at the subject, nor did I conduct any off-site research into potential environmental hazards which might impact the subject. Finally, no research into pending legal proceedings (such as planned condemnation for public-right-of-way, etc.) was undertaken by the appraisers;
2. I toured the subject’s surrounding environment and attempted to identify and consider those characteristics that may have a legal, economic or physical impact on the subject. However, unless otherwise noted in this appraisal, I did not conduct any research into non-observable neighborhood issues such as environmental contamination, pending public condemnation issues, etc.;
3. I physically observed the micro and/or macro market environments with respect to physical and economic factors relevant to the valuation process; expanded this knowledge through interviews with regional and/or local market participants, available published data and other various resources;
4. I conducted regional and/or local research with respect to applicable tax data, zoning requirements, flood zone status, demographics, and comparable listing, sale and lease information;
5. I analyzed the data gathered using appropriate and accepted appraisal methodology to arrive at a probable value indication via each applicable approach to value;
6. I correlated and reconciled the results into a reasonable and defensible value conclusion, as defined herein; and
7. I estimated a reasonable exposure time and marketing time associated with the value estimate presented.

Valuation Methodology

Appraisers usually consider the use of three approaches to value when developing a market value opinion for real property. These are the cost approach, sales comparison approach, and income capitalization approach. Use of the approaches in this assignment is summarized as follows:

The **sales comparison approach** is the most reliable valuation method for the subject due to the following:

- There is an active market for similar properties, and sufficient sales data is available for analysis.
- This approach directly considers the prices of alternative properties having similar utility.
- This approach is typically most relevant for owner-user properties.
- The listed transactions were acquired for owner- user concerns.

The **income capitalization approach** is not applicable valuation method because:

- This approach does not reflect the primary analysis undertaken by a typical owner-user.

The **cost approach** is not applicable to the assignment considering the following:

- Its application to individual units is limited since condominium unit cannot be reproduced separately from the rest of the project.

Exposure/Marketing Times

12 to 18 Months

Intended Users of the Appraisal

Quarles & Brady LLP

Use of the appraisal

Receivership estate sale transaction

Use of Real Estate as of the Effective Date of Value

The subject is a commercial unit in condominium as of the date of the appraisal.

Definition of Property Rights Appraised

Fee simple estate is defined as, “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.”

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

Sale History

There has been one sale of the subject in the past three years; a summary of the transaction

Sale Date	March 24, 2017
Seller	Ramiro Millan Catusas & Margarita Millan Torres
Buyer	Michael Scott Williams
Sale Price	\$475,000
Recording Number Instrument	Deed 2, Before Ana L. Toledo Davila Esquire
Expenditures Since Purchase	Unknown
Other Comments	Subject is part of a transaction that included four additional properties. The total price for the five properties was \$1,500,000.

To the best of our knowledge, there is no other sale or transfer of ownership has occurred within the past three years.

Pending Transactions

To the best of my knowledge, the property is not subject to an agreement of sale or an option to buy.

Addenda - Page 2

Report Format

This report is prepared under the Appraisal Report option of Standards Rule 2-2(a) of USPAP. As USPAP gives appraisers the flexibility to vary the level of information in an Appraisal Report depending on the intended use and intended users of the appraisal, I adhere to the Integra Realty Resources internal standards for an Appraisal Report – Standard Format.

This format summarizes the information analyzed, the appraisal methods employed, and the reasoning that supports the analyses, opinions, and conclusions.

Competency

I hereby confirm that I possess adequate knowledge and skills to perform the assignment competently, including an understanding area/regional market conditions, and factors which pertain to the property type in question.

Independence

I hereby confirm that I have no conflicts of interest or material involvement in the property which is the subject of this valuation; and that we are acting as unbiased, independent, external valuers.

RICS Valuer Registration

I confirm that I am in compliance with the RICS Valuer Registration program, which is mandatory for RICS members in the Caribbean region.

Currency

Unless otherwise stated, all financial figures in this report are expressed in United States.

Prior Services

USPAP requires appraisers to disclose to the client any services they have provided in connection with the subject property in the prior three years, including valuation, consulting, property management, brokerage, or any other services. The RICS Red Book also contains requirements for valuers to disclose previous involvement with the subject property within twelve months. I have not performed any services, as an appraiser or in any other capacity, regarding the property that is subject to this report within three-year period preceding acceptance of this assignment.

Economic Condition

The population on the island has been reduced by 532,095 people or -14.28 since 2010 as per the US Census. The reduction in population since April 1, 2010 translates into a declining demand (vacant residences) of about 228,881 units. In addition, this declining in demand results in an annual income loss on the island of\$4,466,613,388. As a result, values have been decreasing.

COVID-19

As of the date of value, the economy (globally, nationally, and locally) was in a state of rapid transition with a widespread expectation of the imminent onset of a significant recession. The outbreak of COVID-19 (corona virus disease of 2019) in China was declared a global pandemic by the World Health Organization (WHO) on March 11, 2020. Some market deterioration had occurred shortly before this date, but the declaration by the WHO soon led to municipal and statewide orders to “shelter in place,” causing widespread closures of businesses and a massive disruption to general commerce. The status of economic conditions is changing rapidly, creating great uncertainty in the markets. Our analysis of these and related issues is presented in the attached report. The value expressed herein represents our opinion based on the best available data reflective as of the date of value. While values are always subject to change over time, we caution the reader that in the current economic climate, market volatility creates the potential for a more significant change in value over a relatively short period of time.

General Public Market Sentiment

General public market sentiment is a changing roller coaster with each passing day. Right now, sentiment is cautious and trying not to overreact, but provide some relief, negotiate in good faith; try and be humane and understand the entire world is in this together. Some countries take two weeks off each year for holiday, and their entire economy doesn’t fall apart. The world is not going to take another four-week vacation from large components of consumer-facing and public activities.

Most humans are sequestered in their homes with limited social contact, with reasoned concerns for the health and safety of our families and friends, all the while consuming worldwide coverage and analysis of atypical death rates from an infectious virus not seen in over 100 years. Market sentiment more than likely gets worse in the coming weeks before it gets better, absent the announcement of a miracle cure/treatment during that time.

At this juncture, the global question facing market participants is: “How long does this crisis last and how deep will its impact become?” At this stage in the crises, there have been some re-gains in the job market, although unemployment is significantly higher than it was at the end of last year. There are at least three promising vaccines in the works which all are hoping will be widely available by the middle of next year.

Conclusion

This heightened uncertainty forms the basis of defined risk. Considering the subject’s relative sensitivity to the COVID-19 risks as of the effective date of the valuation, Integra rates the relative risks of the subject property as of the effective date as follows:

Risk Analysis	
Property Sensivity to Risk	Low - General opinion of market playersis that the residential market in this area is currently under adequate demands levels with considerable amount of potential buyers ready to buy.
Property Location Sensivity to Risk	Low/Ledium - Adequate location with historic good demand levels.
Cost of Capital Impact	Medium/High - Puerto Rico location is considered a higher risk that USA mainland.



**Addenda - Page 3**

For this appraisal, this asset type, and its relative sensitivity to the COVID-19 pandemic, the valuation considers issues impacting value. There has been an active residential market activity within the past two years with a stable price trend noted in the past six months. In addition, according to market participants interviews, the market is active with no effect in the residential values due to COVID-19 scenario. As such, no market conditions adjustment warranted.

**Highest and Best Use**

**As Vacant**

In this case, an opinion of the subject value “as if vacant” is not being developed as the subject is a commercial unit in condominium and this is beyond the scope of work.

**As Improved**

Within the physical and legal limitations of the subject site I find that allowed uses are basically limited to residential. The layout and positioning of the improvements are functional for continued use as a residential apartment in in condominium. There does not appear to be any alternative use that could reasonably be expected to provide a higher present value than the current use. As such, the current residential apartment unit in condominium use is concluded to be maximally productive and the highest and best use of the property as improved.

**Interim Use**

None

**Timing of Physical Use**

Immediately

**Market Participants**

Most Likely Buyer  
Owner User

**Most Likely User**

The buyer

**Additional Comments on Zoning**

Statements regarding zoning compliance are intended only in the most general sense. Zoning and building ordinances vary significantly from one municipality to another and can be extremely detailed. The scope of this report does not include a comparison of every potentially significant characteristic of the subject property's site and improvements relative to zoning and building ordinances.

The property seems to comply with most of the zoning parameters. However, complete zoning compliance assessment is beyond the scope of this appraisal assignment.

**Flood Maps**

Flood maps often lack sufficient detail to enable accurate determinations on the part of the appraiser. Please note item 3 of the attached Statement of Limiting Conditions.

**Environmental Conditions**

I have made no special effort to discover any adverse environmental conditions and accept no responsibility for such discovery. No readily apparent adverse environmental conditions were observed during the normal course of the property observation and it is assumed none exist. If any adverse environmental conditions are discovered, we should be notified, as the value opinion will likely require modification.

As noted in item 5 of the attached limiting conditions (please read in its entirety), I have no special expertise regarding environmental hazards and this report must not be considered as an environmental assessment of the property.

**Extraordinary Assumptions**

The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is uncertain information accepted as fact. If the assumption is found to be false as of the effective date of the appraisal, we reserve the right to modify our value conclusions.

1. The gross living area of subject was gathered from a legal description provided by the client, has been assumed to be accurate.
2. It is assumed that the interior physical condition of the subject is similar to the exterior condition, which was considered to be average top good.
3. The room count presented in the appraisal report was assumed based on comparison with other properties with similar square footage, and has been assumed to be accurate.
4. It is assumed that the property comply with construction and building codes.
5. The HOA fess were not provided by the client. Neither liability nor responsibility is assumed in this respect.

**Hypothetical Conditions**

The value conclusions are based on the following hypothetical conditions that may affect the assignment results. A hypothetical condition is a condition contrary to known fact on the effective date of the appraisal but is supposed for the purpose of analysis.

1. None



Location Map

Client	Quarles & Brady LLP				
Property Address	109 Calle De La Cruz # Ph-B				
City	San Juan	County	Old San Juan	State	PR Zip Code 00901
Appraiser	Juan R. Rivera Vega, SRA, MRICS				





INDIVIDUAL CONDO UNIT APPRAISAL REPORT

File No.: 18-2020-0167 Pkg 321

SUBJECT

ASSIGNMENT

MARKET AREA DESCRIPTION

PROJECT SITE DESCRIPTION

PROJECT INFORMATION

Property Address: 204 Calle De La Luna Apt. 16(321)		Unit #: 16(321)		City: San Juan		State: PR	
Zip Code: 00901		County: Old San Juan		Legal Description: See an enclosed copy of legal description			
Assessor's Parcel #: 040-002-035-17-040							
Tax Year: N/A		R.E. Taxes: \$ 0.00		Special Assessments: \$ 0.00		Borrower (if applicable):	
Current Owner of Record: Michael Scott Williams		Occupant: <input checked="" type="checkbox"/> Owner		<input type="checkbox"/> Tenant (Market Rent)		<input type="checkbox"/> Tenant (Regulated Rent)	
Project Type: <input checked="" type="checkbox"/> Condominium		<input type="checkbox"/> Other (describe)		HOA: \$ N/A		<input type="checkbox"/> per year <input type="checkbox"/> per month	
Market Area Name: Old San Juan		Map Reference: 41980		Census Tract: 0005.06			
Project Name: Cochera San Francisco Condominium		Phase:					
The purpose of this appraisal is to develop an opinion of: <input checked="" type="checkbox"/> Market Value (as defined), or <input type="checkbox"/> other type of value (describe)							
This report reflects the following value (if not Current, see comments): <input checked="" type="checkbox"/> Current (the Inspection Date is the Effective Date) <input type="checkbox"/> Retrospective <input type="checkbox"/> Prospective							
Approaches developed for this appraisal: <input checked="" type="checkbox"/> Sales Comparison Approach <input type="checkbox"/> Cost Approach <input type="checkbox"/> Income Approach (See Reconciliation Comments and Scope of Work)							
Property Rights Appraised: <input checked="" type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold <input type="checkbox"/> Leased Fee <input type="checkbox"/> Other (describe)							
Intended Use: Receivership estate sale transaction							
Intended User(s) (by name or type): Quarles & Brady LLP							
Client: Quarles & Brady LLP		Address: 701 Pennsylvania Avenue, NW, Suite 700 / Washington, DC 20006-5805					
Appraiser: Juan R. Rivera Vega, SRA, MRICS		Address: PO Box 363425, San Juan, PR 00936-3425					
Location: <input checked="" type="checkbox"/> Urban		<input type="checkbox"/> Suburban		<input type="checkbox"/> Rural		Predominant Occupancy	
Built up: <input checked="" type="checkbox"/> Over 75%		<input type="checkbox"/> 25-75%		<input type="checkbox"/> Under 25%		Condominium Housing	
Growth rate: <input type="checkbox"/> Rapid		<input checked="" type="checkbox"/> Stable		<input type="checkbox"/> Slow		PRICE \$ (000)	
Property values: <input type="checkbox"/> Increasing		<input checked="" type="checkbox"/> Stable		<input type="checkbox"/> Declining		AGE (yrs)	
Demand/supply: <input type="checkbox"/> Shortage		<input checked="" type="checkbox"/> In Balance		<input type="checkbox"/> Over Supply		One-Unit 30 %	
Marketing time: <input type="checkbox"/> Under 3 Mos.		<input checked="" type="checkbox"/> 3-6 Mos.		<input type="checkbox"/> Over 6 Mos.		2-4 Unit 10 %	
						Multi-Unit 20 %	
						Comm'l 40 %	
						0 %	
Market Area Boundaries, Description, and Market Conditions (including support for the above characteristics and trends): Because of current market conditions mainly caused by the recession in effect since 2006, demand for housing units is low. Please refer to the addenda for additional comments on current market conditions.							
Zoning Classification: C-3							
Description: Intermediate Commercial				Zoning Compliance: <input checked="" type="checkbox"/> Legal <input type="checkbox"/> Legal nonconforming (grandfathered) <input type="checkbox"/> Illegal <input type="checkbox"/> No zoning			
Ground Rent (if applicable) \$ N/A/ N/A							
Comments:							
Highest & Best Use as improved (or as proposed per plans & specifications): <input checked="" type="checkbox"/> Present use, or <input type="checkbox"/> Other use (explain)							
Actual Use as of Effective Date: Parking Space							
Use as appraised in this report: Parking Space							
Summary of Highest & Best Use: Please refers to the addenda							
Utilities Public Other Provider/Description							
Electricity <input checked="" type="checkbox"/> <input type="checkbox"/> PREPA							
Gas <input type="checkbox"/> <input checked="" type="checkbox"/> Private							
Water <input checked="" type="checkbox"/> <input type="checkbox"/> PRASA							
Sanitary Sewer <input checked="" type="checkbox"/> <input type="checkbox"/> PRASA							
Storm Sewer <input checked="" type="checkbox"/> <input type="checkbox"/> PRASA							
Off-site Improvements Type Public Private							
Street Bricks <input checked="" type="checkbox"/> <input type="checkbox"/>							
Curb/Gutter Concrete <input checked="" type="checkbox"/> <input type="checkbox"/>							
Sidewalk Concrete <input checked="" type="checkbox"/> <input type="checkbox"/>							
Street Lights Yes <input checked="" type="checkbox"/> <input type="checkbox"/>							
Alley Few over the neighborhood <input checked="" type="checkbox"/> <input type="checkbox"/>							
Other site elements: <input checked="" type="checkbox"/> Inside Lot <input type="checkbox"/> Corner Lot <input type="checkbox"/> Cul de Sac <input type="checkbox"/> Underground Utilities <input checked="" type="checkbox"/> Other (describe)							
FEMA Spec'l Flood Hazard Area <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No FEMA Flood Zone X FEMA Map # 72000C0355J FEMA Map Date 11/18/2009							
Site Comments: The gross living area was taken from a legal description furnished by the client and is assumed to be correct. Any changes will render the value conclusion null or void and no responsibilities or liability are assumed. No adverse site conditions or external factors were noted. A copy of the legal description is included in the exhibits section.							
Data source(s) for project information							
Project Description <input type="checkbox"/> Detached <input type="checkbox"/> Row or Townhouse <input type="checkbox"/> Garden <input type="checkbox"/> Mid-Rise <input type="checkbox"/> High-Rise <input checked="" type="checkbox"/> Other (describe) Low-rise							
General Description of Project				Subject Phase #			
# of Stories 6				# If Project Completed #			
Exterior Walls RC/Masonry				# If Project Incomplete #			
# of Elevators 1				Units 17			
Roof Surface Reinf. Concrete				Planned Phases N/A			
<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Und.Cons.				Units Completed 17			
Total # Parking 0				Planned Units N/A			
Design (Style) Colonial				Units For Sale 0			
Ratio (spaces/unit) N/A				Units for Sale N/A			
Actual Age (Yrs.) 500+				Units Sold 17			
Parking Type(s) N/A				Units Sold N/A			
Effective Age (Yrs.) 15				Units Rented 0			
Guest Parking N/A				Units Rented N/A			
Owner Occup. Units 17				Owner Occup. Units 17			
Project Primary Occupancy <input checked="" type="checkbox"/> Principal Residence <input type="checkbox"/> Second Home or Recreational <input type="checkbox"/> Tenant							
Is the developer/builder in control of the Homeowners' Association (HOA)? <input type="checkbox"/> Yes <input type="checkbox"/> No							
Management Group: <input checked="" type="checkbox"/> Homeowners' Association <input type="checkbox"/> Developer <input type="checkbox"/> Management Agent (name of management agent or company):							
Was the project created by the conversion of existing building(s) into a condominium? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, describe the original use and date of conversion.							
Are CC&Rs applicable? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Unknown Have the documents been reviewed? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Comments:							
Project Comments (condition, quality of construction, completion status, etc.): The project's quality of construction, unit mix and appeal to market are considered adequate. The subject improvements appear to be properly constructed of materials and finish that are acceptable in this market and price range.							
Common Elements and Recreational Facilities: Halls and elevator. There are no recreational facilities.							



INDIVIDUAL CONDO UNIT APPRAISAL REPORT

File No.: 18-2020-0167 Pkg 321

PROJECT ANALYSIS

Summary of condominium project budget analysis for the current year (if analyzed):  
The condominium project budged is a private document that was not available for analysis.

Other fees for the use of the project facilities (other than regular HOA charges):  
No

Compared to other competitive projects of similar quality and design, the subject unit charge appears  
☐ High ☒ Average ☐ Low (If High or Low, describe)

Are there any special or unusual characteristics of the project (based on the condominium documents, HOA meetings, or other information) known to the appraiser?  
☐ Yes ☒ No If Yes, describe and explain the effect on value and marketability.  
The HOA fees were not made available. See addenda for extraordinary assumptions.

DESCRIPTION OF THE UNIT IMPROVEMENTS

Unit Charge: \$ Not providec per month X 12 = \$ N/A per year. Annual assessment charge per year per SF of GLA = \$

Utilities included in the Unit Charge: ☐ None ☐ Heat ☐ Air Conditioning ☐ Electricity ☐ Gas ☐ Water ☐ Sewer ☐ Cable ☐ Other

Source(s) used for physical characteristics of property: ☐ New Inspection ☐ Previous Appraisal Files ☐ MLS ☐ Assessment and Tax Records ☐ Prior Inspection  
☐ Property Owner ☒ Other (describe) Client Data Source for Gross Living Area

<b>General Description</b>	<b>Exterior Description</b>	<b>Foundation</b> <input type="checkbox"/> N/A	<b>Basement</b> <input checked="" type="checkbox"/> N/A	<b>Heating</b> None
Floor Location 3rd	Foundation Reinf. Concrete	Slab Concrete	Area Sq. Ft.	Type N/A
# of Levels One	Exterior Walls RC/Masonry	Crawl Space No	% Finished	Fuel N/A
Design (Style) Average	Roof Surface RC/Masonry	Basement No	Ceiling	
<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed	Gutters & Dwnspts. Adequate	Sump Pump <input type="checkbox"/> No	Walls	<b>Cooling</b> Yes (Assumed)
<input type="checkbox"/> Under Construction	Window Type Wood	Dampness <input type="checkbox"/> No	Floor	Central No
Actual Age (Yrs.) 120	Storm/Screens No/No	Settlement No	Outside Entry	Other Yes
Effective Age (Yrs.) 15		Infestation No		Type Unknown

<b>Interior Description</b>	<b>Appliances</b>	<b>Attic</b> <input type="checkbox"/> N/A	<b>Amenities</b>	<b>Car Storage</b> <input checked="" type="checkbox"/> None
Floors Concrete	Refrigerator <input type="checkbox"/>	Stairs <input type="checkbox"/>	Fireplace(s) # Woodstove(s) # None	<input type="checkbox"/> Garage #
Walls Concrete	Range/Oven <input type="checkbox"/>	Drop Stair <input type="checkbox"/>	Patio No	<input type="checkbox"/> Covered #
Trim/Finish Plaster	Disposal <input type="checkbox"/>	Scuttle <input type="checkbox"/>	Deck No	<input type="checkbox"/> Open #
Bath Floor Polished Cement	Dishwasher <input type="checkbox"/>	Doorway <input type="checkbox"/>	Porch No	Total # of cars
Bath Wainscot N/A	Fan/Hood <input type="checkbox"/>	Floor <input type="checkbox"/>	Fence No	<input type="checkbox"/> Assigned
Doors N/A	Microwave <input type="checkbox"/>	Heated <input type="checkbox"/>	Pool No	<input type="checkbox"/> Owned
	Washer/Dryer <input type="checkbox"/>	Finished <input type="checkbox"/>	Balcony Yes	Space #(s)

Finished area above grade contains: Pa Rooms rk Bedrooms ing Bath(s) 149 Square Feet of Gross Living Area Above Grade

Are the heating and cooling for the individual units separately metered? ☐ Yes ☒ No (If No, describe) Heating system is not typical in tropical Islands like Puerto Rico.

Additional features: None.

Describe the condition of the property (including physical, functional and external obsolescence): Per the client's request, this appraisal was based on an exterior inspection only. As such, It was assumed that the interior physical condition of the subject is similar to the exterior condition, which was considered to be average and typical of the market.

TRANSFER HISTORY

My research ☐ did ☒ did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.

Data Source(s): Public records, CRIM, tasaMax, Inc., Abreu Comparable Sales

1st Prior Subject Sale/Transfer	Analysis of sale/transfer history and/or any current agreement of sale/listing: N/A
Date:	
Price:	
Source(s):	
2nd Prior Subject Sale/Transfer	
Date:	
Price:	
Source(s):	



## **SALES COMPARISON APPROACH**

INDIVIDUAL CONDO UNIT APPRAISAL REPORT

File No.: 18-2020-0167 Pkg 321

INCOME APPROACH

INCOME APPROACH TO VALUE (if developed)

☒ The Income Approach was not developed for this appraisal.

FEATURE	SUBJECT	COMPARABLE RENTAL # 1				COMPARABLE RENTAL # 2				COMPARABLE RENTAL # 3			
Address	204 Calle De La Luna Apt.16 San Juan, PR 00901												
Project Phase	Cochera San Francisco Condomin												
Proximity to Subject													
Current Monthly Rent	\$			\$			\$			\$			\$
Rent/GLA	\$ /sq.ft.			\$ /sq.ft.			\$ /sq.ft.			\$ /sq.ft.			\$ /sq.ft.
Rent Control	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No			<input type="checkbox"/> Yes <input type="checkbox"/> No			<input type="checkbox"/> Yes <input type="checkbox"/> No		<input type="checkbox"/> Yes <input type="checkbox"/> No			
Data Source(s)													
Date of Lease(s)													
Location	Average												
View													
Age	120+												
Condition	Average												
Above Grade	Total Bdrms Baths	Total	Bdrms	Baths		Total	Bdrms	Baths		Total	Bdrms	Baths	
Room Count	Pa rk ing												
Gross Living Area	149 sq.ft.	sq.ft.				sq.ft.				sq.ft.			
Utilities Included													
Summary of Income Approach (including support for market rent and GRM):													
Opinion of Monthly Market Rent \$ X Gross Rent Multiplier = \$ Indicated Value by Income Approach													

COST

COST APPROACH TO VALUE (if developed)

☒ The Cost Approach was not developed for this appraisal.

Summary of Cost Approach:

RECONCILIATION

Indicated Value by: Sales Comparison Approach \$ 60,000 Cost Approach (if developed) \$ Income Approach (if developed) \$

Final Reconciliation Only the sales comparison approach was applicable. See addenda for valuation methodology.

This appraisal is made ☒ "as is", ☐ subject to completion per plans and specifications on the basis of a Hypothetical Condition that the improvements have been completed, ☐ subject to the following repairs or alterations on the basis of a Hypothetical Condition that the repairs or alterations have been completed, ☐ subject to the following required inspection based on the Extraordinary Assumption that the condition or deficiency does not require alteration or repair: No liability is assumed for the structural or mechanical elements of the subject improvements and it is assumed, that they comply with the required building codes.

See addenda for other comments.

☒ This report is also subject to other Hypothetical Conditions and/or Extraordinary Assumptions as specified in the attached addenda.

Based on the degree of inspection of the subject property, as indicated below, defined Scope of Work, Statement of Assumptions and Limiting Conditions, and Appraiser's Certifications, my (our) Opinion of the Market Value (or other specified value type), as defined herein, of the real property that is the subject of this report is: \$ 60,000 , as of: December 8, 2020 , which is the effective date of this appraisal. If indicated above, this Opinion of Value is subject to Hypothetical Conditions and/or Extraordinary Assumptions included in this report. See attached addenda.

ATTACHMENTS

A true and complete copy of this report contains 16 pages, including exhibits which are considered an integral part of the report. This appraisal report may not be properly understood without reference to the information contained in the complete report.

Attached Exhibits:

☒ Scope of Work

☒ Limiting Cond./Certifications

☒ Narrative Addendum

☒ Photograph Addenda

☐ Sketch Addendum

☒ Map Addenda

☐ Additional Sales

☐ Additional Rentals

☒ Flood Addendum

☐ Hypothetical Conditions

☒ Extraordinary Assumptions

☐ Budget Analysis

☐

☐

☐

SIGNATURES

Client Contact: Ivon Paddock Client Name: Quarles & Brady LLP

E-Mail: ivon.paddock@quarles.com Address: 701 Pennsylvania Avenue, NW, Suite 700 / Washington, DC 20006-580

APPRaiser



Appraiser Name: Juan R. Rivera Vega, SRA, MRICS

Company: Integra Realty Resources Caribbean/Puerto Rico

Phone: 787.782.4974 Fax:

E-Mail: jrivera@irr.com

Date of Report (Signature): 12/08/2020

License or Certification #: 725EPA/169CG State: PR

Designation: SRA, MRICS

Expiration Date of License or Certification: 1/17/2021-2/24/2023

Inspection of Subject: ☐ Interior & Exterior ☒ Exterior Only ☐ None

Date of Inspection: December 8, 2020

SUPERVISORY APPRAISER (if required) or CO-APPRAISER (if applicable)

Supervisory or Co-Appraiser Name:

Company:

Phone: Fax:

E-Mail:

Date of Report (Signature):

License or Certification #: State:

Designation:

Expiration Date of License or Certification:

Inspection of Subject: ☐ Interior & Exterior ☐ Exterior Only ☒ None

Date of Inspection:

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6/2007

## **SALES COMPARISON APPROACH**



<b>Client:</b>	Quarles & Brady LLP	<b>Client File #:</b>	
<b>Subject Property:</b>	204 Calle De La Luna Apt 16 (321), San Juan, PR 00901	<b>Appraisal File #:</b>	18-2020-0167 Pkg 321

**STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS**

This appraisal is subject to the following assumptions and limiting conditions:

- This report is prepared using forms developed and copyrighted by the Appraisal Institute. However, the content, analyses, and opinions set forth in this report are the sole product of the appraiser. The Appraisal Institute is not liable for any of the content, analyses, or opinions set forth herein.
- No responsibility is assumed for matters legal in character or nature. No opinion is rendered as to title, which is assumed to be good and marketable. All existing liens, encumbrances, and assessments have been disregarded, unless otherwise noted, and the property is appraised as though free and clear, having responsible ownership and competent management.
- I have examined the property described herein exclusively for the purposes of identification and description of the real property. The objective of my data collection is to develop an opinion of the highest and best use of the subject property and make meaningful comparisons in the valuation of the property. The appraiser's observations and reporting of the subject improvements are for the appraisal process and valuation purposes only and should not be considered as a warranty of any component of the property. This appraisal assumes (unless otherwise specifically stated) that the subject is structurally sound and all components are in working condition.
- I will not be required to give testimony or appear in court because of having made an appraisal of the property in question, unless specific arrangements to do so have been made in advance, or as otherwise required by law.
- I have noted in this appraisal report any significant adverse conditions (such as needed repairs, depreciation, the presence of hazardous wastes, toxic substances, etc.) discovered during the data collection process in performing the appraisal. Unless otherwise stated in this appraisal report, I have no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the property (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) that would make the property less valuable, and have assumed that there are no such conditions and make no guarantees or warranties, express or implied. I will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because I am not an expert in the field of environmental hazards, this appraisal report must not be considered as an environmental assessment of the property. I obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable public and/or private sources that I believe to be true and correct.
- I will not disclose the contents of this appraisal report except as provided for in the Standards and Ethical Rules under which this appraisal was developed and reported and/or applicable federal, state or local laws.
- The Client is the party or parties who engage an appraiser (by employment contract) in a specific assignment. A party receiving a copy of this report from the client does not, as a consequence, become a party to the appraiser-client relationship. Any person who receives a copy of this appraisal report as a consequence of disclosure requirements that apply to an appraiser's client, does not become an intended user of this report unless the client specifically identified them at the time of the assignment. The appraiser's written consent and approval must be obtained before this appraisal report can be conveyed by anyone to the public through advertising, public relations, news, sales, or other media.
- If this valuation conclusion is subject to satisfactory completion, repairs, or alterations, it is assumed that the improvements will be completed competently and without significant deviation.

**VALUE DEFINITION**

☒ Market Value Definition (below)

☐ Alternate Value Definition (attached)

MARKET VALUE is defined as the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and 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:

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised and acting in what they consider their own best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. 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.

Source: The Dictionary of Real Estate Appraisal, 6th ed., Appraisal Institute

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<b>Client:</b>	Quarles & Brady LLP	<b>Client File #:</b>	
<b>Subject Property:</b>	204 Calle De La Luna Apt 16 (321), San Juan, PR 00901	<b>Appraisal File #:</b>	18-2020-0167 Pkg 321

APPRAISER CERTIFICATION

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

- The statements of fact contained in this report are true and correct.
- The reported analysis, opinions, and conclusions are limited only by the report assumptions and limiting conditions, and are my personal, unbiased professional analysis, opinions, and conclusions.
- I have no present (unless specified below) or prospective interest in the property that is the subject of this report, and I have no (unless specified below) personal interest with respect to the parties involved.
- I have no bias with respect to any property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon the developing or reporting predetermined results.
- 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.
- My analysis, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- Individuals who have provided significant real property appraisal assistance are named below. The specific tasks performed by those named are outlined in the Scope of Work section of this report.

☒ None      ☐ Name(s)

As previously identified in the Scope of Work section of this report, the signer(s) of this report certify to the inspection of the property that is the subject of this report as follows:

Property Inspected by Appraiser      ☒ Yes      ☐ No

Property Inspected by Co-Appraiser      ☐ Yes      ☒ No

- Services provided, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment:      ☒ None      ☐ Specify services provided:      I have not performed prior services, as an appraiser, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

ADDITIONAL CERTIFICATION FOR APPRAISAL INSTITUTE MEMBERS, CANDIDATES AND PRACTICING AFFILIATES

Appraisal Institute Designated Member, Candidate for Designation, or Practicing Affiliate Certify:

- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

<ul style="list-style-type: none"> <li>▪ I am a Designated Member of the Appraisal Institute.</li> </ul> <p>As of the date of this report, I have completed the continuing education program of the Appraisal Institute.</p>	<ul style="list-style-type: none"> <li>▪</li> </ul>
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APPRAISERS SIGNATURES

<b>APPRAISER:</b> Signature Name <u>Juan R. Rivera Vega, SRA, MRICS</u> Report Date <u>12/08/2020</u> Trainee <input type="checkbox"/> Licensed <input checked="" type="checkbox"/> Certified Residential <input type="checkbox"/> Certified General <input checked="" type="checkbox"/> License # <u>169</u> State <u>PR</u> Expiration Date <u>1/17/2021-2/24/2023</u>	<b>CO-APPRAISER:</b> Signature _____ Name _____ Report Date _____ Trainee <input type="checkbox"/> Licensed <input type="checkbox"/> Certified Residential <input type="checkbox"/> Certified General <input type="checkbox"/> License # _____ State _____ Expiration Date _____
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Copy of Legal Description

Client	Quarles & Brady LLP				
Property Address	204 Calle De La Luna Apt. 16(321)				
City	San Juan	County	Old San Juan	State	PR Zip Code 00901
Appraiser	Juan R. Rivera Vega, SRA, MRICS				

-----D. PROPIEDAD HORIZONTAL: APARTAMIENTO  
DIECISEIS (16): Unidad comercial de  
estacionamiento localizada en el tercer nivel del  
Edificio A del Condominio Cochera San Francisco  
ubicado en el doscientos cuatro (204) de la Calle  
Luna, Viejo San Juan, con un área superficial de  
ciento cuarenta y ocho punto cincuenta pies  
cuadrados (148.50 pc), (no está cantidad en metros  
en descripción), y en lindes por el Norte: con el  
apartamento diecisiete (17); por el Sur, con área  
comunal, por el Este, con área comunal y por el  
Oeste, con área comunal. Tiene acceso por el tramo  
de tránsito vehicular central comunal del tercer  
nivel que conecta con la rampa desembocando en el  
antiguo Pasaje Matienzo, hoy área comunal de  
tránsito vehicular y peatonal y finalmente a la  
vía pública Calle Luna. La unidad tiene acceso  
peatonal a la Calle San Francisco a través de las  
escaleras y ascensor común.-----

-----Corresponde a dicho apartamento una  
participación indivisa en los elementos comunes  
generales del Condominio equivalentes al cero  
punto seis, seis cero tres por ciento (0.6603%).---

-----Recorded in page 32 of volume 199 of San  
Juan, Property number 5434, Registry of the  
Property of San Juan, First Section.-----

-----Cadaster number: 040-002-035-17-040.-----



Subject Photo Page

Client	Quarles & Brady LLP					
Property Address	204 Calle De La Luna Apt 16 (321)					
City	San Juan	County	Old San Juan	State	PR	Zip Code 00901
Appraiser	Juan R. Rivera Vega, SRA, MRICS					



Subject Front

204 Calle De La Luna Apt.16	
Sales Price	N/A
Gross Living Area	149
Total Rooms	Pa
Total Bedrooms	rk
Total Bathrooms	ing
Location	Average
View	Average
Site	Typical
Quality	Adequate
Age	120+



Subject Street



Interior View

Comparable Photo Page

Client	Quarles & Brady LLP					
Property Address	204 Calle De La Luna Apt 16 (321)					
City	San Juan	County	Old San Juan	State	PR	Zip Code 00901
Appraiser	Juan R. Rivera Vega, SRA, MRICS					



Comparable 1

204 Calle De La Luna Apt 90	
Prox. to Subject	Less than 0.01 miles
Sale Price	60,000
Gross Living Area	199
Total Rooms	Pa
Total Bedrooms	rk
Total Bathrooms	ing
Location	Average
View	Average
Site	Typical
Quality	Adequate
Age	120+



Comparable 2

204 Calle De La Luna Apt 70	
Prox. to Subject	Less than 0.01 miles
Sale Price	60,000
Gross Living Area	165
Total Rooms	Pa
Total Bedrooms	rk
Total Bathrooms	ing
Location	Average
View	Average
Site	Typical
Quality	Adequate
Age	120+



Comparable 3

250 Calle Del Sol Apt 15	
Prox. to Subject	0.06 miles NE
Sale Price	69,000
Gross Living Area	180
Total Rooms	Pa
Total Bedrooms	rk
Total Bathrooms	ing
Location	Average
View	Average
Site	Typical
Quality	Adequate
Age	120+



Flood Map

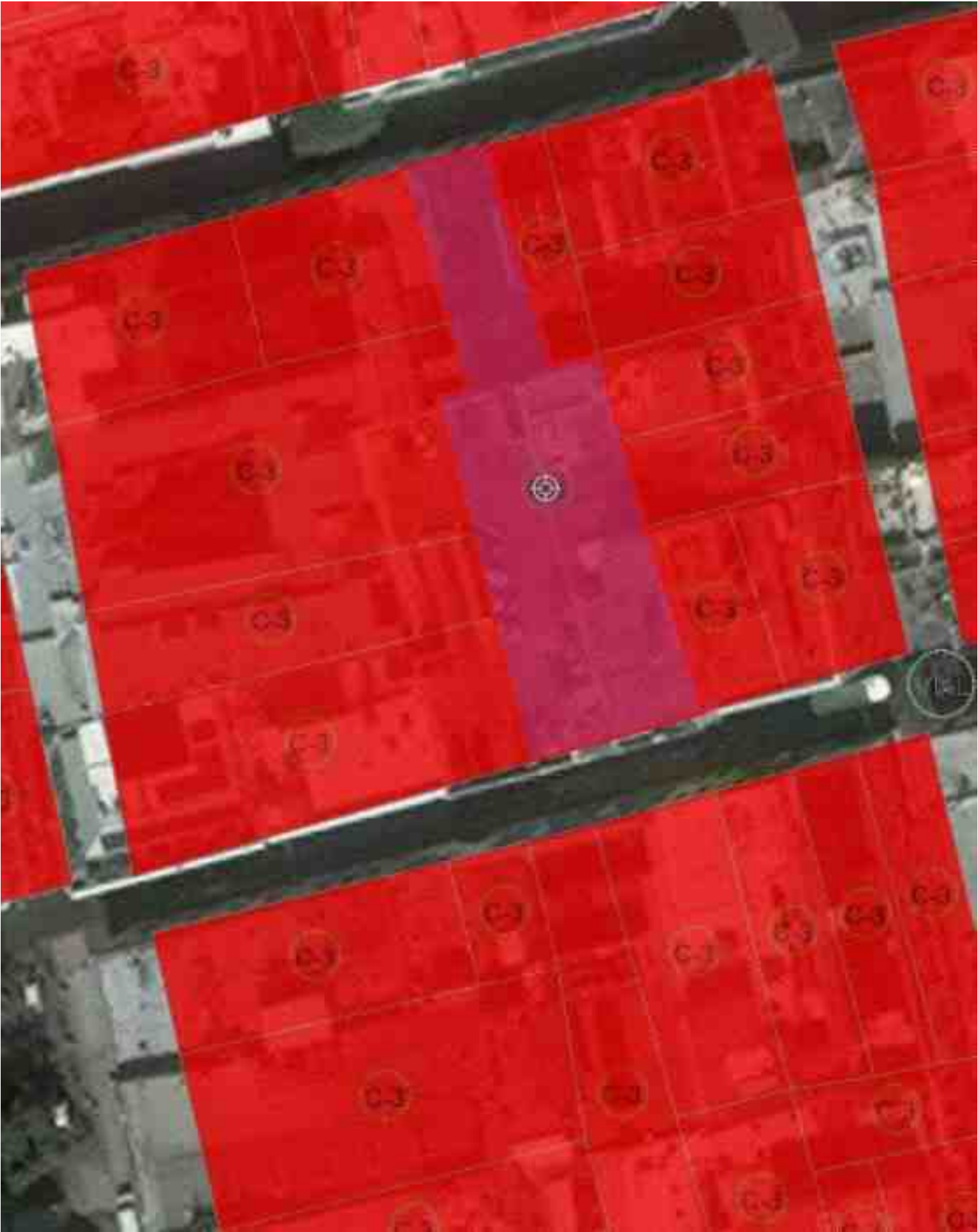
Client	Quarles & Brady LLP				
Property Address	204 Calle De La Luna Apt 16 (321)				
City	San Juan	County	Old San Juan	State	PR Zip Code 00901
Appraiser	Juan R. Rivera Vega, SRA, MRICS				





Zoning Map

Client	Quarles & Brady LLP					
Property Address	204 Calle De La Luna Apt 16 (321)					
City	San Juan	County	Old San Juan	State	PR	Zip Code 00901
Appraiser	Juan R. Rivera Vega, SRA, MRICS					



Addenda - Page 1

Scope of Work

To determine the appropriate scope of work for the assignment, we considered the intended use of the appraisal, the needs of the user, the complexity of the property, and other pertinent factors. These items are discussed as follows:

1. I observed the subject site by a physical inspection and analyzed aerial, topography and flood maps. I did not attempt to detect any environmental hazards at the subject, nor did I conduct any off-site research into potential environmental hazards which might impact the subject. Finally, no research into pending legal proceedings (such as planned condemnation for public-right-of-way, etc.) was undertaken by the appraisers;
2. I toured the subject’s surrounding environment and attempted to identify and consider those characteristics that may have a legal, economic or physical impact on the subject. However, unless otherwise noted in this appraisal, I did not conduct any research into non-observable neighborhood issues such as environmental contamination, pending public condemnation issues, etc.;
3. I physically observed the micro and/or macro market environments with respect to physical and economic factors relevant to the valuation process; expanded this knowledge through interviews with regional and/or local market participants, available published data and other various resources;
4. I conducted regional and/or local research with respect to applicable tax data, zoning requirements, flood zone status, demographics, and comparable listing, sale and lease information;
5. I analyzed the data gathered using appropriate and accepted appraisal methodology to arrive at a probable value indication via each applicable approach to value;
6. I correlated and reconciled the results into a reasonable and defensible value conclusion, as defined herein; and
7. I estimated a reasonable exposure time and marketing time associated with the value estimate presented.

Valuation Methodology

Appraisers usually consider the use of three approaches to value when developing a market value opinion for real property. These are the cost approach, sales comparison approach, and income capitalization approach. Use of the approaches in this assignment is summarized as follows:

The **sales comparison approach** is the most reliable valuation method for the subject due to the following:

- There is an active market for similar properties, and sufficient sales data is available for analysis.
- This approach directly considers the prices of alternative properties having similar utility.
- This approach is typically most relevant for owner-user properties.
- The listed transactions were acquired for owner- user concerns.

The **income capitalization approach** is not applicable valuation method because:

- This approach does not reflect the primary analysis undertaken by a typical owner-user.

The **cost approach** is not applicable to the assignment considering the following:

- Its application to individual units is limited since condominium unit cannot be reproduced separately from the rest of the project.

Exposure/Marketing Times

12 to 18 Months

Intended Users of the Appraisal

Quarles & Brady LLP

Use of the appraisal

Receivership estate sale transaction

Use of Real Estate as of the Effective Date of Value

The subject is a commercial unit in condominium as of the date of the appraisal.

Definition of Property Rights Appraised

Fee simple estate is defined as, “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.”

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

Sale History

There has been one sale of the subject in the past three years; a summary of the transaction

Sale Date	March 24, 2017
Seller	Ramiro Millan Catusas & Margarita Millan Torres
Buyer	Michael Scott Williams
Sale Price	\$75,000
Recording Number Instrument	Deed 2, Before Ana L. Toledo Davila Esquire
Expenditures Since Purchase	Unknown
Other Comments	Subject is part of a transaction that included four additional properties. The total price for the five properties was \$1,500,000.

To the best of our knowledge, there is no other sale or transfer of ownership has occurred within the past three years.

Pending Transactions

To the best of my knowledge, the property is not subject to an agreement of sale or an option to buy.



Addenda - Page 2

Report Format

This report is prepared under the Appraisal Report option of Standards Rule 2-2(a) of USPAP. As USPAP gives appraisers the flexibility to vary the level of information in an Appraisal Report depending on the intended use and intended users of the appraisal, I adhere to the Integra Realty Resources internal standards for an Appraisal Report – Standard Format.

This format summarizes the information analyzed, the appraisal methods employed, and the reasoning that supports the analyses, opinions, and conclusions.

Competency

I hereby confirm that I possess adequate knowledge and skills to perform the assignment competently, including an understanding area/regional market conditions, and factors which pertain to the property type in question.

Independence

I hereby confirm that I have no conflicts of interest or material involvement in the property which is the subject of this valuation; and that we are acting as unbiased, independent, external valuers.

RICS Valuer Registration

I confirm that I am in compliance with the RICS Valuer Registration program, which is mandatory for RICS members in the Caribbean region.

Currency

Unless otherwise stated, all financial figures in this report are expressed in United States.

Prior Services

USPAP requires appraisers to disclose to the client any services they have provided in connection with the subject property in the prior three years, including valuation, consulting, property management, brokerage, or any other services. The RICS Red Book also contains requirements for valuers to disclose previous involvement with the subject property within twelve months. I have not performed any services, as an appraiser or in any other capacity, regarding the property that is subject to this report within three-year period preceding acceptance of this assignment.

Economic Condition

The population on the island has been reduced by 532,095 people or -14.28 since 2010 as per the US Census. The reduction in population since April 1, 2010 translates into a declining demand (vacant residences) of about 228,881 units. In addition, this declining in demand results in an annual income loss on the island of\$4,466,613,388. As a result, values have been decreasing.

COVID-19

As of the date of value, the economy (globally, nationally, and locally) was in a state of rapid transition with a widespread expectation of the imminent onset of a significant recession. The outbreak of COVID-19 (corona virus disease of 2019) in China was declared a global pandemic by the World Health Organization (WHO) on March 11, 2020. Some market deterioration had occurred shortly before this date, but the declaration by the WHO soon led to municipal and statewide orders to “shelter in place,” causing widespread closures of businesses and a massive disruption to general commerce. The status of economic conditions is changing rapidly, creating great uncertainty in the markets. Our analysis of these and related issues is presented in the attached report. The value expressed herein represents our opinion based on the best available data reflective as of the date of value. While values are always subject to change over time, we caution the reader that in the current economic climate, market volatility creates the potential for a more significant change in value over a relatively short period of time.

General Public Market Sentiment

General public market sentiment is a changing roller coaster with each passing day. Right now, sentiment is cautious and trying not to overreact, but provide some relief, negotiate in good faith; try and be humane and understand the entire world is in this together. Some countries take two weeks off each year for holiday, and their entire economy doesn’t fall apart. The world is not going to take another four-week vacation from large components of consumer-facing and public activities.

Most humans are sequestered in their homes with limited social contact, with reasoned concerns for the health and safety of our families and friends, all the while consuming worldwide coverage and analysis of atypical death rates from an infectious virus not seen in over 100 years. Market sentiment more than likely gets worse in the coming weeks before it gets better, absent the announcement of a miracle cure/treatment during that time.

At this juncture, the global question facing market participants is: “How long does this crisis last and how deep will its impact become?” At this stage in the crises, there have been some re-gains in the job market, although unemployment is significantly higher than it was at the end of last year. There are at least three promising vaccines in the works which all are hoping will be widely available by the middle of next year.

Conclusion

This heightened uncertainty forms the basis of defined risk. Considering the subject’s relative sensitivity to the COVID-19 risks as of the effective date of the valuation, Integra rates the relative risks of the subject property as of the effective date as follows:

Risk Analysis	
Property Sensivity to Risk	Low - General opinion of market playersis that the residential market in this area is currently under adequate demands levels with considerable amount of potential buyers ready to buy.
Property Location Sensivity to Risk	Low/Ledium - Adequate location with historic good demand levels.
Cost of Capital Impact	Medium/High - Puerto Rico location is considered a higher risk that USA mainland.



**Addenda - Page 3**

For this appraisal, this asset type, and its relative sensitivity to the COVID-19 pandemic, the valuation considers issues impacting value. There has been an active residential market activity within the past two years with a stable price trend noted in the past six months. In addition, according to market participants interviews, the market is active with no effect in the residential values due to COVID-19 scenario. As such, no market conditions adjustment warranted.

**Highest and Best Use**

**As Vacant**

In this case, an opinion of the subject value “as if vacant” is not being developed as the subject is a commercial unit in condominium and this is beyond the scope of work.

**As Improved**

Within the physical and legal limitations of the subject site I find that allowed uses are basically limited to residential. The layout and positioning of the improvements are functional for continued use as a residential apartment in in condominium. There does not appear to be any alternative use that could reasonably be expected to provide a higher present value than the current use. As such, the current residential apartment unit in condominium use is concluded to be maximally productive and the highest and best use of the property as improved.

**Interim Use**

None

**Timing of Physical Use**

Immediately

**Market Participants**

Most Likely Buyer  
Owner User

**Most Likely User**

The buyer

**Additional Comments on Zoning**

Statements regarding zoning compliance are intended only in the most general sense. Zoning and building ordinances vary significantly from one municipality to another and can be extremely detailed. The scope of this report does not include a comparison of every potentially significant characteristic of the subject property's site and improvements relative to zoning and building ordinances.

The property seems to comply with most of the zoning parameters. However, complete zoning compliance assessment is beyond the scope of this appraisal assignment.

**Flood Maps**

Flood maps often lack sufficient detail to enable accurate determinations on the part of the appraiser. Please note item 3 of the attached Statement of Limiting Conditions.

**Environmental Conditions**

I have made no special effort to discover any adverse environmental conditions and accept no responsibility for such discovery. No readily apparent adverse environmental conditions were observed during the normal course of the property observation and it is assumed none exist. If any adverse environmental conditions are discovered, we should be notified, as the value opinion will likely require modification.

As noted in item 5 of the attached limiting conditions (please read in its entirety), I have no special expertise regarding environmental hazards and this report must not be considered as an environmental assessment of the property.

**Extraordinary Assumptions**

The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is uncertain information accepted as fact. If the assumption is found to be false as of the effective date of the appraisal, we reserve the right to modify our value conclusions.

1. The gross living area of subject was gathered from a legal description provided by the client, has been assumed to be accurate.
2. It is assumed that the interior physical condition of the subject is similar to the exterior condition, which was considered to be average.
3. It is assumed that the property complies with construction and building codes.
4. The HOA fess were not provided by the client. Neither liability nor responsibility is assumed in this respect.

**Hypothetical Conditions**

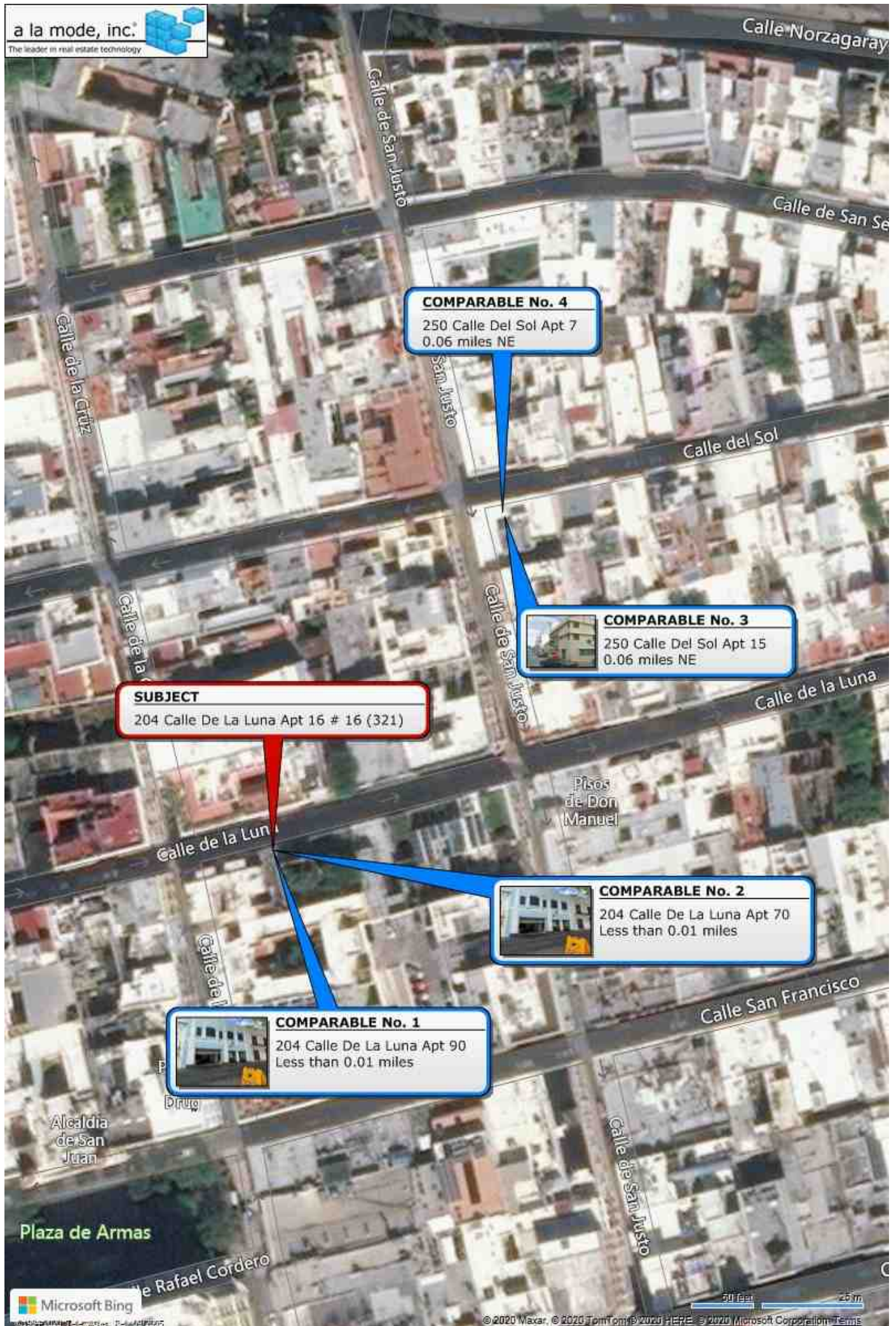
The value conclusions are based on the following hypothetical conditions that may affect the assignment results. A hypothetical condition is a condition contrary to known fact on the effective date of the appraisal but is supposed for the purpose of analysis.

1. None



## Location Map

Client	Quarles & Brady LLP						
Property Address	204 Calle De La Luna Apt 16 (321)						
City	San Juan	County	Old San Juan	State	PR	Zip Code	00901
Appraiser	Juan R. Rivera Vega, SRA, MRICS						





**File No.:** 181-2020-0167 Pkg 325

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INDIVIDUAL CONDO UNIT APPRAISAL REPORT

File No.: 181-2020-0167 Pkg 325

PROJECT ANALYSIS

Summary of condominium project budget analysis for the current year (if analyzed):  
The condominium project budged is a private document that was not available for analysis.

Other fees for the use of the project facilities (other than regular HOA charges):  
No

Compared to other competitive projects of similar quality and design, the subject unit charge appears  
☐ High ☒ Average ☐ Low (If High or Low, describe)

Are there any special or unusual characteristics of the project (based on the condominium documents, HOA meetings, or other information) known to the appraiser?  
☐ Yes ☒ No If Yes, describe and explain the effect on value and marketability.  
The HOA fees were not made available. See addenda for extraordinary assumptions.

DESCRIPTION OF THE UNIT IMPROVEMENTS

Unit Charge: \$ Not providec per month X 12 = \$ N/A per year. Annual assessment charge per year per SF of GLA = \$

Utilities included in the Unit Charge: ☐ None ☐ Heat ☐ Air Conditioning ☐ Electricity ☐ Gas ☐ Water ☐ Sewer ☐ Cable ☐ Other

Source(s) used for physical characteristics of property: ☐ New Inspection ☐ Previous Appraisal Files ☐ MLS ☐ Assessment and Tax Records ☐ Prior Inspection  
☐ Property Owner ☒ Other (describe) Client Data Source for Gross Living Area

<b>General Description</b>	<b>Exterior Description</b>	<b>Foundation</b> <input type="checkbox"/> N/A	<b>Basement</b> <input checked="" type="checkbox"/> N/A	<b>Heating</b> None
Floor Location 3rd	Foundation Reinf. Concrete	Slab Concrete	Area Sq. Ft.	Type N/A
# of Levels One	Exterior Walls RC/Masonry	Crawl Space No	% Finished	Fuel N/A
Design (Style) Average	Roof Surface RC/Masonry	Basement No	Ceiling	
<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed	Gutters & Dwnspts. Adequate	Sump Pump <input type="checkbox"/> No	Walls	<b>Cooling</b> Yes (Assumed)
<input type="checkbox"/> Under Construction	Window Type Wood	Dampness <input type="checkbox"/> No	Floor	Central No
Actual Age (Yrs.) 120	Storm/Screens No/No	Settlement No	Outside Entry	Other Yes
Effective Age (Yrs.) 15		Infestation No		Type Unknown

<b>Interior Description</b>	<b>Appliances</b>	<b>Attic</b> <input type="checkbox"/> N/A	<b>Amenities</b>	<b>Car Storage</b> <input checked="" type="checkbox"/> None
Floors Concrete	Refrigerator <input type="checkbox"/>	Stairs <input type="checkbox"/>	Fireplace(s) # Woodstove(s) # None	<input type="checkbox"/> Garage #
Walls Concrete	Range/Oven <input type="checkbox"/>	Drop Stair <input type="checkbox"/>	Patio No	<input type="checkbox"/> Covered #
Trim/Finish Plaster	Disposal <input type="checkbox"/>	Scuttle <input type="checkbox"/>	Deck No	<input type="checkbox"/> Open #
Bath Floor Polished Cement	Dishwasher <input type="checkbox"/>	Doorway <input type="checkbox"/>	Porch No	Total # of cars
Bath Wainscot N/A	Fan/Hood <input type="checkbox"/>	Floor <input type="checkbox"/>	Fence No	<input type="checkbox"/> Assigned
Doors N/A	Microwave <input type="checkbox"/>	Heated <input type="checkbox"/>	Pool No	<input type="checkbox"/> Owned
	Washer/Dryer <input type="checkbox"/>	Finished <input type="checkbox"/>	Balcony Yes	Space #(s)

Finished area above grade contains: Pa Rooms rk Bedrooms ing Bath(s) 149 Square Feet of Gross Living Area Above Grade

Are the heating and cooling for the individual units separately metered? ☐ Yes ☒ No (If No, describe) Heating system is not typical in tropical Islands like Puerto Rico.

Additional features: None.

Describe the condition of the property (including physical, functional and external obsolescence): Per the client's request, this appraisal was based on an exterior inspection only. As such, It was assumed that the interior physical condition of the subject is similar to the exterior condition, which was considered to be average and typical of the market.

TRANSFER HISTORY

My research ☐ did ☒ did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.

Data Source(s): Public records, CRIM, tasaMax, Inc., Abreu Comparable Sales

1st Prior Subject Sale/Transfer	Analysis of sale/transfer history and/or any current agreement of sale/listing: N/A
Date:	
Price:	
Source(s):	
2nd Prior Subject Sale/Transfer	
Date:	
Price:	
Source(s):	

## **SALES COMPARISON APPROACH**

INDIVIDUAL CONDO UNIT APPRAISAL REPORT

File No.: 181-2020-0167 Pkg 325

INCOME APPROACH

INCOME APPROACH TO VALUE (if developed)

☒ The Income Approach was not developed for this appraisal.

FEATURE	SUBJECT	COMPARABLE RENTAL # 1				COMPARABLE RENTAL # 2				COMPARABLE RENTAL # 3			
Address	204 Calle De La Luna Apt 19 (325) San Juan, PR 00901												
Project Phase	Cochera San Francisco Condomin												
Proximity to Subject													
Current Monthly Rent	\$			\$				\$				\$	
Rent/GLA	\$ /sq.ft.			\$ /sq.ft.				\$ /sq.ft.				\$ /sq.ft.	
Rent Control	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No				<input type="checkbox"/> Yes <input type="checkbox"/> No				<input type="checkbox"/> Yes <input type="checkbox"/> No			
Data Source(s)													
Date of Lease(s)													
Location	Average												
View													
Age	120+												
Condition	Average												
Above Grade	Total Bdrms Baths	Total	Bdrms	Baths		Total	Bdrms	Baths		Total	Bdrms	Baths	
Room Count	Pa rk ing												
Gross Living Area	149 sq.ft.			sq.ft.				sq.ft.				sq.ft.	
Utilities Included													
Summary of Income Approach (including support for market rent and GRM):													
Opinion of Monthly Market Rent \$ X Gross Rent Multiplier = \$ Indicated Value by Income Approach													

COST

COST APPROACH TO VALUE (if developed)

☒ The Cost Approach was not developed for this appraisal.

Summary of Cost Approach:

RECONCILIATION

Indicated Value by: Sales Comparison Approach \$ 60,000

Cost Approach (if developed) \$

Income Approach (if developed) \$

Final Reconciliation Only the sales comparison approach was applicable. See addenda for valuation methodology.

This appraisal is made ☒ "as is", ☐ subject to completion per plans and specifications on the basis of a Hypothetical Condition that the improvements have been completed, ☐ subject to the following repairs or alterations on the basis of a Hypothetical Condition that the repairs or alterations have been completed, ☐ subject to the following required inspection based on the Extraordinary Assumption that the condition or deficiency does not require alteration or repair: No liability is assumed for the structural or mechanical elements of the subject improvements and it is assumed, that they comply with the required building codes.

See addenda for other comments.

☒ This report is also subject to other Hypothetical Conditions and/or Extraordinary Assumptions as specified in the attached addenda.

Based on the degree of inspection of the subject property, as indicated below, defined Scope of Work, Statement of Assumptions and Limiting Conditions, and Appraiser's Certifications, my (our) Opinion of the Market Value (or other specified value type), as defined herein, of the real property that is the subject of this report is: \$ 60,000 , as of: December 8, 2020 , which is the effective date of this appraisal. If indicated above, this Opinion of Value is subject to Hypothetical Conditions and/or Extraordinary Assumptions included in this report. See attached addenda.

ATTACHMENTS

A true and complete copy of this report contains 16 pages, including exhibits which are considered an integral part of the report. This appraisal report may not be properly understood without reference to the information contained in the complete report.

Attached Exhibits:

☒ Scope of Work

☒ Limiting Cond./Certifications

☒ Narrative Addendum

☒ Photograph Addenda

☐ Sketch Addendum

☒ Map Addenda

☐ Additional Sales

☐ Additional Rentals

☒ Flood Addendum

☐ Hypothetical Conditions

☒ Extraordinary Assumptions

☐ Budget Analysis

☐

☐

☐

SIGNATURES

Client Contact: Ivon Paddock

Client Name: Quarles & Brady LLP

E-Mail: ivon.paddock@quarles.com

Address: 701 Pennsylvania Avenue, NW, Suite 700 / Washington, DC 20006-580

APPRaiser

Juan R. Rivera Vega

Appraiser Name: Juan R. Rivera Vega, SRA, MRICS

Company: Integra Realty Resources Caribbean/Puerto Rico

Phone: 787.782.4974 Fax:

E-Mail: jrivera@irr.com

Date of Report (Signature): 12/08/2020

License or Certification #: 725EPA/169CG State: PR

Designation: SRA, MRICS

Expiration Date of License or Certification: 1/17/2021-2/24/2023

Inspection of Subject: ☐ Interior & Exterior ☒ Exterior Only ☐ None

Date of Inspection: December 8, 2020

SUPERVISORY APPRAISER (if required) or CO-APPRAISER (if applicable)

Supervisory or Co-Appraiser Name:

Company:

Phone: Fax:

E-Mail:

Date of Report (Signature):

License or Certification #: State:

Designation:

Expiration Date of License or Certification:

Inspection of Subject: ☐ Interior & Exterior ☐ Exterior Only ☒ None

Date of Inspection:



ADDITIONAL COMPARABLE SALES

File No.: 181-2020-0167 Pkg 325

FEATURE		SUBJECT		COMPARABLE SALE # 4				COMPARABLE SALE # 5				COMPARABLE SALE # 6			
Address		204 Calle De La Luna Apt 19 (325) San Juan, PR 00901		250 Calle Del Sol Apt 7 San Juan, PR 00901											
Project Phase		Cochera San Francisco Condo 1		Sol 250 Condo 1											
Proximity to Subject				0.06 miles NE											
Sale Price		\$ N/A				\$ 50,000				\$				\$	
Sale Price/GLA		\$ /sq.ft.		\$ 328.95 /sq.ft.				\$ /sq.ft.				\$ /sq.ft.			
Data Source(s)		Client		Public Records											
Verification Source(s)		Walk-Through		Deed 2, Rafael E. Mullet, Esq.											
VALUE ADJUSTMENTS		DESCRIPTION		DESCRIPTION		+(-) \$ Adjust.		DESCRIPTION		+(-) \$ Adjust.		DESCRIPTION		+(-) \$ Adjust.	
Sales or Financing Concessions		None		None											
Date of Sale/Time		N/A		8/28/2019											
Rights Appraised		Fee Simple		Fee Simple											
Location		Average		Average											
HOA Fees (\$/Month)		0.00		N/A											
Common Elements and Recreational Facilities		None		None											
Floor Location		3rd		1st											
View		Average		Average											
Design (Style)		Average		Average											
Quality of Construction		Adequate		Adequate											
Age		120+		120+											
Condition		Average		Average											
Above Grade		Total	Bdrms	Baths	Total	Bdrms	Baths		Total	Bdrms	Baths		Total	Bdrms	Baths
Room Count		Pa	rk	ing	Pa	rk	ing								
Gross Living Area		149 sq.ft.		152 sq.ft.				sq.ft.				sq.ft.			
Basement & Finished Rooms Below Grade		None		None											
Functional Utility		Adequate		Adequate											
Heating/Cooling		None/None		None/None											
Energy Efficient Items		None		None											
Parking		1		1											
Porch/Patio/Deck		None		None											
Net Adjustment (Total)				<input type="checkbox"/> + <input type="checkbox"/> -		\$		<input type="checkbox"/> + <input type="checkbox"/> -		\$		<input type="checkbox"/> + <input type="checkbox"/> -		\$	
Adjusted Sale Price of Comparables						\$ 50,000				\$				\$	
Summary of Sales Comparison Approach      The listed sales refer to the most recent and best data available for comparison within subject condominium. The unit of comparison typically employed for this type of property is based on sales prices.															
No adjustments were made as none could be extracted by the listed sales.															
The sales reflect a range of \$50,000 - \$69,000 with an average of \$59,750. I give most weight to sales 1 and 2 and arrive at a value indication of \$60,000 for the subject.															
On the other hand, for this appraisal the valuation considers issues impacting value, such as the market sensitivity, if any, due to the COVID-19 pandemic. One sale included in the sales comparison approach sold after the lockdown. There are no indications to warrant a market conditions adjustments due to the pandemic scenario. Moreover, interviews performed with the different real estate brokers with expertise in Old San Juan properties, the pandemic scenario has not been an issue in the prices negotiations. As such, no further adjustments warranted.															

<b>Client:</b>	Quarles & Brady LLP	<b>Client File #:</b>	
<b>Subject Property:</b>	204 Calle De La Luna Apt 19, San Juan, PR 00901	<b>Appraisal File #:</b>	181-2020-0167 Pkg 325

**STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS**

This appraisal is subject to the following assumptions and limiting conditions:

- This report is prepared using forms developed and copyrighted by the Appraisal Institute. However, the content, analyses, and opinions set forth in this report are the sole product of the appraiser. The Appraisal Institute is not liable for any of the content, analyses, or opinions set forth herein.
- No responsibility is assumed for matters legal in character or nature. No opinion is rendered as to title, which is assumed to be good and marketable. All existing liens, encumbrances, and assessments have been disregarded, unless otherwise noted, and the property is appraised as though free and clear, having responsible ownership and competent management.
- I have examined the property described herein exclusively for the purposes of identification and description of the real property. The objective of my data collection is to develop an opinion of the highest and best use of the subject property and make meaningful comparisons in the valuation of the property. The appraiser's observations and reporting of the subject improvements are for the appraisal process and valuation purposes only and should not be considered as a warranty of any component of the property. This appraisal assumes (unless otherwise specifically stated) that the subject is structurally sound and all components are in working condition.
- I will not be required to give testimony or appear in court because of having made an appraisal of the property in question, unless specific arrangements to do so have been made in advance, or as otherwise required by law.
- I have noted in this appraisal report any significant adverse conditions (such as needed repairs, depreciation, the presence of hazardous wastes, toxic substances, etc.) discovered during the data collection process in performing the appraisal. Unless otherwise stated in this appraisal report, I have no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the property (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) that would make the property less valuable, and have assumed that there are no such conditions and make no guarantees or warranties, express or implied. I will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because I am not an expert in the field of environmental hazards, this appraisal report must not be considered as an environmental assessment of the property. I obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable public and/or private sources that I believe to be true and correct.
- I will not disclose the contents of this appraisal report except as provided for in the Standards and Ethical Rules under which this appraisal was developed and reported and/or applicable federal, state or local laws.
- The Client is the party or parties who engage an appraiser (by employment contract) in a specific assignment. A party receiving a copy of this report from the client does not, as a consequence, become a party to the appraiser-client relationship. Any person who receives a copy of this appraisal report as a consequence of disclosure requirements that apply to an appraiser's client, does not become an intended user of this report unless the client specifically identified them at the time of the assignment. The appraiser's written consent and approval must be obtained before this appraisal report can be conveyed by anyone to the public through advertising, public relations, news, sales, or other media.
- If this valuation conclusion is subject to satisfactory completion, repairs, or alterations, it is assumed that the improvements will be completed competently and without significant deviation.

**VALUE DEFINITION**

☒ Market Value Definition (below)

☐ Alternate Value Definition (attached)

MARKET VALUE is defined as the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and 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:

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised and acting in what they consider their own best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. 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.

Source: The Dictionary of Real Estate Appraisal, 6th ed., Appraisal Institute

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<b>Client:</b>	Quarles & Brady LLP	<b>Client File #:</b>	
<b>Subject Property:</b>	204 Calle De La Luna Apt 19, San Juan, PR 00901	<b>Appraisal File #:</b>	181-2020-0167 Pkg 325

APPRAISER CERTIFICATION

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

- The statements of fact contained in this report are true and correct.
- The reported analysis, opinions, and conclusions are limited only by the report assumptions and limiting conditions, and are my personal, unbiased professional analysis, opinions, and conclusions.
- I have no present (unless specified below) or prospective interest in the property that is the subject of this report, and I have no (unless specified below) personal interest with respect to the parties involved.
- I have no bias with respect to any property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon the developing or reporting predetermined results.
- 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.
- My analysis, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- Individuals who have provided significant real property appraisal assistance are named below. The specific tasks performed by those named are outlined in the Scope of Work section of this report.

☒ None      ☐ Name(s)

As previously identified in the Scope of Work section of this report, the signer(s) of this report certify to the inspection of the property that is the subject of this report as follows:

Property Inspected by Appraiser      ☒ Yes      ☐ No

Property Inspected by Co-Appraiser      ☐ Yes      ☒ No

- Services provided, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment:      ☒ None      ☐ Specify services provided:      I have not performed prior services, as an appraiser, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

ADDITIONAL CERTIFICATION FOR APPRAISAL INSTITUTE MEMBERS, CANDIDATES AND PRACTICING AFFILIATES

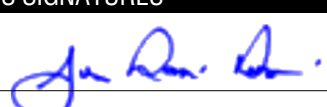
Appraisal Institute Designated Member, Candidate for Designation, or Practicing Affiliate Certify:

- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

<ul style="list-style-type: none"> <li>▪ I am a Designated Member of the Appraisal Institute.</li> </ul> <p>As of the date of this report, I have completed the continuing education program of the Appraisal Institute.</p>	<ul style="list-style-type: none"> <li>▪</li> </ul>
--	---

APPRAISERS SIGNATURES

<b>APPRAISER:</b> Signature <u></u> Name <u>Juan R. Rivera Vega, SRA, MRICS</u> Report Date <u>12/08/2020</u> Trainee <input type="checkbox"/> Licensed <input checked="" type="checkbox"/> Certified Residential <input type="checkbox"/> Certified General <input checked="" type="checkbox"/> License # <u>725EPA/169CG</u> State <u>PR</u> Expiration Date <u>1/17/2021-2/24/2023</u>	<b>CO-APPRAISER:</b> Signature _____ Name _____ Report Date _____ Trainee <input type="checkbox"/> Licensed <input type="checkbox"/> Certified Residential <input type="checkbox"/> Certified General <input type="checkbox"/> License # _____ State _____ Expiration Date _____
--	--

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Copy of Legal Description

Client	Quarles & Brady LLP				
Property Address	204 Calle De La Luna Apt 19 (325)				
City	San Juan	County	Old San Juan	State	PR Zip Code 00901
Appraiser	Juan R. Rivera Vega, SRA, MRICS				

-----E. PROPIEDAD HORIZONTAL: APARTAMIENTO  
DIECINUEVE (19): Unidad comercial de  
estacionamiento localizada en el tercer nivel del  
Edificio A del Condominio Cochera San Francisco  
ubicado en el doscientos cuatro (204) de la Calle  
Luna, Viejo San Juan, con un área superficial de  
ciento cuarenta y ocho punto cincuenta pies  
cuadrados (148.50 pc), (no está cantidad en metros  
en descripción), y en lindes por el Norte: con  
área comunal; por el Sur, el apartamento dieciocho  
(18); por el Este, con área comunal y por el  
Oeste, con área comunal. Tiene acceso por el tramo  
de tránsito vehicular central comunal del tercer  
nivel que conecta con la rampa desembocando en el  
antiguo Pasaje Matienzo, hoy área comunal de  
tránsito vehicular y peatonal y finalmente a la  
vía pública Calle Luna. La unidad tiene acceso  
peatonal a la Calle San Francisco a través de las  
escaleras y ascensor común.-----

----Corresponde a dicho apartamento una  
participación indivisa en los elementos comunes  
generales del Condominio equivalentes al cero  
punto seis, seis cero tres por ciento (0.6603%).---

-----Recorded in page 28 of volume 199 of San  
Juan, Property number 5432, Registry of the  
Property of San Juan, First Section.-----

-----Cadaster number: 040-002-035-17-043.-----

Subject Photo Page

Client	Quarles & Brady LLP					
Property Address	204 Calle De La Luna Apt 19 (325)					
City	San Juan	County	Old San Juan	State	PR	Zip Code 00901
Appraiser	Juan R. Rivera Vega, SRA, MRICS					



Subject Front

204 Calle De La Luna Apt 19	
Sales Price	N/A
Gross Living Area	149
Total Rooms	Pa
Total Bedrooms	rk
Total Bathrooms	ing
Location	Average
View	Average
Site	Typical
Quality	Adequate
Age	120+



Subject Street



Interior View



Comparable Photo Page

Client	Quarles & Brady LLP					
Property Address	204 Calle De La Luna Apt 19 (325)					
City	San Juan	County	Old San Juan	State	PR	Zip Code 00901
Appraiser	Juan R. Rivera Vega, SRA, MRICS					



Comparable 1

204 Calle De La Luna Apt 90	
Prox. to Subject	Less than 0.01 miles
Sale Price	60,000
Gross Living Area	199
Total Rooms	Pa
Total Bedrooms	rk
Total Bathrooms	ing
Location	Average
View	Average
Site	Typical
Quality	Adequate
Age	120+



Comparable 2

204 Calle De La Luna Apt 70	
Prox. to Subject	Less than 0.01 miles
Sale Price	60,000
Gross Living Area	165
Total Rooms	Pa
Total Bedrooms	rk
Total Bathrooms	ing
Location	Average
View	Average
Site	Typical
Quality	Adequate
Age	120+



Comparable 3

250 Calle Del Sol Apt 15	
Prox. to Subject	0.06 miles NE
Sale Price	69,000
Gross Living Area	180
Total Rooms	Pa
Total Bedrooms	rk
Total Bathrooms	ing
Location	Average
View	Average
Site	Typical
Quality	Adequate
Age	120+



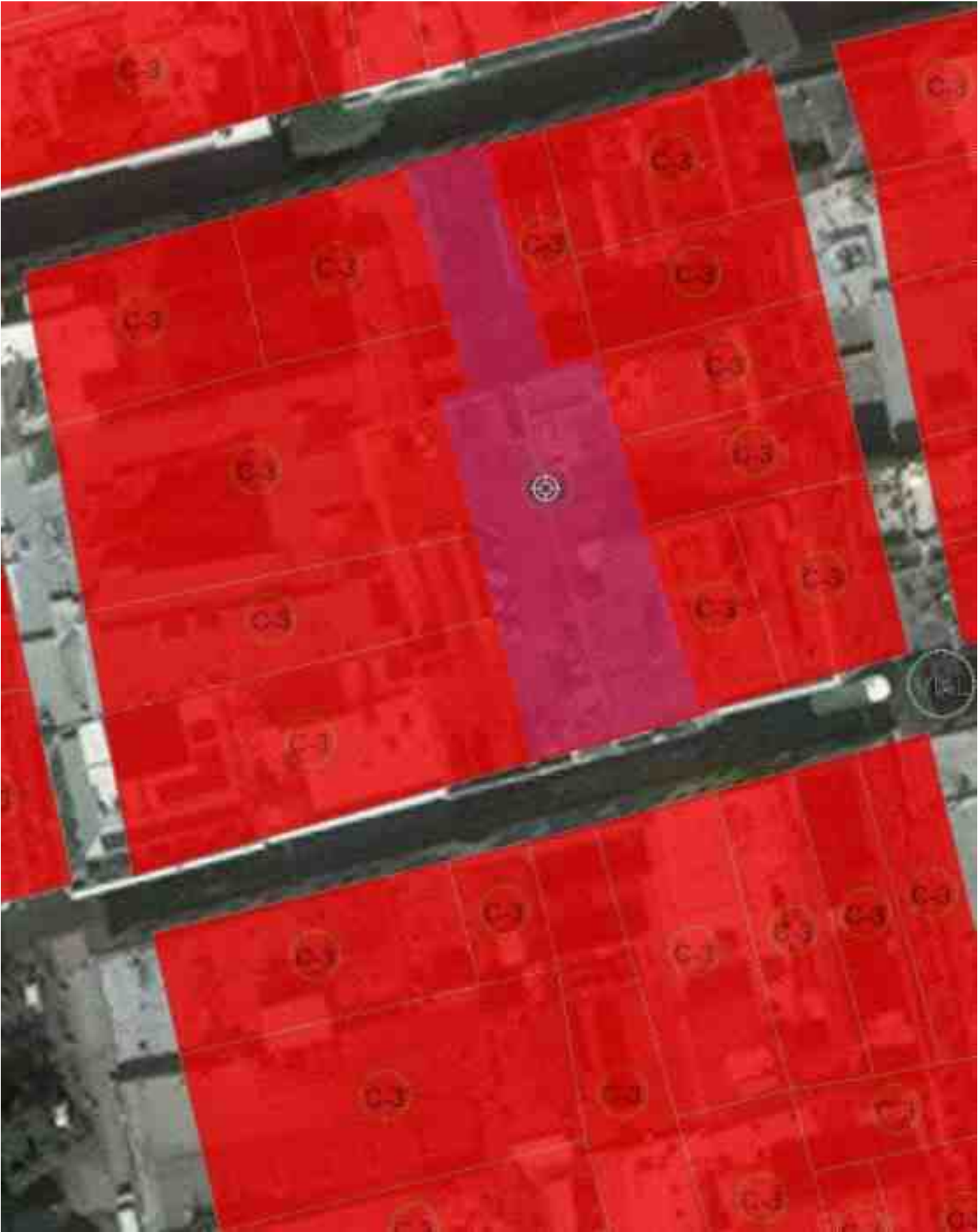
Flood Map

Client	Quarles & Brady LLP				
Property Address	204 Calle De La Luna Apt 19 (325)				
City	San Juan	County	Old San Juan	State	PR Zip Code 00901
Appraiser	Juan R. Rivera Vega, SRA, MRICS				



Zoning Map

Client	Quarles & Brady LLP					
Property Address	204 Calle De La Luna Apt 19 (325)					
City	San Juan	County	Old San Juan	State	PR	Zip Code 00901
Appraiser	Juan R. Rivera Vega, SRA, MRICS					





Addenda - Page 1

Scope of Work

To determine the appropriate scope of work for the assignment, we considered the intended use of the appraisal, the needs of the user, the complexity of the property, and other pertinent factors. These items are discussed as follows:

1. I observed the subject site by a physical inspection and analyzed aerial, topography and flood maps. I did not attempt to detect any environmental hazards at the subject, nor did I conduct any off-site research into potential environmental hazards which might impact the subject. Finally, no research into pending legal proceedings (such as planned condemnation for public-right-of-way, etc.) was undertaken by the appraisers;
2. I toured the subject’s surrounding environment and attempted to identify and consider those characteristics that may have a legal, economic or physical impact on the subject. However, unless otherwise noted in this appraisal, I did not conduct any research into non-observable neighborhood issues such as environmental contamination, pending public condemnation issues, etc.;
3. I physically observed the micro and/or macro market environments with respect to physical and economic factors relevant to the valuation process; expanded this knowledge through interviews with regional and/or local market participants, available published data and other various resources;
4. I conducted regional and/or local research with respect to applicable tax data, zoning requirements, flood zone status, demographics, and comparable listing, sale and lease information;
5. I analyzed the data gathered using appropriate and accepted appraisal methodology to arrive at a probable value indication via each applicable approach to value;
6. I correlated and reconciled the results into a reasonable and defensible value conclusion, as defined herein; and
7. I estimated a reasonable exposure time and marketing time associated with the value estimate presented.

Valuation Methodology

Appraisers usually consider the use of three approaches to value when developing a market value opinion for real property. These are the cost approach, sales comparison approach, and income capitalization approach. Use of the approaches in this assignment is summarized as follows:

The **sales comparison approach** is the most reliable valuation method for the subject due to the following:

- There is an active market for similar properties, and sufficient sales data is available for analysis.
- This approach directly considers the prices of alternative properties having similar utility.
- This approach is typically most relevant for owner-user properties.
- The listed transactions were acquired for owner- user concerns.

The **income capitalization approach** is not applicable valuation method because:

- This approach does not reflect the primary analysis undertaken by a typical owner-user.

The **cost approach** is not applicable to the assignment considering the following:

- Its application to individual units is limited since condominium unit cannot be reproduced separately from the rest of the project.

Exposure/Marketing Times

12 to 18 Months

Intended Users of the Appraisal

Quarles & Brady LLP

Use of the appraisal

Receivership estate sale transaction

Use of Real Estate as of the Effective Date of Value

The subject is a commercial unit in condominium as of the date of the appraisal.

Definition of Property Rights Appraised

Fee simple estate is defined as, “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.”

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

Sale History

There has been one sale of the subject in the past three years; a summary of the transaction

Sale Date	March 24, 2017
Seller	Ramiro Millan Catusas & Margarita Millan Torres
Buyer	Michael Scott Williams
Sale Price	\$75,000
Recording Number Instrument	Deed 2, Before Ana L. Toledo Davila Esquire
Expenditures Since Purchase	Unknown
Other Comments	Subject is part of a transaction that included four additional properties. The total price for the five properties was \$1,500,000.

To the best of our knowledge, there is no other sale or transfer of ownership has occurred within the past three years.

Pending Transactions

To the best of my knowledge, the property is not subject to an agreement of sale or an option to buy.



Addenda - Page 2

Report Format

This report is prepared under the Appraisal Report option of Standards Rule 2-2(a) of USPAP. As USPAP gives appraisers the flexibility to vary the level of information in an Appraisal Report depending on the intended use and intended users of the appraisal, I adhere to the Integra Realty Resources internal standards for an Appraisal Report – Standard Format.

This format summarizes the information analyzed, the appraisal methods employed, and the reasoning that supports the analyses, opinions, and conclusions.

Competency

I hereby confirm that I possess adequate knowledge and skills to perform the assignment competently, including an understanding area/regional market conditions, and factors which pertain to the property type in question.

Independence

I hereby confirm that I have no conflicts of interest or material involvement in the property which is the subject of this valuation; and that we are acting as unbiased, independent, external valuers.

RICS Valuer Registration

I confirm that I am in compliance with the RICS Valuer Registration program, which is mandatory for RICS members in the Caribbean region.

Currency

Unless otherwise stated, all financial figures in this report are expressed in United States.

Prior Services

USPAP requires appraisers to disclose to the client any services they have provided in connection with the subject property in the prior three years, including valuation, consulting, property management, brokerage, or any other services. The RICS Red Book also contains requirements for valuers to disclose previous involvement with the subject property within twelve months. I have not performed any services, as an appraiser or in any other capacity, regarding the property that is subject to this report within three-year period preceding acceptance of this assignment.

Economic Condition

The population on the island has been reduced by 532,095 people or -14.28 since 2010 as per the US Census. The reduction in population since April 1, 2010 translates into a declining demand (vacant residences) of about 228,881 units. In addition, this declining in demand results in an annual income loss on the island of\$4,466,613,388. As a result, values have been decreasing.

COVID-19

As of the date of value, the economy (globally, nationally, and locally) was in a state of rapid transition with a widespread expectation of the imminent onset of a significant recession. The outbreak of COVID-19 (corona virus disease of 2019) in China was declared a global pandemic by the World Health Organization (WHO) on March 11, 2020. Some market deterioration had occurred shortly before this date, but the declaration by the WHO soon led to municipal and statewide orders to “shelter in place,” causing widespread closures of businesses and a massive disruption to general commerce. The status of economic conditions is changing rapidly, creating great uncertainty in the markets. Our analysis of these and related issues is presented in the attached report. The value expressed herein represents our opinion based on the best available data reflective as of the date of value. While values are always subject to change over time, we caution the reader that in the current economic climate, market volatility creates the potential for a more significant change in value over a relatively short period of time.

General Public Market Sentiment

General public market sentiment is a changing roller coaster with each passing day. Right now, sentiment is cautious and trying not to overreact, but provide some relief, negotiate in good faith; try and be humane and understand the entire world is in this together. Some countries take two weeks off each year for holiday, and their entire economy doesn’t fall apart. The world is not going to take another four-week vacation from large components of consumer-facing and public activities.

Most humans are sequestered in their homes with limited social contact, with reasoned concerns for the health and safety of our families and friends, all the while consuming worldwide coverage and analysis of atypical death rates from an infectious virus not seen in over 100 years. Market sentiment more than likely gets worse in the coming weeks before it gets better, absent the announcement of a miracle cure/treatment during that time.

At this juncture, the global question facing market participants is: “How long does this crisis last and how deep will its impact become?” At this stage in the crises, there have been some re-gains in the job market, although unemployment is significantly higher than it was at the end of last year. There are at least three promising vaccines in the works which all are hoping will be widely available by the middle of next year.

Conclusion

This heightened uncertainty forms the basis of defined risk. Considering the subject’s relative sensitivity to the COVID-19 risks as of the effective date of the valuation, Integra rates the relative risks of the subject property as of the effective date as follows:

Risk Analysis	
Property Sensivity to Risk	Low - General opinion of market playersis that the residential market in this area is currently under adequate demands levels with considerable amount of potential buyers ready to buy.
Property Location Sensivity to Risk	Low/Ledium - Adequate location with historic good demand levels.
Cost of Capital Impact	Medium/High - Puerto Rico location is considered a higher risk that USA mainland.

**Addenda - Page 3**

For this appraisal, this asset type, and its relative sensitivity to the COVID-19 pandemic, the valuation considers issues impacting value. There has been an active residential market activity within the past two years with a stable price trend noted in the past six months. In addition, according to market participants interviews, the market is active with no effect in the residential values due to COVID-19 scenario. As such, no market conditions adjustment warranted.

**Highest and Best Use**

**As Vacant**

In this case, an opinion of the subject value “as if vacant” is not being developed as the subject is a commercial unit in condominium and this is beyond the scope of work.

**As Improved**

Within the physical and legal limitations of the subject site I find that allowed uses are basically limited to residential. The layout and positioning of the improvements are functional for continued use as a residential apartment in in condominium. There does not appear to be any alternative use that could reasonably be expected to provide a higher present value than the current use. As such, the current residential apartment unit in condominium use is concluded to be maximally productive and the highest and best use of the property as improved.

**Interim Use**

None

**Timing of Physical Use**

Immediately

**Market Participants**

Most Likely Buyer  
Owner User

**Most Likely User**

The buyer

**Additional Comments on Zoning**

Statements regarding zoning compliance are intended only in the most general sense. Zoning and building ordinances vary significantly from one municipality to another and can be extremely detailed. The scope of this report does not include a comparison of every potentially significant characteristic of the subject property's site and improvements relative to zoning and building ordinances.

The property seems to comply with most of the zoning parameters. However, complete zoning compliance assessment is beyond the scope of this appraisal assignment.

**Flood Maps**

Flood maps often lack sufficient detail to enable accurate determinations on the part of the appraiser. Please note item 3 of the attached Statement of Limiting Conditions.

**Environmental Conditions**

I have made no special effort to discover any adverse environmental conditions and accept no responsibility for such discovery. No readily apparent adverse environmental conditions were observed during the normal course of the property observation and it is assumed none exist. If any adverse environmental conditions are discovered, we should be notified, as the value opinion will likely require modification.

As noted in item 5 of the attached limiting conditions (please read in its entirety), I have no special expertise regarding environmental hazards and this report must not be considered as an environmental assessment of the property.

**Extraordinary Assumptions**

The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is uncertain information accepted as fact. If the assumption is found to be false as of the effective date of the appraisal, we reserve the right to modify our value conclusions.

1. The gross living area of subject was gathered from a legal description provided by the client, has been assumed to be accurate.
2. It is assumed that the interior physical condition of the subject is similar to the exterior condition, which was considered to be average.
3. It is assumed that the property complies with construction and building codes.
4. The HOA fess were not provided by the client. Neither liability nor responsibility is assumed in this respect.

**Hypothetical Conditions**

The value conclusions are based on the following hypothetical conditions that may affect the assignment results. A hypothetical condition is a condition contrary to known fact on the effective date of the appraisal but is supposed for the purpose of analysis.

1. None



Location Map

Client	Quarles & Brady LLP					
Property Address	204 Calle De La Luna Apt 19					
City	San Juan	County	Old San Juan	State	PR	Zip Code 00901
Appraiser	Juan R. Rivera Vega, SRA, MRICS					





SEC vs. Kinetic Investment Group, LLC, et al  
CASE NO.: 8:20-cv-394

## EXHIBIT “4”

## NOTICE OF SALE OF REAL PROPERTY

**LEGAL NOTICE:** Pursuant to 28 U.S.C. § 2001, Mark A. Kornfeld, as the Court-appointed Receiver in **SECURITIES AND EXCHANGE COMMISSION v. KINETIC INVESTMENT GROUP, LLC et al., Case No. 8:20-cv-394 (M.D. Fla.)**, will conduct a private sale to Allan Rothstein of the following real properties located in San Juan, Puerto Rico: (i) Condominium Villa Gabriela, Apartment PH1-A/PH 1-B located at 109 De la Cruz Street, San Juan, Puerto Rico 00901; (ii) Condominium Villa Gabriella, Apartment 2-E located at 109 De la Cruz Street, San Juan, Puerto Rico 00901; (iii) Parking Space #321 located at Cochera San Francisco, Luna Street #204, San Juan, Puerto Rico 00901; and (iv) Parking Space #325 located at Cochera San Francisco, Luna Street #204, San Juan, Puerto Rico 00901 (collectively, the “Properties”). The Receiver will sell the Properties to Allan Rothstein for a sale price of \$2,100,000.00 “as is,” and free and clear of all liens, claims or encumbrances. Any person interested in making a bona fide offer for the Properties that guarantees at least a ten percent (10%) increase over this price (i.e., an offer of at least \$2,310,000) must make such an offer in accordance with terms of the Receiver’s “Motion for Approval of the (1) Private Sale of Puerto Rico Real Properties and Parking Spaces; and (2) Proposed Publication, Marketing, and Overbid Procedures Associated With The Sale Of the Real Properties,” and the Court’s Order approving that Motion, which documents are located on the Receiver’s website at [www.kineticreceivership.com](http://www.kineticreceivership.com), and such offer **must be made and received on or before 5:00 p.m. EST on \_\_\_\_\_, 2022** (the “Bid Deadline”) by mail to Lauren V. Humphries, Buchanan Ingersoll & Rooney PC, 401 E. Jackson St., Suite 2400, Tampa, Florida 33602, or by email to [lauren.humphries@bipc.com](mailto:lauren.humphries@bipc.com). **Any offers received after the Bid Deadline will not be considered.** For additional details, visit the Receiver’s website or contact the Receiver’s counsel at (813) 222-1141.