Properties included as collateral:

Project	Municipality	Cuerdas	Value	Site Plan
Valle Tania Development	Guánica	45.504	$8,169,974.32	Clic here
Estancias del Parra	Lajas	25.8418	$5,377,048.60	Clic here
Paseos del Valle	San Germán	30.9025	$2,702,000.00	Clic here
		102.2483	**$16,249,022.92**	

Additional available collaterals:

Project	Municipality	Cuerdas	Value	Site Plan
Jardines de Coamo	Coamo	5.7832	$1,350,000.00	Clic here
Finca Los Flamboyanes	Coamo	67.83	$675,000.00	Clic here
Sunset Village Condominium	Juana Díaz	5.449	$1,400,000.00	Clic here
Vista Verde Development	Juana Díaz	10.3632	$1,095,000.00	Clic here
Parque Segovia	Juana Díaz	2.54	$820,000.00	Clic here
Los Jardines I Development	Juana Díaz	21.0259	$2,085,000.00	Clic here
Los Jardines II Development	Juana Díaz	18.622	$1,950,000.00	Clic here
Linda Vista Development	Lajas	2.959	$720,000.00	Clic here
Estancias del Parra I	Lajas	5	$600,000.00	Clic here
Villa Ladera	San Germán	66.37	$4,515,000.00	Clic here
Hill View II	Yauco	20.75	$1,200,000.00	Clic here
Prop. Los Hacendados	Mayaguez	4.628	$1,800,000.00	Clic here
Rocío Real II, Parcela A	Ponce	142	$995,000.00	Clic here
Rocío Real II, Parcela B	Ponce	30	$480,000.00	Clic here
Rocío Real II, Parcela C	Ponce	18.199	$290,000.00	Clic here
Rocío Real II, Parcela D	Ponce	200.8107	$1,145,000.00	Clic here
Rocío Real II, Parcela E	Ponce	1.2085	$25,000.00	Clic here
Rocío Real II, Parcela F	Ponce	50.4949	$500,000.00	Clic here
			$21,645,000.00	

TOTAL:		**878.53**	**$37,894,022.92**

Pérez Valuation Services
Appraisers & Consultants
P.O. Box 53
Tels. 787-856-2700
Yauco, PR 00698 Fax: 787-267-2700
E-mail: perezvaluationpr@gmail.com

September 3, 2025

Eng. Ramón Misla Villalba
2831 Blvd. Luis A. Ferre
Ponce, Puerto Rico 00717

RE: Desktop Appraisals – 21 Properties
Borrowers: All Engineering Services Corp.
Valle Tania Development, LLC
Southwest Builders, Inc.
Paseo del Valle, Inc.
Los Flamboyanes Dev., Inc.

Dear Mr. :

As per your request, we are preparing desktop appraisals of 21 properties owned by the borrowers of reference. We are including a summary table with the preliminary values of the 21 properties. The final reports are currently being finished. As shown in the summary table in the next page these 21 properties are located in Coamo, Juana Díaz, Lajas, San Germán, Yauco, Mayaguez, Ponce, and Guánica.

The purpose of this appraisal is to estimate the Market Value, in fee simple, of the 21 properties subject of this appraisal, based upon final approvals as of September 3, 2025. These appraisals are all based on the definition of Market Value and subject to the Certification of the Appraiser and the Assumptions and Limiting Conditions contained in the report. This report is also based on any Extraordinary Assumptions and/or Hypothetical Conditions assumed by the Appraisers stated in this report.

The intended use of the appraisal is to assist you in your internal decision-making process regarding a commercial loan. The information contained in this report is specific to the needs of the Client and for the intended use just stated. The Appraisers are not responsible for unauthorized use of this report.

These are *Desktop Appraisal Reports* which are intended to comply with the reporting requirements set forth under Standard Rule 2-2 (a) of the Uniform Standards of Professional Appraisal Practice. As such, it presents sufficient information to enable the client and other intended users, as identified, to understand it properly. These reports include full discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the Appraisers' opinion of value.

This letter does not constitute an appraisal by itself. It cannot be fully understood without the accompanying appraisal report. Although some data is kept in the Appraisers' file, most of the supporting data, including the necessary photographs and exhibits, and the details and results of our research, analysis and findings upon which the value estimates herein discussed are based, are found in the appraisal reports being completed.

Very truly yours,

Alejandro René Pérez, SRA
Certified General Appraiser
Certificate No. 275CG – Puerto Rico
State License No. 1017EPA - Puerto Rico

Summary Table of Projects Values

No.	Property	City	Cuerdas	Units	Comments	Total Market Value
1	Valle Tania Dev., Montalva Ward Guánica, PR	Guánica	n/a	279	"As Is" Value of a 279 unit single-family subdivision under construction	$8,170,000
2	Estancias del Parra Dev. Lajas, PR	Lajas	n/a	130	"As Is" Value of a 130 unit single-family subdivision under construction	$6,880,000
3	Paseo del Valle Dev. San Germán, PR	San Germán	n/a	101	"As Is" Value of a 101 unit single-family subdivision under construction	$2,700,000
4	Jardines de Coamo Dev. Coamo, PR	Coamo	5.7831	90	90 Units Proposed - Market Value - $15,000 per unit	$1,350,000
5	Finca Los Flamboyanes, Km. 1.2 Int. PR-5556 Pasto Ward, Coamo, PR	Coamo	67.83	45	Vacant lot - 45 Units Proposed Market Value - $15,000 per unit	$675,000
6	Sunset Village Condo, Lot 7 Pastillo Sector Juana Díaz, PR	Juana Díaz	5.449	102	102 Units Proposed - Apartments Market Value - $13,700 per unit	$1,400,000
7	Vista Verde Dev., Cintrona Ward Juana Díaz, PR	Juana Díaz	10.3632	80	80 Units Proposed - Single Family Market Value - $13,700 per unit	$1,095,000
8	Parque Segovia Juana Díaz, PR	Juana Díaz	2.54	60	60 Units Proposed - Apartments Market Value - $13,700 per unit	$820,000
9	Proposed Los Jardines I Dev. Río Cañas Ward, Juana Díaz, PR	Juana Díaz	21.0259	139	139 Units Proposed - Single Family Market Value - $15,000 per unit	$2,085,000
10	Proposed Los Jardines II Dev. Río Cañas Ward, Juana Díaz, PR	Juana Díaz	18.622	130	130 Units Proposed - Single Family Market Value - $15,000 per unit	$1,950,000
11	Linda Vista Dev., Km. 23 Int. Road 101 Lajas, PR	Lajas	2.959	48	48 Units Proposed - Townhouses Market Value - $15,000 per unit	$720,000
12	Estancias del Parra I Dev. Santa Rosa Ward, Lajas, PR	Lajas	5.00	40	40 Units Proposed - Single Family Market Value - $15,000 per unit	$600,000
13	Villa Ladera Dev., Sabana Eneas San Germán	San Germán	66.63	301	301 Units Proposed - Apartments Market Value - $15,000 per unit	$4,515,000
14	Hill View II Dev. Yauco, PR	Yauco	20.75	80	80 Units Proposed - Apartments Market Value - $15,000 per unit	$1,200,000
15	Prop. Los Hacendados now The Club at the Hill Mayagüez, PR	Mayagüez	4.628	60	60 Units Proposed - (14 Houses + 46 Aprtms. Market Value - $30,000 per unit	$1,800,000
16	Rocio Real II, Parcel A Ponce, PR	Ponce	142.416		Market Value - $7,000 per cuerda	$995,000
17	Rocio Real II, Parcel B Ponce, PR	Ponce	30.00		Market Value - $16,000 per cuerda	$480,000
18	Rocio Real II, Parcel C Ponce, PR	Ponce	18.20		Market Value - $16,000 per cuerda	$290,000
19	Rocio Real II, Parcel D Ponce, PR	Ponce	200.81		Market Value - $5,700 per cuerda	$1,145,000
20	Rocio Real II, Parcel E Ponce, PR	Ponce	1.2085		Market Value - $20,000 per cuerda	$25,000
21	Rocio Real II, Parcel F Ponce, PR	Ponce	50.4949		Market Value - $10,000 per cuerda	$500,000

VALUATION REPORT OF “TRÍALO”

Date: June 30, 2025

Location: Guánica, Lajas, and San Germán, Puerto Rico

Estimated Value: $17,754,751.52

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1. GENERAL INTRODUCTION

The purpose of this report is to support the current value assigned to the residential portfolio *“TRÍALO”*, composed of three housing projects in the southwest of Puerto Rico:

- **Valle Tania – Guánica (279 units)**
- **Estancias del Parra – Lajas (130 units)**
- **Paseo del Valle – San Germán (101 units)**

The combined value of these assets amounts to **$17,754,751.52**, a figure that will be used as collateral in a financing structure.

This analysis is based on market and demand data, records of investments already made, permits in process or approved, and structures at different stages of construction.

2. VALUATION METHODOLOGY

2.1 Market Approach (Sales Comparison)

Real comparables of sales of developable land and similar projects were used in the municipalities of Guánica, Lajas, and San Germán, obtained from sources such as:

- ClasificadosOnline.com
- Realtor.com
- Local brokers and recent appraisals
- Own experience in previous phases of these same projects

Factors considered included:

- Zoning and permitted use
- Average lot size (between 320 and 380 m²)
- Permitting level (construction permit, subdivision, etc.)
- Proximity to main roads and urban centers
- Infrastructure availability

Baseline results:

- Guánica (*Valle Tania*): developable lots between **$17,000–$22,000**
- Lajas (*Estancias del Parra*): **$14,000–$18,000**, adjusted for topography
- San Germán (*Paseo del Valle*): **$18,000–$25,000**, due to consolidated urbanization

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2.2 Cost Approach

For units with partial improvements (earthwork, foundations, structure), the actual investment already executed was valued, considering typical residential construction unit prices in Puerto Rico.

The values per square foot align with ranges between **$70 and $85/ft²** depending on stage. The analysis was based on the following typical unit costs:

- Earthwork: **$5.50/m²**
- Complete foundation: **$18.00/ft²**
- Block structure without finishes: **$45.00–$55.00/ft²**
- Preliminary works and permitting: **$3,500–$5,000 per unit**

These figures were validated with contractor estimates and expenses already incurred, allowing a proportional value to be assigned to each unit depending on its construction status.

2.3 Documentary and Technical Review

The following documents and technical conditions were reviewed:

- Approved and pending permits for each project
- Architectural and civil plans
- Construction photographs and topographic surveys
- Record of previous phases sold and occupied
- Environmental impact and mitigation studies (when applicable)
- Certificates of water and electricity availability

Conclusion: All three projects have tangible evidence of active permitting, ongoing technical documentation, and logical continuity of previous phases, which increases the projected value.

2.4 Financial Reasonableness Test (Loan-to-Value)

The total value of the *TRÍALO* portfolio (**$17.75 million**) represents less than 20% of the projected sales value of the portfolio, considering that:

- The houses will sell for approximately **$185,000 each**.
- **510 houses** × **$185,000 = $94,350,000** projected final value.

This means that the land value represents only **18.8%** of the total value of the final product, a ratio that falls within the margins expected by financial institutions and investment funds.

Furthermore, the loan being requested represents even less (**65% of the collateral**).

3. COMPARATIVE MARKET ANALYSIS

Recent sales and listings of developable land in Guánica, Lajas, and San Germán:

A. Guánica – Sector Montalva (reference for Valle Tania)

- 325 m² lot with construction permits
  Listed price: **$22,000** (ClasificadosOnline – April 2025)
- 320 m² lot, unimproved
  Listed price: **$17,500** (Zillow – March 2025)
- 380 m² corner lot, without final subdivision
  Suggested price: **$19,000** (Local broker – January 2025)

Observed value range: $17,000 to $22,000 per lot

B. Lajas – Barrio Santa Rosa (reference for Estancias del Parra)

- 325 m² rustic land without permits, limited access
  Listed price: **$14,000** (ClasificadosOnline – May 2025)
- 340 m² parcel with prior urban planning design
  Listed price: **$17,000** (Realtor.com – February 2025)
- 300 m² lot with permits in process
  Listed price: **$16,500** (verified listing – March 2025)

Observed value range: $14,000 to $18,000 per lot
(*A conservative value is justified due to additional earthwork costs.*)

C. San Germán – Barrio Minillas (reference for Paseo del Valle)

- 325 m² lot within an existing development
  Listed price: **$25,000** (Realtor.com – April 2025)
- 310 m² parcel with subdivision and approved permits
  Listed price: **$21,500** (ClasificadosOnline – March 2025)
- 300 m² interior lot without defined vehicular access
  Listed price: **$18,500** (Local broker – January 2025)

Observed value range: $18,000 to $25,000 per lot

Conclusion of Comparables:
The values assigned in the *TRÍALO* portfolio — **$15,000 per lot** — are conservative and reasonable compared to the observed values. They also allow room for future appreciation or for justifying financing under subsidy models such as **CDBG-R3** or **CONSUR**, among many others.

Municipality	Price Range per Lot	Applied Value
Guánica (Valle Tania)	$17,000 - $22,000	$ 15,000.00
San Germán (Paseos del Valle)	$18,000 - $25,000	$ 15,000.00
Lajas (Estancias del Parra)	$14,000 - $18,000	$ 15,000.00

4. VALUATION BY PROYECT

A. Project: Valle Tania – Guánica

- **Total projected units:** 279
- **Base land value:** $15,000 per unit
- **Justification:** Area with strong demand under **CDBG-R3**; project with partial earthwork completed; permits in process.

Unit Status	Quantity	Value per Unit	Subtotal
Lots	203	$15,000.00	$3,045,000.00
Units with footings and slab	54	$40,950.00	$2,211,300.00
Partially developed units	10	$92,680.00	$926,800.00
Units in advanced construction stage	12	$165,572.86	$1,986,874.32
	279		**$8,169,974.32**

🔷 **Total Valle Tania: $8,169,974.32**

B. Project: Estancias del Parra – Lajas

- **Total valued units:** 130
- **Base land value:** $15,000 per unit
- **Justification:** More complex topography, greater earthwork required.

Unit Status	Quantity	Value per Unit	Subtotal
Lots	93	$15,000.00	$1,395,000.00
Partially developed units	7	$74,370.20	$520,591.40
Units in advanced construction stage	30	$165,572.86	$4,967,185.80
	130		**$6,882,777.20**

🔷 **Total Estancias del Parra: $6,882,777.20**

C. Proyecto:

Paseos del Valle – San Germán

Total de unidades valorizadas: 101

Valor base por terreno: $15,000 por unidad

Justificación: Urbanización consolidada, permisos listos, zona de alta demanda.

Unit Status	Quantity	Value per Unit	Subtotal
Lots	41	$15,000.00	$615,000.00
Units with earthwork completed	40	$31,700.00	$1,268,000.00
Units with footings and slab	20	$40,950.00	$819,000.00
	101		**$2,702,000.00**

◆ **Total Paseo del Valle: $2,702,000.00**

RESUMEN GLOBAL DEL TRÍALO

Project	Number of Units	Value
Valle Tania	279	$8,169,974.32
Paseos del Valle	101	$2,702,000.00
Estancias del Parra	130	$6,882,777.20
TOTAL	**510**	**$17,754,751.52**

Reflective Note on Strategic Value

Although the present valuation maintains the total value of the three projects at **$17,754,751.52**, it is important to highlight that this figure does not incorporate the **Strategic Value of Portfolio Integration (TRÍALO Consolidation)**, whose estimated amount reaches **$1,427,500.00**.

This adjustment responds to three technically assessable elements, which together add real economic value to the TRÍALO portfolio:

- Efficiencies from economies of scale by grouping 510 units under a single fund.
- Greater attractiveness to the financial market due to consolidated volume.
- Legal and operational simplification, reducing the fund's overhead costs.
- Capacity to absorb institutional investment funds, which lowers the perceived risk level.

The simple act of presenting a consolidated portfolio with a territorial vision not only strengthens the project's position with strategic investors but also increases its perceived market value.

Therefore, although the official valuation remains at **$17,754,751.52**, it must be acknowledged that the consolidated TRÍALO portfolio has an additional estimated economic value of **$1,427,500.00**, derived from its integration and the associated strategic benefits.

5. TECHNICAL CONCLUSION

After applying a rigorous analysis through the market, cost, and documentary review approaches, and validating with real comparable data in the three municipalities involved, the following conclusions are reached:

- The *TRÍALO* portfolio presents a reasonable and conservative consolidated value of **$17,754,751.52**, distributed among developable land, partially built units, completed houses, and intangible assets (permits, plans, subdivisions, common infrastructure).
- The unit land valuations (**$15,000**) are fully justified by observed market prices, even in cases of land without permits or improvements. In *TRÍALO*, by contrast, there are already visible physical improvements, permits in process, and technical progress.
- The valuation represents approximately **10%** of the estimated final sales value of the units, considering an average price of **$185,000 per house**. This results in a favorable **Loan-to-Value (LTV)** ratio, reinforcing the reasonableness of this figure as collateral value in an institutional financing structure.
- The developer's prior experience, the continuity of previous phases in the same areas, and the location of the projects within priority zones for public policy (post-earthquake and socially vulnerable areas) further strengthen the validity of this valuation.
- Finally, consolidating the three assets under a single operating platform allows for economies of scale, administrative efficiency, and greater attractiveness.

6. HOUSING DEMAND IN THE REGION

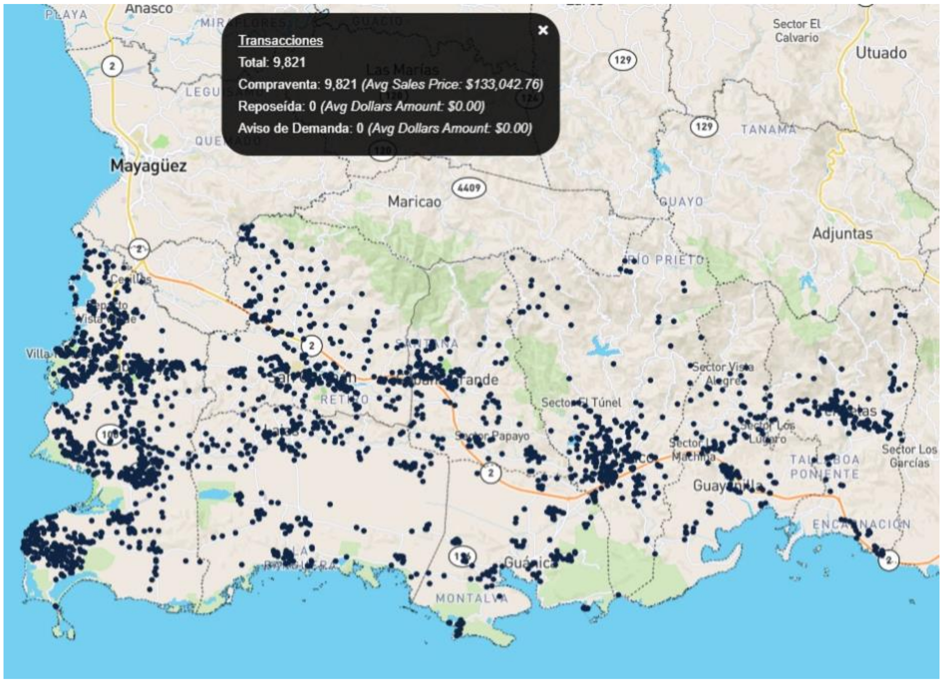
As concrete evidence of real estate activity and actual housing demand in the southwest of Puerto Rico, the following market analysis is presented, based on transactions recorded in the municipalities directly related to most of the *EL TRIALO* projects, such as Cabo Rojo, San Germán, Lajas, Sabana Grande, Yauco, and Guayanilla.

Total transactions:

- From January 1, 2020, to the present:
  9,821 properties sold
  Average sales price: $133,042.76
- From January 1, 2024, to the present (recent data):
  2,128 properties sold
  Average sales price: $170,874.42

Interpretation:

- The recent sales volume confirms that the region maintains a strong real estate dynamic.
- The increase in the average sales price reflects a positive trend in market appreciation, supported by the comparables already identified in the projects at **$185,000.00**, plus the recent increases in the **CDBG-R3 program** to **$200,000.00**.
- This data strongly supports the conclusion that there is an active need for new housing units in the area, which reinforces the economic logic behind the valuation of *"La Canasta"*.



Source: *Database of registered transactions in the southwestern region of Puerto Rico, provided by www.PuertoRicoE.com .*

7. EVOLUTION OF PROPERTY VALUES IN PUERTO RICO

The Puerto Rican real estate market has shown, over the years, a consistent pattern of sustained appreciation in the value of residential properties. This trend has been confirmed by the **Federal Housing Finance Agency (FHFA)**, the body that monitors housing prices throughout the United States and its territories.

According to the **Puerto Rico House Price Purchase-Only Index**, in the first quarter of 2025 the index reached a value of **248.97 points**, reflecting an increase of **21.55%** compared to the same period in 2024 and more than **26% accumulated since 2022**.

This performance surpasses the national average and highlights the resilience and strength of the Puerto Rican market, even in the face of economic challenges or natural disasters.

The historical behavior of Puerto Rico's real estate market confirms that properties on the Island tend to appreciate steadily, driven by a combination of unsatisfied demand, government incentives, and a limited supply of developable land.

In this context, the *EL TRIALO* portfolio directly benefits from these dynamics. Not only is its current value supported by market fundamentals, but its condition as strategically located assets in areas of high housing demand ensures that its value will continue to appreciate over time, beyond current figures.

This phenomenon makes *EL TRIALO* a solid investment opportunity, backed both by its intrinsic value and by macroeconomic trends that favor the Puerto Rican real estate market.

Quarer	FHFA Index	Annual Variation
2022 Q1	197.47	–
2023 Q1	198.66	+ 0.60 %

2024 Q1	204.83	+ 3.11 %
2025 Q1	248.97	+ 21.55 %

Source: *Federal Housing Finance Agency, Puerto Rico House Price Purchase-Only Index.*

Available at::
https://ycharts.com/indicators/puerto_rico_house_price_purchase_only_index

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Final Statement from the Developer:

This analysis is based on our experience as housing developers in the southern and western regions of Puerto Rico since 1993. During this time, we have participated in the planning, development, and sale of approximately **5,000 housing units** within the affordable housing segment or equivalent products.

Accordingly, we have used the data presented in this report to validate, with the highest possible level of detail and support, that the values originally estimated for the *TRÍALO* portfolio—in its current state—are reasonable and justifiable. This analysis fully supports the projected total value of **$17,754,751.52** for *TRÍALO*, in accordance with the market metrics and technical criteria presented.

To this effect, we complete and endorse this report:

Ramón Misla Villalba – President
Southwest Builders LLC, All Engineering Services Corp., and Valle Tania Development LLC

APPENDIX OF REFERENCES AND BASES OF ANALYSIS

Valuation Report of the TRÍALO Portfolio

1. Projected Sales Prices and Housing Models

- Reference price per unit: **$185,000 (CDBG-R3)**
- Sources:
  - Conversations with developers and program regulations
  - Study of homes for sale on recognized platforms

2. Base Land Values per Unit

- Estimated values by project:
  - Valle Tania: **$15,000**
  - Paseo del Valle: **$15,000**
  - Estancias del Parra: **$15,000**
- Sources:
  - CRIM – Municipal Revenue Collection Center
  - Realtor.com – Municipal searches:
    - Guánica: Link
    - San Germán: Link
    - Lajas: Link
  - ClasificadosOnline.com – Land and residential property sales

3. Value Calculation by Construction Stage

- Stage costs obtained from:
  - Estimates from the developer’s contractors
  - Comparisons with average prices in local contractor databases (private)
  - References from HomeAdvisor and Fixr for comparative construction costs

4. Permits, Plans, and Documentary Value

- Costs obtained from:
  - Official OGPe fees – https://ogpe.pr.gov/
  - Professional Colleges of PR (architects, engineers)
  - American Planning Association Standards – https://www.planning.org/

5. General Urban Infrastructure Works

- Infrastructure costs (streets, curbs, etc.) obtained from:
  - Cost codes from the Puerto Rico Institute of Civil Engineers
  - Certified budgets of similar works
  - FHWA technical manuals, adapted to Puerto Rico

6. Strategic Consolidation Approach

- Conceptual justification based on principles of:
  - *“Portfolio Aggregation”* – Harvard Real Estate Academic Papers
  - Economies of scale applied to real estate development – U.S. Department of Housing and Urban Development

7. Available Mortgage Programs and Subsidies

- Documentation and eligibility criteria:
  - Puerto Rico Department of Housing
  - My Home PR
  - Puerto Rico CDBG-DR Program
  - USDA Rural Development 502 Loan
  - Veterans Affairs Loan

8. Priority Zones and Regional Eligibility

- Project location in eligible areas:
  - Official Opportunity Zones Map – Puerto Rico (IRS)
  - FEMA Puerto Rico Earthquake Disaster Maps

9. Applied Valuation Methodology

- International standards used:
  - Uniform Standards of Professional Appraisal Practice – https://www.appraisalfoundation.org/
  - Urban Land Valuation Manual – Inter-American Development Bank (IDB)

10. Available Financing Programs

The value of the TRÍALO land and structures is intrinsically tied to its sales viability. In this case, potential buyers of the units can access a wide range of financing programs and incentives that support the business model. These include:

Main Mortgage Programs:

- Conventional
- FHA (Federal Housing Administration)
- Rural Development (RD502 and RD Guaranty Loan)
- Veterans (VA)
- Government Retirement Loan Program

Complementary Subsidies and Assistance:

- My Home (Housing Bank)
- Vivienda Joven
- CDBG-R3 (for post-disaster voucher holders)
- CONSUR – Consorcio del Sur (post-earthquake)
- Alturas de Bélgica Program – Guánica
- Other municipal or community reconstruction funds

These mechanisms allow buyers to finance up to **100% of the value**, and even cover closing costs, ensuring a solid demand base for the units developed under this portfolio. Therefore, they indirectly strengthen the collateral value in the eyes of any institutional investor.

VALUATION REPORT OF “LA CANASTA”

Date: June 30, 2025
Location: Coamo, Juana Díaz, Lajas, San Germán, Yauco, Mayagüez, and Ponce; Commonwealth of Puerto Rico.
Estimated Value: $21,645,000.00

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1. GENERAL INTRODUCTION

The purpose of this report is to establish a technical analysis and a reasonable economic valuation of the housing project portfolio internally known as “La Canasta,” consisting of a group of residential developments located in different regions of Puerto Rico.

It is important to note that the name “La Canasta” does not correspond to a formal or commercial designation, but rather to an internal identification used by the developer to strategically group these projects according to their ownership structure, stage of development, and execution potential under a single financial framework.

The analysis presented here responds to the need for a consolidated valuation for the purpose of presentation before financial institutions, institutional investors, or private capital instruments, which could support the partial or total execution of the projects included in this portfolio.

Property Address	Property Registry Number	Property type	Projected units	Average Value per Unit	Land Size (in cuerdas)	Market Value
Jardines de Coamo Development, in Coamo, Puerto Rico	12534	Residential Development Land	90 apartments	$15,000.00	5.7836	$1,350,000.00
Finca Los Flamboyanes, in Coamo, Puerto Rico	2113	Residential Development Land	45 houses	$15,000.00	67.83	$675,000.00
Sunset Village Condominium, Lot 7, in Pastillo Sector, Juana Diaz, Puerto Rico	6775	Residential Development Land	102 apartments	$13,725.50	5.449	$1,400,000.00
Vista Verde Development, in Cintrona Ward, Juana Diaz, Puerto Rico	5738	Residential Development Land	80 houses	$13,687.50	10.838	$1,095,000.00
Parque Segovia, in Juana Díaz, Puerto Rico	17038	Residential Development Land	60 apartments	$13,666.66	2.697	$820,000.00
Los Jardines I Development, in Rio Cañas Ward, Juana Diaz, Puerto Rico	17284	Residential Development Land	139 houses	$15,000.00	21.0029	$2,085,000.00
Los Jardines II Development, in Rio Cañas Ward, Juana Diaz, Puerto Rico	17660	Residential Development Land	130 houses	$15,000.00	18.622	$1,950,000.00
Linda Vista Development, in Km.23 Int. Road 101, Lajas, Puerto Rico	204	Residential Development Land	48 apartments	$15,000.00	6.536	$720,000.00
Estancias del Parra I, in Santa Rosa Ward, Lajas, Puerto Rico	16792	Residential Development Land	40 houses	$15,000.00	5	$600,000.00
Villa Ladera, San Germán, Puerto Rico	5802 4811 4801 2163 4101	Residential Development Land	301 houses	$15,000.00	33.133 3.67 4.89 23.18 4.5	$4,515,000.00
Hill View II, in Yauco	15475	Residential Development Land	80 houses	$15,000.00	20.5321	$1,200,000.00
Prop. Los Hacendados Now, in The Club at the Hill,	18896	Residential Development Land	80 houses	$22,500.00	4.628	$1,800,000.00

Mayaguez, Puerto Rico						
Rocío Real II, Parcela A, in Ponce	13234	Residential Development Land	Undetermined	-	142	$995,000.00
Rocío Real II, Parcela B, in Ponce	13325	Residential Development Land	Undetermined	-	30	$480,000.00
Rocío Real II, Parcela C, in Ponce	19984	Residential Development Land	Undetermined	-	18.199	$290,000.00
Rocío Real II, Parcela D, in Ponce	4732	Residential Development Land	Undetermined	-	200.8107	$1,145,000.00
Rocío Real II, Parcela E, in Ponce	19985	Residential Development Land	Undetermined	-	1.2085	$25,000.00
Rocío Real II, Parcela F, in Ponce	6815	Residential Development Land	Undetermined – currently two houses exist on the property.	-	50.4949	$500,000.00
					681.0047	**$21,645,000.00**

The combined value of these assets amounts to $21,645,000.00, a figure that will be used, in some proportion, as collateral within a financing structure.

This analysis is based on market and demand data, records of investments already made, permits in process or approved, and structures at different stages of construction.

The La Canasta portfolio includes projects in planning, permitting, or feasibility study stages, and none yet have physical works started. However, their valuation is justified by the fact that, in many cases, they are later phases or natural extensions of projects previously executed by the same developer in the same areas.

2. VALUATION METHODOLOGY

The technical valuation of the “La Canasta” portfolio was carried out following a structured and professionally recognized methodology, applying criteria comparable to those previously used in the analysis of the TRÍALO portfolio. Multiple approaches were used to ensure a solid, reasonable analysis grounded in real market conditions, development costs, and the specific characteristics of each property.

a. Sales Comparison Approach

Real prices of land for sale in the municipalities of Coamo, Juana Díaz, Lajas, San Germán, Yauco, Mayagüez, and Ponce were taken as reference, through recognized sources such as:

- Realtor.com, ClasificadosOnline.com, and other local real estate platforms.
- Direct conversations with real estate brokers in the area.
- Previous appraisals conducted by licensed professionals in Puerto Rico.

This approach allowed the establishment of reasonable prices per *cuerda* of land and their conversion to projected unit value, considering whether the project already had permits, subdivisions, soil studies, or existing physical improvements.

b. Cost Approach

For projects with permits in process, partial infrastructure, or a history of previously developed phases (such as Jardines, Vista Verde, and Estancias del Parra), the following were used as a basis:

- Certified budgets from contractors associated with the developer.
- Cost codes referenced by the Puerto Rico Institute of Civil Engineers.
- Average prices published by HomeAdvisor, Fixr, and other specialized portals.
- Previous experience of the proponent involved in developing nearly 5,000 housing units since 1993.

This approach helps to value the technical and documentary progress of the projects, as well as to reasonably calculate the value of the land and its readiness for future construction

c. Documentary Value and Permits

Based on the data provided by the developer's team, the following elements were included as part of each project's value:

- Permits in process or approved.
- Architectural plans and subdivisions.
- Soil, hydrological, topographic, or other studies.
- Official documentation from OGPe, Municipalities, and/or Professional Associations.

This documentary value adds an intangible and technical component that increases the project's viability in an institutional analysis.

d. Financial Reasonableness Approach

The average per-unit value of the entire "La Canasta" portfolio was calculated and compared with the average sales values in affordable housing projects in the indicated areas (between $145,000 and $195,000 per unit).

The average value per unit (excluding special projects such as Los Hacendados and Rocío Real) was approximately **$14,643.61**, which represents between 7% and 9% of the estimated final sales value, generating an extremely conservative and favorable LTV ratio for institutional financing.

e. Special Consideration – Los Hacendados Project

This project, located in Mayagüez, has a significantly higher per-unit value (**$45,833.33**) due to its privileged location and the fact that it targets a luxury housing market (homes over $500,000). This case is considered outside the scope of the affordable housing analysis and was therefore excluded from the general per-unit valuation average.

f. Technical Justification of Values (Adjusted)

The consolidated portfolio table presents individualized values by property and by unit.

This segmentation allows for identifying that the values used are reasonable when compared to the market:

- The overall average portfolio value is **$20,454 per projected unit**, including all projects.
- However, it must be noted that the "Los Hacendados" project in Mayagüez, with a per-unit value of **$45,833.33**, constitutes a strategic exception within the portfolio. This property is located in a highly valuable area of Mayagüez, and its projection is aimed at housing units with estimated sales prices above **$500,000.00 per unit**.
- Therefore, this project should not be analyzed under the same affordable housing criteria that characterize the rest of the La Canasta portfolio. If this particular case is excluded, the adjusted average for the remaining projects is approximately **$14,643.61 per unit**, which further reinforces the reasonableness of the valuation compared to the target affordable housing market with sales values around **$185,000 per unit.**

3. COMPARATIVE MARKET ANALYSIS

Recent sales and listings of developable land in the southern region of Puerto Rico.

A. Guánica – Sector Montalva

- 325 m² lot with construction permits
  Listed price: **$22,000** (ClasificadosOnline – April 2025)
- 320 m² lot, unimproved
  Listed price: **$17,500** (Zillow – March 2025)
- 380 m² corner lot, without final subdivision
  Suggested price: **$19,000** (Local broker – January 2025)

Observed value range: $17,000 to $22,000 per lot

B. Lajas – Barrio Santa Rosa

- 325 m² rustic land without permits, limited access
  Listed price: **$14,000** (ClasificadosOnline – May 2025)
- 340 m² parcel with prior urban planning design
  Listed price: **$17,000** (Realtor.com – February 2025)
- 300 m² lot, permits in process
  Listed price: **$16,500** (verified listing – March 2025)

Observed value range: $14,000 to $18,000 per lot

C. San Germán – Barrio Minillas

- 325 m² lot within an existing development
  Listed price: **$25,000** (Realtor.com – April 2025)

- 310 m² parcel with subdivision and approved permits
  Listed price: **$21,500** (ClasificadosOnline – March 2025)
- 300 m² interior lot without defined vehicular access
  Listed price: **$18,500** (Local broker – January 2025)

Observed value range: $18,000 to $25,000 per lot.

Conclusion of Comparables:

The values assigned in LA CANASTA are conservative and reasonable compared to the observed values. They even allow room for future appreciation or to justify financing under subsidy models such as CDBG-R3 or CONSUR, among many others.

4. VALUE ANALYSIS AND COSOLIDATED ESTIMATION LOGIC

The technical valuation analysis of the "La Canasta" portfolio, composed of 18 projects distributed across 7 municipalities in southern and western Puerto Rico, has yielded an estimated total value of **$21,645,000.00**.

This value results from summing the amount assigned to each property, according to their individual characteristics: location, land size, projected number of units, existing or pending permits, and the developer's prior experience in earlier phases within the same areas.

a. General Average Value per Unit

The portfolio projects a total of approximately **1,135 housing/apartment units**, considering only projects with a defined number of units. This excludes the 6 properties of the **Rocío Real** project, which still lack a defined projection of total units due to their size and scale, as they remain in the planning and design stages.

If we exclude the special case of **Los Hacendados**, whose per-unit value (**$45,833.33**) is higher since it is a luxury housing project in Mayagüez, the average per-unit value for the rest of the portfolio adjusts to:

$14,643.61 per unit

This figure represents a highly competitive per-unit land cost and aligns proportionally with the expected final sales prices of housing units between **$145,000 and $195,000**, positioning *La Canasta* as an ideal portfolio for affordable and middle-income housing programs.

b. Added Value from Documentation, Permits, and Prior Experience

The portfolio includes several projects that are natural extensions or subsequent phases of developments previously carried out by the same proponent. Clear examples are:

- *Estancias del Parra 1*, as an extension of the current Estancias del Parra project.

- *Jardines 1 and 2*, which are successive phases of a development with ongoing permits.
- *Vista Verde and Sunset Village + Paseo del Parque*, which correspond to phases 6, 7, and 8 of developments previously executed in the same area by this developer.
- *Los Flamboyanes*, whose lands already have technical progress and conceptual design.

This element significantly reduces both technical and regulatory risk and accelerates development and sales timelines, which is highly valued by financial institutions.

c. Special Consideration: Rocío Real

The five plots that make up the **Rocío Real** project in Ponce have a combined valuation of **$3,435,000**, but they still lack a defined projection of final units, as different phases of residential, commercial, and even institutional concepts are being developed. Their inclusion in the portfolio represents a strategic land reserve of more than **442.7131 cuerdas**, with high potential for medium- or long-term future development.

For this reason, although their value has been considered within the portfolio's total, their data has not been included in the per-unit average calculations, so as not to distort the short-term analysis focused on immediate financing.

d. Consolidated Summary

- Total valued (13 projects): **$21,645,000.00**
- Units with defined projection (excluding Rocío Real): **1,135**
- Average value per unit (excluding Los Hacendados and Rocío Real): **$14,643.61**
- Additional land reserve (*Rocío Real*): **442.7131 cuerdas**
- Projects with initial permits or previously developed phases: **7 out of 18**

5. STRATEGIC OBSERVATIONS

The development portfolio known as *"La Canasta"* represents a highly solid territorial proposal, with a proper balance between land reserves, projects with defined projections, and a strategic focus on sectors with real demand for affordable housing in Puerto Rico.

a. Territorial Vision

With a presence in 7 key municipalities in the south and southwest of Puerto Rico, the portfolio covers a broad geographic spectrum, including:

- Urban areas with high population density and urgent housing needs (Mayagüez, Ponce, Juana Díaz).
- Rural sectors with potential for orderly development and access to state and federal funds (Lajas, Coamo, San Germán, Yauco).

This scope allows for a flexible risk distribution and greater capacity to absorb both public and private investment funds.

b. Focus on Affordable Housing

Of the 18 projects, 12 are primarily focused on affordable or middle-income housing, with per-unit land values ranging from **$9,000 to $15,000**, making them suitable for:

- Puerto Rico Department of Housing programs (CDBG-DR, R3, Homebuyer Assistance, etc.).
- Municipal subsidy or interim financing initiatives.
- Investment projects with an ESG (Environmental, Social, and Governance) orientation.

The only project outside this category is *Los Hacendados* in Mayagüez, which represents an exclusive development opportunity with higher sales prices, serving as a value anchor for the portfolio.

c. Strength in Preliminary Stage

Although none of the projects have started construction, many are continuous phases of previous developments carried out by the proponent, which lends credibility to the projections, facilitates faster access to permits, and provides proven technical and operational support.

This *"pre-development"* condition also represents a strategic advantage for institutional investors, as it allows structuring investments with broad margins of future appreciation.

d. Potential for Grouping and Scalability

The existence of grouped lands such as the *Rocío Real* project in Ponce, with more than **442 cuerdas** still without a defined projection, adds extra value to the portfolio due to its potential to expand into future phases.

Additionally, the consolidated ownership structure and the developer's experience in integrating phases facilitate the creation of unique investment vehicles, such as housing funds, trusts, or corporations structured by project or region.

6. HOUSING DEMAND IN THE REGION

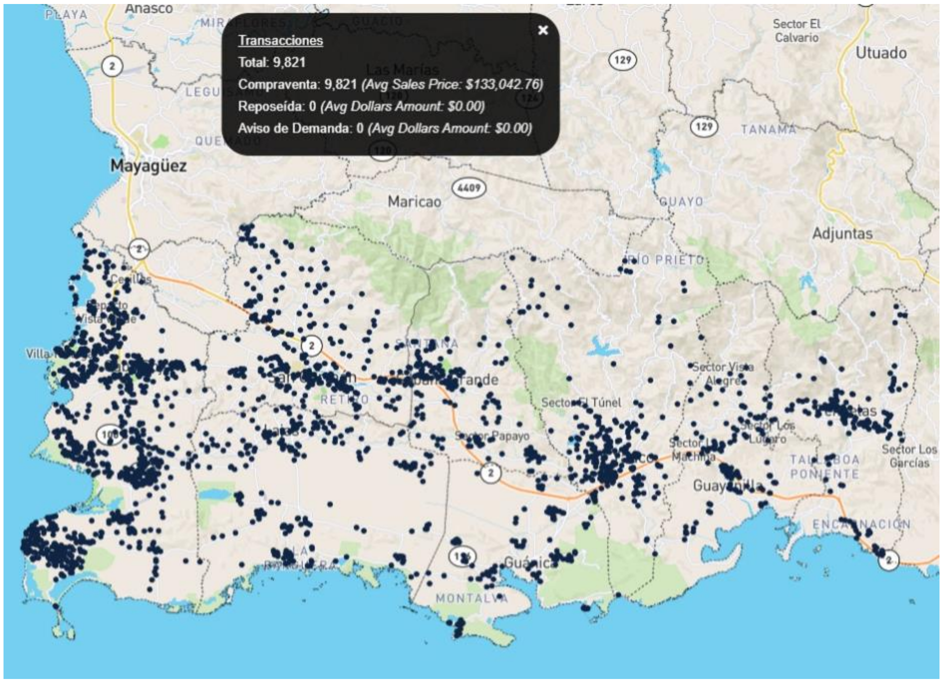
As concrete evidence of real estate activity and actual housing demand in the southwest of Puerto Rico, the following market analysis is presented, based on transactions recorded in the municipalities directly related to most of the *LA CANASTA* projects, such as Cabo Rojo, San Germán, Lajas, Sabana Grande, Yauco, and Guayanilla.

Total transactions:

- From January 1, 2020, to the present:
  9,821 properties sold
  Average sales price: $133,042.76
- From January 1, 2024, to the present (recent data):
  2,128 properties sold
  Average sales price: $170,874.42

Interpretation:

- The recent sales volume confirms that the region maintains a strong real estate dynamic.
- The increase in the average sales price reflects a positive trend in market appreciation, supported by the comparables already identified in the projects at **$185,000.00**, plus the recent increases in the **CDBG-R3 program** to **$200,000.00**.
- This data strongly supports the conclusion that there is an active need for new housing units in the area, which reinforces the economic logic behind the valuation of *"La Canasta"*.



Source: *Database of registered transactions in the southwestern region of Puerto Rico, provided by www.PuertoRicoE.com .*

7. EVOLUTION OF PROPERTY VALUES IN PUERTO RICO

The Puerto Rican real estate market has shown, over the years, a consistent pattern of sustained appreciation in the value of residential properties. This trend has been confirmed by the **Federal Housing Finance Agency (FHFA)**, the body that monitors housing prices throughout the United States and its territories.

According to the **Puerto Rico House Price Purchase-Only Index**, in the first quarter of 2025 the index reached a value of **248.97 points**, reflecting an increase of **21.55%** compared to the same period in 2024 and more than **26% accumulated since 2022**.

This performance surpasses the national average and highlights the resilience and strength of the Puerto Rican market, even in the face of economic challenges or natural disasters.

The historical behavior of Puerto Rico's real estate market confirms that properties on the Island tend to appreciate steadily, driven by a combination of unsatisfied demand, government incentives, and a limited supply of developable land.

In this context, the *La Canasta* portfolio directly benefits from these dynamics. Not only is its current value supported by market fundamentals, but its condition as strategically located assets in areas of high housing demand ensures that its value will continue to appreciate over time, beyond current figures.

This phenomenon makes *La Canasta* a solid investment opportunity, backed both by its intrinsic value and by macroeconomic trends that favor the Puerto Rican real estate market.

Quarer	FHFA Index	Annual Variation
2022 Q1	197.47	–
2023 Q1	198.66	+ 0.60 %

2024 Q1	204.83	+ 3.11 %
2025 Q1	248.97	+ 21.55 %

Source: *Federal Housing Finance Agency, Puerto Rico House Price Purchase-Only Index.*

Available at::

https://ycharts.com/indicators/puerto_rico_house_price_purchase_only_index

8. GENERAL CONCLUSION

The territorial development portfolio known as *"La Canasta"* presents an estimated value of **$21,645,000.00**, supported by the individual valuation of its 13 components, all intended for residential development, primarily within the affordable housing segment.

This value has been determined by taking into account the number of projected units, the size and location of each parcel, its documentary status, the history of prior development phases, and the economic and social context of each municipality.

In addition to its territorial scope and geographic diversity, *La Canasta* represents a strategic land reserve, already valued and ready to be structured in stages under institutional financing schemes, housing funds, trusts, or other investment vehicles.

Its presentation as a single portfolio not only facilitates a comprehensive vision but also increases its market value through volume, scale, and technical preparation—key factors in the selection of financeable projects in the current environment.

Final statement from the developer:
This analysis is based on our experience as housing developers in the southern and western regions of Puerto Rico since 1993. During this time, we have been involved in the planning, development, and sale of approximately **5,000 housing units** within the affordable housing segment or equivalent products.

Accordingly, we have used the data presented in this report to validate, with the highest possible level of detail and support, that the values originally estimated for the *"La Canasta"* portfolio—in its current state—are reasonable and justifiable. This analysis fully supports the projected total value of **$21,645,000.00** for *"La Canasta"*, in accordance with the market metrics and technical criteria set forth.

To this effect, we complete and endorse this report:

Ramón Misla Villalba – President

Southwest Builders LLC, All Engineering Services Corp., and Valle Tania Development LLC

APPENDIX A – REFERENCES AND BASES OF ANALYSIS

1. Sales Portals and Real Estate Comparables (2023–2025)

References used to validate land prices and residential project values in the municipalities of Coamo, Juana Díaz, Lajas, San Germán, Yauco, Mayagüez, and Ponce.

- Clasificados Online (Puerto Rico) – Real Estate Section
  https://www.clasificadosonline.com/UDRealEstateListing.asp
- Point2Homes Puerto Rico – Listings by municipality
  https://www.point2homes.com/PR/Real-Estate.html
- Realtor.com – Properties for sale in Puerto Rico
  https://www.realtor.com/realestateandhomes-search/Puerto-Rico
- Zillow Puerto Rico – Sales and land
  https://www.zillow.com/pr/

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2. Public Sources Supporting Housing Demand

Used to substantiate the existence of solid housing demand in the impacted areas.

- U.S. Census Bureau – QuickFacts Puerto Rico
  https://www.census.gov/quickfacts/fact/table/PR
- Puerto Rico Department of Housing – CDBG-DR Plan
  https://www.cdbg-dr.pr.gov/
- R3 Program for Reconstruction, Repair, or Relocation
  https://www.cdbg-dr.pr.gov/programas/r3/
- CONSUR Subsidy Program – Housing for earthquake survivors
  https://www.vivienda.pr.gov/consorcio-del-sur

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3. Existing Project Values – Commercial References

Comparisons of past sales and listings of similar projects in the area.

- Terrazas de Boquerón – Cabo Rojo
  https://www.terrazasdeboqueron.com/
- Monte Real – Juana Díaz
  https://www.clasificadosonline.com/UDRealEstateDetail.asp?ID=5031827
- Villas del Cafetal – Yauco
  https://www.point2homes.com/PR/Home-For-Sale/PR/Yauco/Villas-Del-Cafetal/

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4. Previous Appraisals and Internal Analyses

Based on appraisals performed by certified experts and prior development experience from Southwest Builders LLC.

- Internal appraisals of projects: Vista Verde, Jardines 1 and 2, Sunset Village, Villa Ladera, and Los Flamboyanes (2020–2024).
- Comparative LTV analysis and construction cost projections adjusted to 2025.
- Studies of subdivision, boundaries, utility availability, and zoning for each project.
  (*Internal documentation, not publicly available. Available for institutional review under NDA.*)

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5. Additional Studies and Criteria

General data on the Puerto Rican real estate market.

- Puerto Rico Property Registry – Sales 2020–2025
  https://www.rp.pr.gov/
- Public Policy Studies and Housing Deficit Evaluation
  https://www.planificacion.pr.gov/