

**United States Bankruptcy Court
District of Puerto Rico**

IN RE:

Case No. _____

DESARROLLOS RIO DORADO INC

Chapter **11**

Debtor(s)

DISCLOSURE OF COMPENSATION OF ATTORNEY FOR DEBTOR

1. Pursuant to 11 U.S.C. § 329(a) and Bankruptcy Rule 2016(b), I certify that I am the attorney for the above-named debtor(s) and that compensation paid to me within one year before the filing of the petition in bankruptcy, or agreed to be paid to me, for services rendered or to be rendered on behalf of the debtor(s) in contemplation of or in connection with the bankruptcy case is as follows:

For legal services, I have agreed to accept \$ 250.00/hr
Prior to the filing of this statement I have received \$ 10,000.00
Balance Due \$ _____

- 2. The source of the compensation paid to me was: Debtor Other (specify):
- 3. The source of compensation to be paid to me is: Debtor Other (specify):
- 4. I have not agreed to share the above-disclosed compensation with any other person unless they are members and associates of my law firm.
 I have agreed to share the above-disclosed compensation with a person or persons who are not members or associates of my law firm. A copy of the agreement, together with a list of the names of the people sharing in the compensation, is attached.
- 5. In return for the above-disclosed fee, I have agreed to render legal service for all aspects of the bankruptcy case, including:
 - a. Analysis of the debtor's financial situation, and rendering advice to the debtor in determining whether to file a petition in bankruptcy;
 - b. Preparation and filing of any petition, schedules, statement of affairs and plan which may be required;
 - c. Representation of the debtor at the meeting of creditors and confirmation hearing, and any adjourned hearings thereof;
 - d. Representation of the debtor in adversary proceedings and other contested bankruptcy matters;
 - e. [Other provisions as needed]

6. By agreement with the debtor(s), the above disclosed fee does not include the following services:

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CERTIFICATION

I certify that the foregoing is a complete statement of any agreement or arrangement for payment to me for representation of the debtor(s) in this bankruptcy proceeding.

July 30, 2010

Date

/s/ Carlos E. Rodriguez Quesada

Carlos E. Rodriguez Quesada USDC-PR 124810
Carlos E. Rodriguez-Quesada
PO Box 9023115
San Juan, PR 00902
(787) 724-2867 Fax: (787) 724-2463
cerqlaw@coqui.net

United States Bankruptcy Court District of Puerto Rico		Voluntary Petition
Name of Debtor (if individual, enter Last, First, Middle): DESARROLLOS RIO DORADO INC		Name of Joint Debtor (Spouse) (Last, First, Middle):
All Other Names used by the Debtor in the last 8 years (include married, maiden, and trade names): PAISAJES DE DORADO		All Other Names used by the Joint Debtor in the last 8 years (include married, maiden, and trade names):
Last four digits of Soc. Sec. or Individual-Taxpayer I.D. (ITIN) No./Complete EIN (if more than one, state all): 66-0602650		Last four digits of Soc. Sec. or Individual-Taxpayer I.D. (ITIN) No./Complete EIN (if more than one, state all):
Street Address of Debtor (No. & Street, City, State & Zip Code): 450 PONCE DE LEON PH-A SAN JUAN, PR		Street Address of Joint Debtor (No. & Street, City, State & Zip Code):
ZIPCODE 00901		ZIPCODE
County of Residence or of the Principal Place of Business: San Juan		County of Residence or of the Principal Place of Business:
Mailing Address of Debtor (if different from street address) PO BOX 6415 SAN JUAN, PR		Mailing Address of Joint Debtor (if different from street address):
ZIPCODE 00914		ZIPCODE
Location of Principal Assets of Business Debtor (if different from street address above): 695 STREET KM 2.5, DORADO, PR		ZIPCODE
Type of Debtor (Form of Organization) (Check one box.) <input type="checkbox"/> Individual (includes Joint Debtors) <i>See Exhibit D on page 2 of this form.</i> <input checked="" type="checkbox"/> Corporation (includes LLC and LLP) <input type="checkbox"/> Partnership <input type="checkbox"/> Other (If debtor is not one of the above entities, check this box and state type of entity below.) <hr/>	Nature of Business (Check one box.) <input type="checkbox"/> Health Care Business <input type="checkbox"/> Single Asset Real Estate as defined in 11 U.S.C. § 101(51B) <input type="checkbox"/> Railroad <input type="checkbox"/> Stockbroker <input type="checkbox"/> Commodity Broker <input type="checkbox"/> Clearing Bank <input checked="" type="checkbox"/> Other <hr/> Tax-Exempt Entity (Check box, if applicable.) <input type="checkbox"/> Debtor is a tax-exempt organization under Title 26 of the United States Code (the Internal Revenue Code).	Chapter of Bankruptcy Code Under Which the Petition is Filed (Check one box.) <input type="checkbox"/> Chapter 7 <input type="checkbox"/> Chapter 9 <input checked="" type="checkbox"/> Chapter 11 <input type="checkbox"/> Chapter 12 <input type="checkbox"/> Chapter 13 <input type="checkbox"/> Chapter 15 Petition for Recognition of a Foreign Main Proceeding <input type="checkbox"/> Chapter 15 Petition for Recognition of a Foreign Nonmain Proceeding <hr/> Nature of Debts (Check one box.) <input type="checkbox"/> Debts are primarily consumer debts, defined in 11 U.S.C. § 101(8) as "incurred by an individual primarily for a personal, family, or household purpose." <input checked="" type="checkbox"/> Debts are primarily business debts.
Filing Fee (Check one box) <input checked="" type="checkbox"/> Full Filing Fee attached <input type="checkbox"/> Filing Fee to be paid in installments (Applicable to individuals only). Must attach signed application for the court's consideration certifying that the debtor is unable to pay fee except in installments. Rule 1006(b). See Official Form 3A. <input type="checkbox"/> Filing Fee waiver requested (Applicable to chapter 7 individuals only). Must attach signed application for the court's consideration. See Official Form 3B.		Chapter 11 Debtors Check one box: <input type="checkbox"/> Debtor is a small business debtor as defined in 11 U.S.C. § 101(51D). <input checked="" type="checkbox"/> Debtor is not a small business debtor as defined in 11 U.S.C. § 101(51D). Check if: <input type="checkbox"/> Debtor's aggregate noncontingent liquidated debts owed to non-insiders or affiliates are less than \$2,343,300 (amount subject to adjustment on 4/01/13 and every three years thereafter). <hr/> Check all applicable boxes: <input type="checkbox"/> A plan is being filed with this petition <input type="checkbox"/> Acceptances of the plan were solicited prepetition from one or more classes of creditors, in accordance with 11 U.S.C. § 1126(b).
Statistical/Administrative Information <input checked="" type="checkbox"/> Debtor estimates that funds will be available for distribution to unsecured creditors. <input type="checkbox"/> Debtor estimates that, after any exempt property is excluded and administrative expenses paid, there will be no funds available for distribution to unsecured creditors.		THIS SPACE IS FOR COURT USE ONLY
Estimated Number of Creditors <input checked="" type="checkbox"/> 1-49 <input type="checkbox"/> 50-99 <input type="checkbox"/> 100-199 <input type="checkbox"/> 200-999 <input type="checkbox"/> 1,000-5,000 <input type="checkbox"/> 5,001-10,000 <input type="checkbox"/> 10,001-25,000 <input type="checkbox"/> 25,001-50,000 <input type="checkbox"/> 50,001-100,000 <input type="checkbox"/> Over 100,000		
Estimated Assets <input type="checkbox"/> \$0 to \$50,000 <input type="checkbox"/> \$50,001 to \$100,000 <input type="checkbox"/> \$100,001 to \$500,000 <input type="checkbox"/> \$500,001 to \$1 million <input checked="" type="checkbox"/> \$1,000,001 to \$10 million <input type="checkbox"/> \$10,000,001 to \$50 million <input type="checkbox"/> \$50,000,001 to \$100 million <input type="checkbox"/> \$100,000,001 to \$500 million <input type="checkbox"/> \$500,000,001 to \$1 billion <input type="checkbox"/> More than \$1 billion		
Estimated Liabilities <input type="checkbox"/> \$0 to \$50,000 <input type="checkbox"/> \$50,001 to \$100,000 <input type="checkbox"/> \$100,001 to \$500,000 <input type="checkbox"/> \$500,001 to \$1 million <input checked="" type="checkbox"/> \$1,000,001 to \$10 million <input type="checkbox"/> \$10,000,001 to \$50 million <input type="checkbox"/> \$50,000,001 to \$100 million <input type="checkbox"/> \$100,000,001 to \$500 million <input type="checkbox"/> \$500,000,001 to \$1 billion <input type="checkbox"/> More than \$1 billion		

Voluntary Petition <i>(This page must be completed and filed in every case)</i>	Name of Debtor(s): DESARROLLOS RIO DORADO INC
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Prior Bankruptcy Case Filed Within Last 8 Years (If more than two, attach additional sheet)

Location Where Filed: None	Case Number:	Date Filed:
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Location Where Filed:	Case Number:	Date Filed:
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Pending Bankruptcy Case Filed by any Spouse, Partner or Affiliate of this Debtor (If more than one, attach additional sheet)

Name of Debtor: None	Case Number:	Date Filed:
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District:	Relationship:	Judge:
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<p style="text-align: center;">Exhibit A</p> <p>(To be completed if debtor is required to file periodic reports (e.g., forms 10K and 10Q) with the Securities and Exchange Commission pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 and is requesting relief under chapter 11.)</p> <p><input type="checkbox"/> Exhibit A is attached and made a part of this petition.</p>	<p style="text-align: center;">Exhibit B</p> <p>(To be completed if debtor is an individual whose debts are primarily consumer debts.)</p> <p>I, the attorney for the petitioner named in the foregoing petition, declare that I have informed the petitioner that [he or she] may proceed under chapter 7, 11, 12, or 13 of title 11, United States Code, and have explained the relief available under each such chapter. I further certify that I delivered to the debtor the notice required by § 342(b) of the Bankruptcy Code.</p> <p style="text-align: center;">X _____ Signature of Attorney for Debtor(s) Date</p>
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Exhibit C

Does the debtor own or have possession of any property that poses or is alleged to pose a threat of imminent and identifiable harm to public health or safety?

Yes, and Exhibit C is attached and made a part of this petition.
 No

Exhibit D

(To be completed by every individual debtor. If a joint petition is filed, each spouse must complete and attach a separate Exhibit D.)

Exhibit D completed and signed by the debtor is attached and made a part of this petition.

If this is a joint petition:

Exhibit D also completed and signed by the joint debtor is attached a made a part of this petition.

Information Regarding the Debtor - Venue
(Check any applicable box.)

Debtor has been domiciled or has had a residence, principal place of business, or principal assets in this District for 180 days immediately preceding the date of this petition or for a longer part of such 180 days than in any other District.

There is a bankruptcy case concerning debtor's affiliate, general partner, or partnership pending in this District.

Debtor is a debtor in a foreign proceeding and has its principal place of business or principal assets in the United States in this District, or has no principal place of business or assets in the United States but is a defendant in an action or proceeding [in a federal or state court] in this District, or the interests of the parties will be served in regard to the relief sought in this District.

Certification by a Debtor Who Resides as a Tenant of Residential Property
(Check all applicable boxes.)

Landlord has a judgment against the debtor for possession of debtor's residence. (If box checked, complete the following.)

(Name of landlord or lessor that obtained judgment)

(Address of landlord or lessor)

Debtor claims that under applicable nonbankruptcy law, there are circumstances under which the debtor would be permitted to cure the entire monetary default that gave rise to the judgment for possession, after the judgment for possession was entered, and

Debtor has included in this petition the deposit with the court of any rent that would become due during the 30-day period after the filing of the petition.

Debtor certifies that he/she has served the Landlord with this certification. (11 U.S.C. § 362(l)).

Voluntary Petition

(This page must be completed and filed in every case)

Name of Debtor(s):

DESARROLLOS RIO DORADO INC

Signatures

Signature(s) of Debtor(s) (Individual/Joint)

I declare under penalty of perjury that the information provided in this petition is true and correct.

[If petitioner is an individual whose debts are primarily consumer debts and has chosen to file under Chapter 7] I am aware that I may proceed under chapter 7, 11, 12 or 13 of title 11, United State Code, understand the relief available under each such chapter, and choose to proceed under chapter 7.

[If no attorney represents me and no bankruptcy petition preparer signs the petition] I have obtained and read the notice required by 11 U.S.C. § 342(b).

I request relief in accordance with the chapter of title 11, United States Code, specified in this petition.

X _____
Signature of Debtor

X _____
Signature of Joint Debtor

Telephone Number (If not represented by attorney)

Date

Signature of a Foreign Representative

I declare under penalty of perjury that the information provided in this petition is true and correct, that I am the foreign representative of a debtor in a foreign proceeding, and that I am authorized to file this petition.

(Check only **one** box.)

I request relief in accordance with chapter 15 of title 11, United States Code. Certified copies of the documents required by 11 U.S.C. § 1515 are attached.

Pursuant to 11 U.S.C. § 1511, I request relief in accordance with the chapter of title 11 specified in this petition. A certified copy of the order granting recognition of the foreign main proceeding is attached.

X _____
Signature of Foreign Representative

Printed Name of Foreign Representative

Date

Signature of Attorney*

X /s/ Carlos E. Rodriguez Quesada
Signature of Attorney for Debtor(s)

Carlos E. Rodriguez Quesada USDC-PR 124810
Carlos E. Rodriguez-Quesada
PO Box 9023115
San Juan, PR 00902
(787) 724-2867 Fax: (787) 724-2463
cerqlaw@coqui.net

July 30, 2010
Date

*In a case in which § 707(b)(4)(D) applies, this signature also constitutes a certification that the attorney has no knowledge after an inquiry that the information in the schedules is incorrect.

Signature of Non-Attorney Petition Preparer

I declare under penalty of perjury that: 1) I am a bankruptcy petition preparer as defined in 11 U.S.C. § 110; 2) I prepared this document for compensation and have provided the debtor with a copy of this document and the notices and information required under 11 U.S.C. §§ 110(b), 110(h) and 342(b); 3) if rules or guidelines have been promulgated pursuant to 11 U.S.C. § 110(h) setting a maximum fee for services chargeable by bankruptcy petition preparers, I have given the debtor notice of the maximum amount before preparing any document for filing for a debtor or accepting any fee from the debtor, as required in that section. Official Form 19 is attached.

Printed Name and title, if any, of Bankruptcy Petition Preparer

Social Security Number (If the bankruptcy petition preparer is not an individual, state the Social Security number of the officer, principal, responsible person or partner of the bankruptcy petition preparer.) (Required by 11 U.S.C. § 110.)

Address

Signature of Debtor (Corporation/Partnership)

I declare under penalty of perjury that the information provided in this petition is true and correct, and that I have been authorized to file this petition on behalf of the debtor.

The debtor requests relief in accordance with the chapter of title 11, United States Code, specified in this petition.

X /s/ MANUEL PÉREZ NEVÁREZ
Signature of Authorized Individual

MANUEL PÉREZ NEVÁREZ
Printed Name of Authorized Individual

PRESIDENT
Title of Authorized Individual

July 30, 2010
Date

X _____
Signature of Bankruptcy Petition Preparer or officer, principal, responsible person, or partner whose social security number is provided above.

Date

Names and Social Security numbers of all other individuals who prepared or assisted in preparing this document unless the bankruptcy petition preparer is not an individual:

If more than one person prepared this document, attach additional sheets conforming to the appropriate official form for each person.
A bankruptcy petition preparer's failure to comply with the provisions of title 11 and the Federal Rules of Bankruptcy Procedure may result in fines or imprisonment or both 11 U.S.C. § 110; 18 U.S.C. § 156.

DESARROLLOS RIO DORADO, INC.

CERTIFICATE OF RESOLUTION

I, Mario J Perez Nevarez, Secretary of Desarrollos Rio Dorado, Inc. do hereby

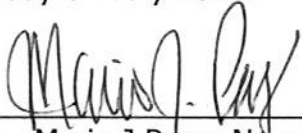
CERTIFY

That at a special meeting of the Board of Directors and Stock Holders of the corporation held at San Juan, Puerto Rico on the 28th day of July 2010, the following Resolution was duly adopted and approved:

"RESOLVED by a majority vote to authorize and order its President, Manuel Perez Nevarez to subscribe, file and make oath, on behalf Desarrollos Rio Dorado, Inc., to a petition for Reorganization under Chapter 11 of the US Bankruptcy Code, and further to sign, make oath and file the Statement of Affairs, Schedules and all other motions, petitions, documents and pleadings necessary in said proceeding, an it is further RESOLVED, that Manuel Perez Nevarez is authorized to retain the Law Office of Carlos E. Rodriguez Quesada, to represent the corporation in said proceedings."

IN TESTIMONY WHEREOF, I hereunto set my hand and Seal of the Corporation in

San Juan, Puerto Rico, this 28th day of July 2010.



Mario J Perez Nevarez
SECRETARY

Affidavit No. 255

Sworn and subscribed to before me by Mario J Perez Nevarez, of legal age, married and resident of San Juan, Puerto Rico, identified by his driver's license, at San Juan, Puerto Rico, this 28th day of July 2010.





NOTARY PUBLIC

**United States Bankruptcy Court
District of Puerto Rico**

IN RE:

Case No. _____

DESARROLLOS RIO DORADO INCChapter **11**

Debtor(s)

LIST OF CREDITORS HOLDING 20 LARGEST UNSECURED CLAIMS

Following is the list of the debtor's creditors holding the 20 largest unsecured claims. The list is prepared in accordance with Fed. R. Bankr. P. 1007(d) for filing in this chapter 11 [or chapter 9] case. The list does not include (1) persons who come within the definition of "insider" set forth in 11 U.S.C. § 101, or (2) secured creditors unless the value of the collateral is such that the unsecured deficiency places the creditor among the holders of the 20 largest unsecured claims. If a minor child is one of the creditors holding the 20 largest unsecured claims, state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. §112 and Fed. R. Bankr. P. 1007(m).

(1) Name of creditor and complete mailing address including zip code	(2) Name, telephone number and complete mailing address, including zip code, of employee, agent or department of creditor familiar with claim who may be contacted	(3) Nature of claim (trade debt, bank loan, government contract, etc.)	(4) Indicate if claim is contingent, unliquidated, disputed or subject to setoff	(5) Amount of claim (if secured also state value of security)
SYLVIA NEVARES ALONSO 450 PONCE DE LEON PH-D SAN JUAN, PR 00901		Commercial Loan		970,000.00
SEIKO ELECTRICAL CONTRACTORS PMB 401-2135 SUITE 15 CARR. #2 BAYAMON, PR 00959-5259	(787) 798-1663	Electrical Contractors		495,768.00
CRC CONTRACTORS 1100 AVE. PONCE DE LEON OFIC. 204 RIO PIEDRAS, PR 00925	(787) 720-7566	General Contractors		195,000.00
MUNICIPIO DE DORADO APARTADO 588 Dorado, PR 00646-0588	(787) 796-1230	Municipality Patent		60,000.00
MONTILLA LOPEZ ARQUITECTOS AVE ASHFORD 1018 COND. CONDADO ASTOR OFC 209 SAN JUAN, PR 00907	(787) 268-6663	Professional Services	Disputed	43,175.00
CRIM PO BOX 195387 SAN JUAN, PR 00919-5387	(787) 625-2746	Municipality Property Taxes		30,000.00
RAMOS & CO CENTRO INTERNACIONAL DE MERCADEO TORRE I - SUITE 205 GUAYNABO, PR 00968	(787) 792-3000	Professional Services		29,150.00
ING. MIGUEL P. VÉLEZ P.O. BOX 10791 SAN JUAN, PR 00922	787-783-9003	Professional Services		28,000.00
AUTORIDAD DE CARRETERAS P.O. BOX 42007 SAN JUAN, PR 00940-2007	(787) 721-8787	Government Agency Fees		26,000.00
BERRIOS PLUMBING P.O. BOX 115 Bayamon, PR 00960	(787) 780-8433	Supplier		14,894.50
RAULI'S TRUCKING 6639 BUZÓN 139 CALLE FRANCIA VILLA MARISOL SABANA SECA, PR 00952	(787) 383-5901	Supplier		7,005.00
D' BEST ENGINEERING SERVICES INC PMB 13 137 CALLE AMAZONAS SUITE 6 SAN JUAN, PR 00926	(787) 793-6349	Professional Services		6,600.00

NEVARES & SÁNCHEZ ALVAREZ EL CARIBE BLDG. SUITE 1501 53 PALMERAS ST. SAN JUAN, PR 00901-2418	(787) 723-9774	Profession al Services	4,122.12
WORLD LANDSCAPING APARTADO 298 Gurabo, PR 00778	(787) 448-6282	Profession al Services	3,400.00
FORASTIERI LAW OFFICES THE HATO REY CENTER SUITE 1404 268 PONCE DE LEON AVE. SAN JUAN, PR 00918	(787) 771-0100	Profession al Services	2,317.75
DACO C/O SONIA GOMEZ MARRERO COLINAS METROPOLITANAS CALLE COLLORES I-18 GUAYNABO, PR 00969		Complaint	2,150.00

DECLARATION UNDER PENALTY OF PERJURY ON BEHALF OF A CORPORATION OR PARTNERSHIP

I, [the president *or* other officer *or* an authorized agent of the corporation][*or* a member *or* an authorized agent of the partnership] named as the debtor in this case, declare under penalty of perjury that I have read the foregoing list and that it is true and correct to the best of my information and belief.

Date: **July 30, 2010** Signature: /s/ MANUEL PÉREZ NEVÁREZ

MANUEL PÉREZ NEVÁREZ, PRESIDENT

(Print Name and Title)

**United States Bankruptcy Court
District of Puerto Rico**

IN RE:

Case No. _____

DESARROLLOS RIO DORADO INCChapter **11**

Debtor(s)

SUMMARY OF SCHEDULES

Indicate as to each schedule whether that schedule is attached and state the number of pages in each. Report the totals from Schedules A, B, D, E, F, I, and J in the boxes provided. Add the amounts from Schedules A and B to determine the total amount of the debtor's assets. Add the amounts of all claims from Schedules D, E, and F to determine the total amount of the debtor's liabilities. Individual debtors also must complete the "Statistical Summary of Certain Liabilities and Related Data" if they file a case under chapter 7, 11, or 13.

NAME OF SCHEDULE	ATTACHED (YES/NO)	NUMBER OF SHEETS	ASSETS	LIABILITIES	OTHER
A - Real Property	Yes	53	\$ 4,300,896.00		
B - Personal Property	Yes	3	\$ 481,700.00		
C - Property Claimed as Exempt	Yes	1			
D - Creditors Holding Secured Claims	Yes	1		\$ 3,400,000.00	
E - Creditors Holding Unsecured Priority Claims (Total of Claims on Schedule E)	Yes	2		\$ 30,000.00	
F - Creditors Holding Unsecured Nonpriority Claims	Yes	3		\$ 1,887,582.37	
G - Executory Contracts and Unexpired Leases	Yes	1			
H - Codebtors	Yes	1			
I - Current Income of Individual Debtor(s)	No				\$
J - Current Expenditures of Individual Debtor(s)	No				\$
TOTAL		67	\$ 4,782,596.00	\$ 5,317,582.37	

IN RE DESARROLLOS RIO DORADO INC

Case No. _____

Debtor(s)

(If known)

SCHEDULE A - REAL PROPERTY

Except as directed below, list all real property in which the debtor has any legal, equitable, or future interest, including all property owned as a cotenant, community property, or in which the debtor has a life estate. Include any property in which the debtor holds rights and powers exercisable for the debtor's own benefit. If the debtor is married, state whether the husband, wife, both, or the marital community own the property by placing an "H," "W," "J," or "C" in the column labeled "Husband, Wife, Joint, or Community." If the debtor holds no interest in real property, write "None" under "Description and Location of Property."

Do not include interests in executory contracts and unexpired leases on this schedule. List them in Schedule G - Executory Contracts and Unexpired Leases.

If an entity claims to have a lien or hold a secured interest in any property, state the amount of the secured claim. See Schedule D. If no entity claims to hold a secured interest in the property, write "None" in the column labeled "Amount of Secured Claim."

If the debtor is an individual or if a joint petition is filed, state the amount of any exemption claimed in the property only in Schedule C - Property Claimed as Exempt.

DESCRIPTION AND LOCATION OF PROPERTY	NATURE OF DEBTOR'S INTEREST IN PROPERTY	HUSBAND, WIFE, JOINT, OR COMMUNITY	CURRENT VALUE OF DEBTOR'S INTEREST IN PROPERTY WITHOUT DEDUCTING ANY SECURED CLAIM OR EXEMPTION	AMOUNT OF SECURED CLAIM
PROJECT REMNANT LAND			1,000,000.00	3,400,000.00
UNSOLD 14 UNITS - SEE LIST ATTACHED			3,300,896.00	3,400,000.00

TOTAL 4,300,896.00

(Report also on Summary of Schedules)

ANEJO 9

Proyecto Paisajes de Dorado Inventario de Unidades

Unid. #	AREA m ²			Precio
21	384.3			\$240,016
23	387.2			\$240,364
24	388.7			\$240,544
25	388.0			\$240,460
26	412.0		servidumbre	\$238,340
28	403.6			\$242,332
113	350.0			\$235,900
117	350.0			\$235,900
121	350.0			\$235,900
122	350.0			\$235,900
124	372.4	esquina		\$203,940
126	380.0			\$239,500
128	350.0			\$235,900
129	350.0			\$235,900

TOTAL SELL-OUT \$3,300,896

Avg. Price \$235,778

Reconciliation and Final Value Conclusion

The indications of value resulting from the two (2) approaches to value developed are as follows:

Cost Approach	:	\$14,900,000
Sales Comparison Approach (Cumulative or Gross Sellout)	:	\$14,700,000

The traditional income capitalization approach, as stated before, is not applicable in the appraisal of the subject project, since it has not been designed nor will it be developed, as an income producing property, nor are properties such as the subject project, typically developed as rental ventures in Puerto Rico.

The cost approach results in an excellent guide to determine value when buildings are new or proposed, and the improvements reflect the highest and best use of the land. However, purchasers of residential units in a development project are more concerned with the amenities of the units and the project, and the location, than with the project's reproduction costs.

The cost approach, although a classic approach to value for other properties, falters when applied to a residential subdivision. Any projection of one unit alone, is unrealistic. Consequently, the cost approach is not an aggregate method for estimating a conclusion of value in appraising a total residential subdivision. Therefore, in this appraisal report, the cost approach is used as a guide to the final indication of value and is assigned the least weight in the final value conclusion.

However, the cost approach to value is of utmost importance when determining the feasibility of a proposed project, as the income from sales should exceed the development cost by a sufficient profit amount acceptable to a sponsor/developer, for his or her risk and expenses in creating said project.

In this case, the \$200,000 difference between the two (2) approaches to value developed could arguably be said to represent a reduction in the project's sponsor/developer entrepreneurial incentive. Thus, if this amount is deducted from the entrepreneurial incentive estimated in the cost approach, a figure of \$2,587,500 (\$2,787,500 - \$200,000) results. Under this scenario, the entrepreneurial incentive would be reduced from 25.0% to 23.2% ($\$2,587,500 \div \$11,150,000$), when considering the \$11,150,000 reproduction cost new concluded, which is still considered reasonable and well within market expectancies.

As such, the market data gathered and analyzed suggests the proposed remaining subject project to be a feasible venture, as has been the case of other similar single family detached residential subdivisions within the general subject region and the subject Dorado Municipality.

Nevertheless, because one of the purposes of this appraisal report is to determine the value resulting from the sum total of the sellout of the proposed individual subject units, greatest weight has to be given to the development (sales comparison) approach, which is the reflection of the recent past history in market place activity, combined with the present date supply/demand relationship and immediate future expectations.

In conclusion, the cumulative (or gross) sellout of the proposed remaining subject project, as of September 25, 2006, assuming the satisfactory completion of the improvements, was concluded to be of:

\$14,700,000

(FOURTEEN MILLION SEVEN HUNDRED THOUSAND DOLLARS)

Project's Discounted Value or Value to a Single Purchaser

In order to arrive at the value to a single purchaser of a property such as the proposed subject project, an adjustment to the cumulative (or gross) sales proceeds is typically made in order to account for marketing, overhead, supervision, entrepreneurial incentive, commissions, maintenance, closing costs, etc.

The definition of market value is based on several specific conditions, one of them being "a reasonable time is allowed for exposure in the open market." This condition is probably the most important reason, that the cumulative (or gross) sellout of several properties sold individually, is usually not equal to the market value of all the properties sold combined. Typically, the reasonable time required to find a purchaser for one (1) residential unit is not the same, as the reasonable time required to find a purchaser for a large number of residential units combined. The reason being, that the dollar amount involved in the sale of all the residential units combined is higher than the dollar amount involved in the sale of only one (1) residential unit, and a higher sales price usually reduces the potential buyers for the property and consequently, an extended marketing period is expected.

In addition, and most important, the motivation behind the purchase of a single residential unit is not the same, as the motivation involved in the purchase of a large number of residential units combined.

When one considers a single purchaser for several properties combined, and that an extended marketing period is expected, the effect of receiving a specific amount at a later date, in addition to the holding costs during the extended period, must be considered. These items would therefore, have the effect of reducing the figure determined as the cumulative (or gross) sellout of all of the properties sold individually, in order to reflect the discounted value of all of the properties sold combined to a single purchaser.

Discounting, or bringing to a present worth, has the effect of reducing the value of a certain amount, to take into account the fact that said amount is to be received in the future. Discounting is based on the concept of time preference. This means that money now is worth more than money later and conversely, money later is worth less today. This is because the typical investor is foregoing alternative income opportunities or alternative uses of the money, while it is committed to the investment in question.

Two items must be established before discounting can be carried out. First, the time period over which the money is to be received and second, the rate at which the discounting is to take place.

The amount of time necessary to expose the proposed remaining subject units in the open market in order to achieve their sale, requires the properties to be actively exposed and aggressively marketed to potential purchasers, through marketing channels commonly used by sellers of similar type properties.

In regard to the time period, this would refer to the reasonable time required for finding a single purchaser for all of the proposed remaining subject units combined, versus the time required to find a purchaser for each of the proposed remaining subject units individually. This time difference should be based on information gathered from the market.

Current trends still reflect competitive absorption paces to the absorption indications concluded in the 9/5/03 and 12/15/03 appraisal reports, in which the overall proposed subject project's projected absorption was based on a 6 units per month figure. Thus, based on said indication, a 6 units per month pace suggests an absorption period of 11 months (63 units ÷ 6 units per month = 10.5 months, say 11 months), which is less than the project's 18 month projected construction completion period.

This suggests, that by the project's completion point, all of the proposed remaining subject units would be adequately absorbed, with any unsold unit, if any, to be sold immediately following the project's completion.

As such, it would be illogical for a prudent and knowledgeable sponsor/developer to sell the entire project to a single purchaser, under the typical discounting procedure covering all items considered as carrying charges during a marketing period.

For this reason, the appraisal problem at hand only requires discounting for the potential buyer's profit expectancy, and the sales commission owed to the broker and/or sales agent for the marketing and advertising expenses and related legal costs.

The sales and legal expenses will be estimated at 5% of the total sales volume of \$14,700,000 previously concluded, resulting in a \$735,000 deduction. As to a reasonable profit incentive, the developer's entrepreneurial incentive on the Cost Approach section was estimated at 25% of total development costs. However, based on the estimated cumulative sellout, a figure of 23.2% was indicated, which resulted from an overall \$2,587,500 entrepreneurial incentive.

In this section, a similar \$2,587,500 profit incentive will be considered, translating into a slightly lower 17.6% profit incentive, based on the \$14,700,000 total sales proceeds. However, this lower percentage profit is consistent with the lower risk upon completion scenario, instead of the initial development stage reflected in the cost approach.

Thus, the proposed remaining subject project's discounted value, or its value to a single purchaser, is the result of the subtraction of the \$735,000 sales and legal expenses and the \$2,587,500 profit incentive from the project's cumulative (gross) project sellout figure of \$14,700,000, as summarized in the following table.

Estimated Sales Proceeds	\$14,700,000
Less: Sales, Marketing & Legal	- \$ 735,000
Less: Profit Incentive	- \$ 2,587,500
Discounted Market Value	\$11,377,500
Rounded to	\$11,400,000

In conclusion, the proposed remaining subject project's discounted value or its value to a single purchaser, in fee simple and assumed completed, as of September 25, 2006, was concluded to be of:-

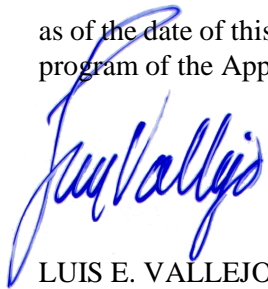
\$11,400,000

(ELEVEN MILLION FOUR HUNDRED THOUSAND DOLLARS)

Certification

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

- the statements of fact contained in this report are true and correct.
- the reported analyses, opinions, and conclusions are limited only by the reported 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.
- 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 in this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice and the Code of Professional Ethics of the Appraisal Institute.
- I have made a personal inspection of the property that is the subjects of this report.
- 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 have completed the requirements of the continuing education program of the Appraisal Institute.



LUIS E. VALLEJO, MAI
Real Estate 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 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.
- 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 in this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice and the Code of Professional Ethics of the Appraisal Institute.
- I have made a personal inspection of the property that is the subjects of this report.
- the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

JOSÉ L. PACHECO
Real Estate Appraiser

General Limiting Conditions

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 thereof.

Any cause of action resulting between the appraisers 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 Vallejo & Vallejo for any damages, costs, expense, and attorney's fees resulting from any cause of action by any interested party, other than the client, concerning the appraisal report.

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 appraisers, and in any event, only with the proper written qualification and only in its entirety.

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 land and improvements must not be used in conjunction with any other appraisal and are invalid if so used.

Disclosure of the contents of this report is governed by the By-Laws and Regulations of the Appraisal Institute. Neither all nor any part of the contents of this report, or copy thereof, shall be conveyed to the public through advertising, public relations, news, sales or any other media, without written consent and approval of the appraisers. Nor shall the appraisers, firm or professional organization of which the appraisers are members, be identified without prior written consent of the appraisers.

The physical condition of the improvements described herein, if any, is based on visual inspection only. No liability is assumed for the soundness of structural members, including roof (wear and leakage), foundation (settling or leakage), footings, exterior and interior walls, partitions, floors, or any other part of the structure, since no engineering tests were made of same and no termite inspection was conducted. Furthermore, we accept no legal responsibility for the efficiency of the plumbing and electrical systems, air conditioning equipment, or any major appliances. Unless otherwise noted, all of these items appeared adequate and operational.

In this appraisal assignment, the existence of potentially hazardous material in the property and/or used in the construction or maintenance of the building, such as the presence of urea formaldehyde foam insulation or asbestos, and/or existence of toxic waste, which may be or may not be present on the property, has not been considered. The appraisers are not qualified to detect such substances. We urge the client to retain an expert in this field if desired.

General Assumptions

This appraisal report has been made with the following general assumptions:

- 1) No responsibility is assumed for the legal description or matters including legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
- 2) The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated. All taxes are assumed to be current. In specific cases, at the request of the client, the appraisers may present data on past due ad valorem taxes. However, this data is not certified and is only a verbal confirmation by the tax authority. [Although this data is not certified, it has been obtained from the tax authority.] This data should not be relied upon by the client and has no effect on the final value.
- 3) The property is appraised as though under responsible, adequately capitalized ownership and competent property management.
- 4) The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.
- 5) All engineering is assumed to be correct. The plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.
- 6) It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
- 7) It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined and considered in the appraisal report.
- 8) It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered in the appraisal report.
- 9) It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value contained in this report is based.
- 10) It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.
- 11) The availability of capacity and/or connection rights to any or all public utilities had not been determined by the appraisers. The value reported herein is contingent upon and limited to said capacity and right of connection.

Qualification Data - Luis E. Vallejo

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Santa Ana Building
Santurce, Puerto Rico 00909
Tel. (787) 723-2121
Fax. (787) 724-3949
E-Mail: levallejo@vallejopr.com

Mailing Address

Vallejo & Vallejo
P.O. Box 11922
San Juan, P.R. 00922-1922

Designations

MAI (Member Appraisal Institute)
SRA (Senior Residential Appraiser)
SRPA (Senior Real Property Appraiser)
SREA (Senior Real Estate Analyst)

Education

Bachelor of Science Degree
Major in Business Administration
Babson College, Babson Park, Wellesley, Mass. 02457-0310

Currently certified under the Continuing Education Program of the Appraisal Institute for the period through 12/31/2005.

Licenses

Authorized Professional Real Estate Appraiser - Certificate No. 525, Commonwealth of Puerto Rico

Certified General Real Estate Appraiser for Federally Related Transactions - Certificate No. 19, Commonwealth of P.R.

Real Estate Broker License No. 940, Commonwealth of P.R.

Certified General Real Estate Appraiser for Federally Related Transactions - Certificate No. 1151, State of Georgia, USA

Offices Held

Commonwealth of Puerto Rico

Appointed by the Governor of P.R. to the Puerto Rico Real Estate Appraisers Board of Examiners (1994 thru 2000)
President of the Board of Examiners (1999-2000)

Appraisal Institute - National

Strategic Planning Committee (2005)
Public Affairs Committee Member (2004)
International Instructors Advisory Group Member (2004)
Educational Programs and Publications Committee Member (2004)
International Relations Committee Chair (2004 - 2005)
International Relations Committee Member (1991 thru 2005)
Representative to SOITAVE (1994 thru 2005)
Ex-Office Member of Board of Directors (2000)
Audit Committee Member (1999-2000)
Board of Directors Member (1997 thru 1999)
Puerto Rico Government Relations Subcommittee
Chair (1993 thru 1997)
Minority Relations Committee Member (1994 thru 1996)
Representative to Pan American Union of
Appraisal Associations (UPAV) (1993)
Puerto Rico State Legislation and Regulation
Subcommittee Member (1991-1992)

Appraisal Institute - Region X

Nominating Committee Chair (2000)
Region Director (1997 thru 1999)
Region Chair (1999)
Region Vice Chair (1998)
Ethics and Counseling Panel Member (1995)
Speakers Panel Member (1995)

Puerto Rico Chapter of the Appraisal Institute

Board of Directors Member (1991 thru 1994)
Professional Practice Committee Chair (1991 thru 1993)
Admissions Committee Chair (1993)
Representative to Region X (1993)

Society of Real Estate Appraisers - P.R. Chapter No. 171

Chapter President (1986-1987)
Board of Directors Member (1982 thru 1985 / 1987 thru 1990)
Professional Practice Committee Chair (1983 thru 1990)
Admissions Committee Chair (1983 thru 1989)
Board of Directors Secretary (1978-1979 / 1985-1986)

Pan American Union of Appraisal Associations (UPAV)

Secretary of Board of Directors (1996 thru 1998)
Board of Director Member (1998 thru 2000)

Instructor

Approved Instructor for Courses and Seminars by the Society of Real Estate Appraisers and the Appraisal Institute from 1982 thru 1992.

Professional Recognition

Chosen by the Puerto Rico Association of Realtors as the 1994 Distinguished Professional in the Real Estate Appraisal field.

Member

National Association of Realtors - San Juan Board of Realtors

Appraisal Courses, Seminars and/or Examinations

<u>Institution/Organization</u>	<u>Course/Seminar Name</u>	<u>Year</u>
Appraisal Institute	National (USPAP) Uniform Standards of Professional Appraisal Practice - Course 400	2005
	Business Practices and Ethics - Course 420	2005
	National (USPAP) Uniform Standards of Professional Appraisal Practice - Course 410	2003
	Apartment Appraisal	2002
	Condemnation Appraising: Advanced to ICS and Applications	2002
	Condemnation Appraising: Basic Principles and Applications	2002
	Standards of Professional Appraisal Practice - Part C	2002
	Litigation Appraising: Specialized Topics	2002
	The Appraiser as an Expert Witness	2002
	Standards of Professional Appraisal Practice - Part C	2000
	The FHA and the Appraisal Process	1999
	Valuation of Detrimental Conditions in Real Estate	1998
	The Internet and Appraising	1998
	Understanding and Using DCF Software	1998
	Accrued Depreciation	1997
	New Industrial Valuation	1997
	International Appraisal Methods, Standards and Opportunities	1996
	Large Scope Appraisal Projects	1996
	The Appraiser's Complete Review	1996
	How to Appraise FHA Properties	1995
Faculty Workshop	1995	

Institution/Organization	Course/Seminar Name	Year	
Appraisal Institute	EDI and The Appraisal Profession	1995	
	Standards of Prof. Appraisal Practice Part A	1995	
	Standards of Prof. Appraisal Practice Part B	1995	
	Technology Trends for the New Appraisal Office: EDI, GIS and Digital Imaging	1995	
	Loss Prevention for Real Estate Appraisers	1995	
	Subdivision Analysis	1994	
	Appraisal Review - Residential Properties	1994	
	Appraisal Review - Commercial Properties	1994	
	Understanding Limited Appraisals and Appraisal Reported Options: General	1994	
	Evaluation Guidelines	1994	
	Analyst Symposium	1994	
	Feasibility Analysis and Highest & Best Use / Non-residential Properties	1993	
	Real Estate Risk Analysis	1993	
	The New Uniform Residential Appraisal Report Form	1993	
	Discounted Cash Flow Analysis	1993	
	Analyst Symposium	1993	
	Residential Case Study	1993	
	Capitalization Theory and Techniques - Part B	1992	
	Comprehensive Examination	1992	
	Appraisal Regulations of the Federal Banking Agencies	1992	
	Appraisal Theory Review	1991	
	Capitalization Theory and Techniques - Part A	1991	
	Society of Real Estate Appraisers	Applied Residential Property Valuation	1991
		Principles of Income Property Appraising	1990
		Appraiser Certification / State Certified	
		General Appraiser	1990
Analyst Symposium		1990	
Condemnation: Legal Rules and Appraisal Practice		1990	
Writing Skills for Appraisers		1990	
Income Property Valuation for the 1990's		1989	
Appraising Condominium Properties		1989	
Applied Residential Property Valuation		1988	
Professional Practice		1988	
Appraiser's Guide to URAR Update on R41-C		1987	
Recent Development in Income Property Valuation		1986	

Institution/Organization	Course/Seminar Name	Year	
Society of Real Estate Appraisers	Instructor's Clinic: Course 101-An Introduction to Appraising Real Property	1986	
	Introduction to Income Capitalization	1986	
	Principles of Income Property Appraising	1985	
	R-41 B and the Appraiser	1985	
	Depreciation Analysis	1985	
	Real Estate Investments: Introduction to Cash Flow and Risk Analysis	1984	
	Financing Adjustments: Creative Financing and Cash Equivalence	1981	
	Basic Money Market and Economic Analysis	1981	
	Narrative Report Writing	1980	
	R-2 Examination	1980	
	Evaluation and Impact of Financial Data on Appraisal Problems	1980	
	Condominium Appraising	1979	
	Marketability and Market Analysis	1979	
	Investment Feasibility Analysis	1977	
	The Valuation of Leases and Leasehold Interest	1976	
	Math-Stat-Finance Review for Appraisers	1975	
	Principles of Income Property Appraising	1973	
	An Introduction to Appraising Property	1973	
	American Institute of Real Estate Appraisers	Practical Application of Discounted Cash Flow Analysis	1988
		Highest and Best Use Analysis	1986
Evaluating Residential Construction		1986	
Valuation of Leased Fee & Leasehold Estates		1986	
Hotel and Motel Valuation		1986	
Fundamentals of Real Estate Appraisal Review		1986	
Real Estate Risk Analysis		1986	
Residential Valuation - Course VIII		1985	
Business Valuation		1984	
Standards of Professional Practice		1983	
Valuation Analysis and Report Writing		1983	
Rates: Discount and Capitalization "Their Components and How to Find Them"		1981	
Income Capitalization Workshop		1978	
The Appraisal Foundation	Uniform Standards of Professional Appraisal Practice Update for Instructors and Regulators	2000	
	Uniform Standards of Professional Appraisal Practice for Regulators	1999	

Institution/Organization	Course/Seminar Name	Year
The Appraisal Foundation	Uniform Standards of Professional Appraisal Practice-Instructors Training	1999
Benémerita Universidad Autónoma de Puebla (México)	International Appraisal Colloquium	1997
Pan American Union of Appraisal Associations	UPAV Congress	2000
	UPAV Congress	1998
	UPAV Congress	1996
	UPAV Congress	1994
	UPAV Congress	1992
Instituto de Tasaciones Dominicanos, Inc.	Specialized Analysis of Investment Properties	1996
Sociedad de Ingeniería de Tasación de Venezuela	SOITAVE Congress	2005
	SOITAVE Congress	2000
	SOITAVE Congress	1996
Caribbean/Latin American Action	Business and Investment in a Free Democratic Cuba	1995
PR Housing Finance Corporation	Financing Affordable Housing Today	1995
Whitmer Seminars, Inc.	Comprehensive Appraisal Workshop	1992
Federal Emergency Management Agency	National Flood Insurance Program Workshop	1988
Puerto Rico Institute of Evaluators	Condemnation Symposium	1983
Marshall & Swift Publication Company	Cost Valuation Method	1981
<u>Types of Appraisals Performed</u>	Single family residences Condominium units Apartment houses Shopping centers Bank branches Hotels Industrial properties Hospitals	Residential subdivisions Condominium projects Income producing properties Office buildings Special purpose properties Vacant parcels of land (residential, commercial, industrial, mixed-uses), etc.

Qualification Data - José L. Pacheco

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E-Mail: jpgacheco@vallejojr.com

Mailing Address

Vallejo & Vallejo
P.O. Box 360553
San Juan, P.R. 00936-0553

Education

Bachelor of Science Degree
University of Puerto Rico,
Río Piedras Campus, San Juan, P.R.

Licenses

Authorized Professional Real Estate Appraiser -
Certificate No. 696, Commonwealth of Puerto Rico

Certified General Real Estate Appraiser for Federally
Related Transactions - Certificate No. 153,
Commonwealth of Puerto Rico

FHA Approved Appraiser - Certificate No. PRCG153,
U.S. Department of HUD-FHA

Professional Appraisal Experience

Certified General Appraiser
Vallejo & Vallejo
Real Estate Appraisers and Counselors (1992 - Present)

Professional Affiliations

Appraisal Institute, Associate for MAI designation

Appraisal Courses, Seminars and/or Conferences

<u>Institution/Organization</u>	<u>Course/Seminar/Conference Name</u>	<u>Year</u>
Appraisal Institute	Valuation of Hotels in Puerto Rico	2004
	Appraisal Consulting: A Solutions Approach for Professionals	2003

Institution/Organization	Course/Seminar/Conference Name	Year	
Appraisal Institute	First Real Estate Market Trends Symposium	2003	
	Subdivision Analysis	2002	
	Apartment Appraisal: Concepts and Applications	2002	
	First Real Estate Market Trends Symposium	2002	
	Report Writing and Valuation Analysis	2001	
	The FHA Appraisal Inspections from the Ground Up	2000	
	Standards of Professional Practice (USPAP), Part C	2000	
	Case Studies in Residential Highest and Best Use	2000	
	The FHA and Appraisal Process	1999	
	Appraising from Blueprints and Specifications	1999	
	Case Studies in Commercial Highest and Best Use	1999	
	Impact of Urban Train in the Value of Real Estate	1998	
	Litigation Valuation Overview	1998	
	Impact of Urban Train in the Value of Real Estate	1998	
	Advanced Sales Comparison and Cost Approaches	1997	
	Environmental Quality Board	1997	
	Alternative Residential Reporting Forms	1997	
	Environmental Risk and the R.E. Appraisal Process	1997	
	Accrued Depreciation	1997	
	Environmental Quality Board	1997	
	Nature & Scope of Phase I Environmental Assessment	1996	
	The Appraisal of Retail Properties	1996	
	Marshall and Swift Cost Service	1996	
	Nature & Scope of Phase I Environmental Assessment	1996	
	Highest and Best Use and Market Analysis	1996	
	Advanced Income Capitalization	1995	
	Dynamics of Office Building Valuation	1995	
	Standards of Professional Practice (USPAP), Part A	1994	
	Standards of Professional Practice (USPAP), Part B	1994	
	General Applications	1994	
	Feasibility Analysis and Highest and Best Use	1994	
	Rates, Ratios and Reasonableness Part I and II	1994	
	The Appraiser's Guide to the URAR Form	1993	
	Residential Case Study	1993	
	Basic Income Capitalization	1993	
	Basic Valuation Procedures	1992	
	Appraisal Principles	1992	
	Bortech Institute	Construction Cost Estimates	2003

<u>Institution/Organization</u>	<u>Course/Seminar/Conference Name</u>	<u>Year</u>
Instituto de Evaluadores de P.R.	Appraising Conservation Easements	2005
	National Uniform Standards of Professional Appraisal Practice	2004
	Construction Cost Estimates	2000
	Ethics and Standards of Professional Practice (USPAP)	1991
	Real Estate Valuation	1991
	Eminent Domain	1991
	Mathematics for Appraisers	1991
Sociedad Puertorriqueña de Planificación	Revitalización del Centro Urbano de Santurce	2002
Alberto Hernández R.E. Academy	Project Development - Financing and Legal Aspects	1999
Small Business Administration	Alert 2000	1998
Puerto Rico Institute of Realtors	Contract and Lease Agreements	1995
	Amendments to the Horizontal Property Regime Law	1995
University of Puerto Rico	Basic Principles of Real Estate Valuation	1990
<u>Type of Appraisals Performed</u>	Single family residences	
	Condominium apartment units	
	Single family residential subdivisions	
	Residential apartment projects in condominium	
	Parking stalls and/or buildings in condominium	
	Vacant parcels (residential, commercial, industrial, mixed-uses)	
	Commercial locales	
	Industrial buildings	

Major Clients Served

Banco Bilbao Vizcaya Argentaria Puerto Rico
Banco Popular de Puerto Rico
Banco Santander - Puerto Rico
Citibank, N.A.
Doral Bank
Eurobank and Trust Corp.
First Bank
Key Bank, N.A.
Oriental Bank and Trust
Royal Bank of Canada
Scotiabank de Puerto Rico
The Bank and Trust of Puerto Rico
The Chase Manhattan Bank, N.A.
Western Bank de Puerto Rico

Doral Mortgage
H.F. Mortgage
Popular Mortgage, Inc.
R & G Mortgage
Santander Mortgage

A.H. Development Corp.
Advisors Investment Group
Albors Housing
Alcon Laboratories
Allied Management Corp.
Añeses & Asoc.
Associates Relocation
Auxilio Mutuo Hospital
Bacardí Corporation
Block Drug Company
Caribbean Project Management
Casa Suarez
C.B. Richard Ellis
Cendant Mobility - Stars
C.S.W. Associates, Inc.
Cervecería India, Inc.
Charlie Car Rental
Chesterton Blumenauer Binswanger
Christiansen Binswanger
Clínica Las Américas
Coca Cola
Coldwell Bankers Relocation
Comisionado de Seguros de P.R.
Cutler-Hammer De P.R. (Eaton Corp.)

Damas Hospital
Desarrolladora Capital Center, Inc.
Desarrolladora Piloto, S.E.
D Group Equities

EJE Sociedad Publicitaria
El Nuevo Día
Empresas Sadurní/Loyola
Empresas Rojo

Fannie Mae
Federal Deposit Insurance Corp.
First Pennsylvania Bank

GM Group
Golden Mile Development, S.E.
Government Development Bank for P.R.
Grupo Carmelo
Grupo Ferré - Rangel
Hewlett - Packard
Hospital de la Concepción
IDI Holdings P.R., Inc.
Integra Realty Resources
Intel Corp.
Interlink Group, Inc.
Interstate General Co., L.P.
J. M. Blanco, Inc.
John Hancock Insurance Co.
Katz Development Corp.
Kodak Caribbean, LTD.
KTR, Inc.
Lema Developers & Assoc.
Los Cidrines
MAC Development
Matcor, inc.
Maxxam Properties, Inc.
McCann-Erickson Corp.
MCO Industries, Inc.
Merrill Lynch Credit Corp.
Mora Development Corp.
Mundy & Associates
Muñiz & Zavala
Nations Bank
Nestor Reyes, Inc.

P.R. Industrial Development Co.
P.R. Telephone Company
Packers Provisions, Inc.
Palmas del Mar Properties, Inc.
Palmas del Mar Realty
Paramount Construction Management Corp.

Paseo Portuario, S.E.
Pérez Hermanos, Inc.
Picerne Properties

Pontezuela Development
Price Waterhouse
Prudential Relocation
Pueblo International, Inc.
Puerto Rican Cement Co., Inc.
Puerto Rico Housing Finance Corp.
R.J. Reynolds Tobacco Co.
Reading Company (Cinevista)
Real Estate Recovery, Inc.
Redondo Construction
Republic Holding Group, LLC
Rocca Development Corp.

Addendum

Brief Description of Subject Improvements

Sales Price List of Delivered, Sold/Optioned and Available Units

Improvements Analysis

General Project Description:

No. of Units	63	Corner Locations	8	Layout	All are 1 story
Basic Site	350 m ²	Cul-de-Sac Locations	NA	Car Storage	2 car carport
Room Count	3BR-2BA	Quality	Ave. to Good	Year Built/Condition	Proposed / New

Construction Areas in Square Feet:

LIVING AREA	CARPORT AREA	ENTRY PORCH	GROSS AREA PER UNIT	NO. OF UNITS	CUMULATIVE ROOFED AREA
1,527	372	25	1,924	63	121,212

Extra Saleable Land Area:

SALEABLE SITE AREAS IN SQ. MTS.	CUMULATIVE AREA OF BASIC SITES IN SQ. MTS.	EXCESS AREA IN SQ.MTS.
25,381.00*	- 22,050.00 (63 units x 350.00 sq.mts.)	= 3,331.00

*Obtained from the site plan furnished by the client/lender, as submitted by the project's sponsor/developer.

Recreational Facilities:

The recreational facilities will be built at the park area located at the westernmost side of the overall subject project site, and although they have not been specifically delineated yet, they will reportedly include a basket/volleyball court, a children playground and passive/landscaped areas.

Security Features:

Electronic entrance/exit gates, guard house, perimeter fences.

**Finishes and
Other Specifications:**

FLOOR AND ROOF SLABS	Reinforced concrete with flat surfaces, except on the living/dining area, which will have a hip type roof.
WALLS	Reinforced concrete and concrete blocks, cement plastered and painted.
CEILINGS	Smooth cement plastered and painted.
FLOORS	Living Areas (including bedrooms): Ceramic tiles and bases. Carport: Polished cement. Driveway and walkways: Broomed cement.
DOORS (MATERIAL/TYPE)	Exterior: Solid core mahogany wood doors and wood frames / Flush. Laundry Area / Exterior: Glass doors with aluminum frames / Flush. Interior: Semi-solid core wood doors and solid wood frames / Flush. Closets: Mirrored glass doors with aluminum frames / Sliding. Lateral Yard Exit: Glass doors with aluminum frames / Sliding.
WINDOWS	Most areas will have glass jalousie type windows with aluminum frames, but the front facade will include casement type glass windows, also with aluminum frames.
KITCHEN	All units will provide space for a refrigerator, double sink, range/oven, hood* and a small storage closet. The range will be embedded in an island counter, serving also as a breakfast counter. Cabinets: Treated plywood with plastic (pvc) laminate, all having shelves. In addition, the wall area between the lower and upper cabinets will have ceramic tiles.
BATHROOMS	Full Bath: Will include a bathtub, a bidet, a toilet and a lavatory basin. Master Bath: Will include a shower, a toilet, a bidet and a lavatory basin. All bathrooms will have vanity mirrors, glazed tile wainscots at the bathtub area and all other typical fixtures. Only the master bath will include wood laminated cabinets.
LAUNDRY AREA	Will include the rough-ins for washer/dryer machines* and a utility sink.
CARPORT AREA	All units will include a 2-car carport with a small storage closet where the electric water heater* will be placed.
OTHERS*	All rooms/areas will have typical sizes and an adequate number of electric outlets or receptacles and outlets for lighting fixtures, typical with market standards. In addition, all main rooms and bedrooms of both model units will include pre-wired outlets and/or jacks for the installation of a "smart-home" system, providing for telephone/internet, alarm, music, and/or cable tv services. Furthermore, all bedrooms will have wall outlets for air conditioning units.

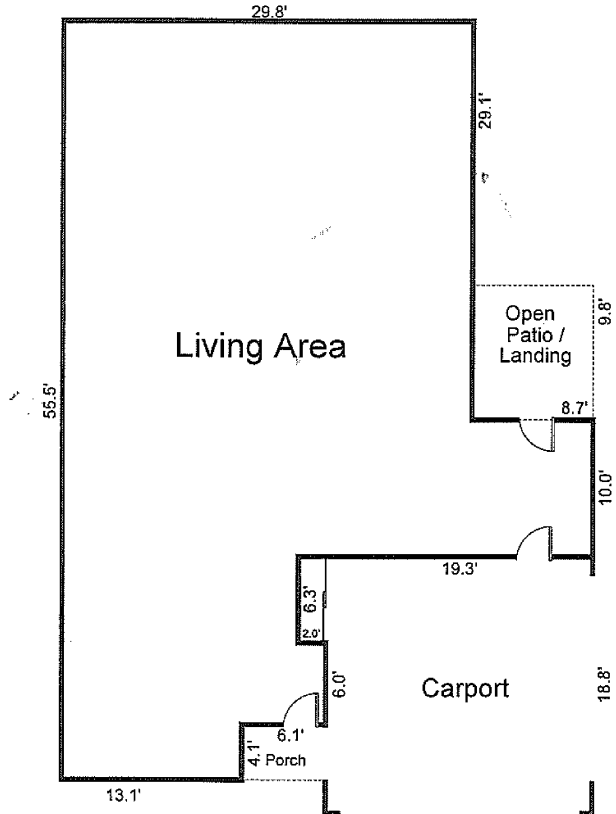
*With the exception of the electric water heater, none of the electrical and/or electronic appliances will be included.

ADA Compliance:

Reportedly, all accessibility measures have already been taken into consideration to comply with ADA regulations. Consequently, it is assumed, that the overall project's design complies with the minimum requirements of the Americans with Disabilities Act (ADA) of 1990.

SKETCH ADDENDUM

Property Address Prop. Paisajes de Dorado Residential Subdivision		
City Dorado	State PR	Zip
Borrower		
Lender/Client		
Appraiser Name Vallejo & Vallejo	Appr Address 1610 Ponce De León Avenie, Santurce, PR 00908	



Scale: 1 = 12

AREA CALCULATIONS SUMMARY			
Code	Description	Size	Totals
GLA1	Main Living Area	1527.38	1527.38
P/P	Porch	24.84	
	Open Patio/Landing	86.04	110.88
GAR	Carport	376.78	376.78
TOTAL LIVABLE		(rounded)	1527

LIVING AREA BREAKDOWN		
Main Living Area	Breakdown	Subtotals
	2.0 x 6.0	12.00
	17.2 x 51.4	882.66
	4.1 x 13.1	53.42
	10.0 x 21.3	213.33
	12.6 x 29.1	365.96
5 Areas Total (rounded)		1527

**COMPLETE SUMMARY APPRAISAL REPORT
PROPOSED PAISAJES DE DORADO
RESIDENTIAL SUBDIVISION
63 SINGLE FAMILY DETACHED DWELLINGS
NORTH OF KM. 2.5 OF STATE ROAD NO. 695
HIGUILLAR WARD, DORADO, PUERTO RICO**

PREPARED

For : Ms. Sylvia Martinez
Vice President
Doral Financial Corporation
Construction Loan Department
Doral Bank Building
1451 F.D. Roosevelt Avenue - 8th Floor
Puerto Nuevo, Puerto Rico 00920-2717

By : Luis E. Vallejo, MAI
Real Estate Appraiser

José L. Pacheco
Real Estate Appraiser

As of : September 25, 2006

September 25, 2006

Ms. Sylvia Martinez
Vice President
Doral Financial Corporation
Construction Loan Department
Doral Bank Building
1451 F.D. Roosevelt Avenue - 8th Floor
Puerto Nuevo, Puerto Rico 00920-2717

Dear Ms. Martínez:

On September 10, 2001, and in accordance with the request of Banco Santander - Puerto Rico on behalf of Desarrollos Río Dorado, Inc., we prepared a complete appraisal report in a summary format of the fee simple interest in a 23.7454 cuerda vacant parcel of land located north of kilometer 2.5 of state road no. 695 in the Higuillar Ward of the Dorado Municipality in Puerto Rico.

At that time, the appraised parcel was being acquired for the development of the 148 unit Paisajes de Dorado residential subdivision. However, as a result of an easement required for the future construction of a span of the proposed Higuillar Avenue, the size of the subject project site was reduced to 20.411 cuerdas and the amount of units contemplated was also reduced to 137 single family detached dwellings.

Subsequently, on September 5, 2003, as per your request, we prepared a complete appraisal report in a summary format of the fee simple interest in the 137 single family detached units proposed to comprise the Paisajes de Dorado residential subdivision.

The marketing of the proposed subject units started in early November of 2003, or just two (2) months after the 9/5/03 appraisal and at that time, 32 units were sold/optioned with \$3,000 deposits. In addition, the sales prices achieved were slightly higher than those originally contemplated by the sponsor/developer and/or the market values concluded for the proposed subject units in the 9/5/03 appraisal.

Furthermore, and as a result of the greater market demand indicated for the proposed subject Model B unit, or the larger of the two formerly proposed subject models, the smaller subject model unit, or Model A, was eliminated. Thus, the entire 137 project units were delineated as Model B units.

Subsequently, and as a result of the foregoing changes, on December 15, 2003, also at your request, we prepared an update valuation analysis of the fee simple interest in the 137 single family detached units proposed to comprise the Paisajes de Dorado residential subdivision.

Currently, seventy four (74) units have been built, of which eighteen (18) have been delivered and the other fifty six (56) are under option to purchase contracts. The remaining sixty three (63) units are proposed to start construction soon and are all currently available for sale. Please refer to the list of units delivered and sold/optioned included in the Addendum section of the report.

Along these lines, the project's contractor was replaced and the new cost bid prepared to complete the project reflected an approximately 23% cost increment. Thus, for underwriting purposes in serving as a reasonable portfolio management technique in monitoring the asset's quality, you have now requested that we prepare an update valuation analysis of the proposed remaining subject project, or the sixty three (63) remaining unsold units.

The purpose of this appraisal is to arrive at the proposed remaining subject project's potential cumulative (or gross) project sellout, and the remaining project's discounted value or its value to a single purchaser, as defined in the report and in fee simple, assuming its satisfactory completion as per the plans and specifications delineated in the 12/15/03 appraisal report, subject to the assumptions, limiting conditions and certifications included herein, as of September 25, 2006.

Since no significant changes in the market's composition and/or the general subject neighborhood have taken place since the 9/10/01, 9/5/03 and 12/15/03 appraisal reports, only the Valuation Process of the remaining proposed subject project will be covered in this appraisal document.

As indicated in the 12/5/03 appraisal, the \$2,000,000 market value figure previously concluded for the overall subject project site has not changed significantly and thus, is considered unchanged for purposes of this update valuation analysis.

For reference purposes, a brief description of the proposed subject remaining improvements will be included in the Addendum section of the report.

Thus, it should be clearly understood, that this valuation analysis will be an extension of the 9/10/01, 9/5/03 and 12/15/03 appraisal reports and will serve as a reasonable portfolio management technique in monitoring the asset's quality.

Therefore, this valuation analysis can only be relied upon by a reader familiar with the 9/10/01, 9/5/03 and 12/15/03 reports and should only be considered in the context of said appraisal documents.

After a personal re-inspection of the "as is" subject property, of the plans and specifications submitted and after a thorough investigation and analysis of the economic factors affecting values in the subject's general area, the values in fee simple of the proposed remaining subject project, assuming its satisfactory completion as per the plans and specifications submitted on 12/15/03, as of September 25, 2006, were concluded to be as follows:-

Subject Project's Cumulative (or Gross) Project Sellout	:	\$14,700,000
(FOURTEEN MILLION SEVEN HUNDRED THOUSAND DOLLARS)		
Project's Discounted Value or Value to a Single Purchaser	:	\$11,400,000
(ELEVEN MILLION FOUR HUNDRED THOUSAND DOLLARS)		

The reported value opinions are based on the 7/17/01 Regulations and Permits Administration (ARPE, by its Spanish acronym) preliminary development plan approval issued for the re-opening of case no. 99DX2-00000-01417, which provides for the development of a 148 unit residential subdivision at the overall subject project site, or 11 units more than the amount now proposed.

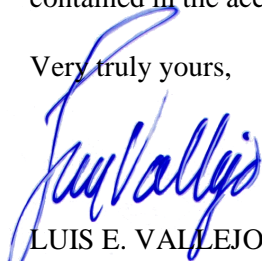
In addition, certain offsite work will be reportedly required to improve the connections to the utilities that would provide service to the overall proposed subject project. In particular, the sanitary and storm sewer service will be connected to the facilities recently built during the construction of the nearby Monte Elena residential subdivision, which are available just a few meters north from the overall subject project site. Similarly, the potable water and electric power services must be brought from the existing facilities along state road no. 693, close to its junction with state road no. 695.

Consequently, the reported values are based on the foregoing and other requirements and recommendations made by the government agencies with jurisdiction in this case. Furthermore, the reported values are contingent on the availability of all the utilities and services that will be required for the development of the overall subject project site. Any change would render the reported values null and void.

Finally, the availability of capacity and/or connection rights to any or all public utilities were not determined by the appraisers. Thus, the reported values are also contingent upon and limited to said capacity and right of connection.

The supporting data and the results of our investigation and analysis upon which these values are based, are contained in the accompanying summary appraisal report.

Very truly yours,



LUIS E. VALLEJO, MAI
Real Estate Appraiser



JOSÉ L. PACHECO
Real Estate Appraiser

COMPLETE SUMMARY APPRAISAL REPORT
PROPOSED PAISAJES DE DORADO RESIDENTIAL SUBDIVISION
63 SINGLE FAMILY DETACHED DWELLINGS
NORTH OF KM. 2.5 OF STATE ROAD NO. 695
HIGUILLAR WARD, DORADO, PUERTO RICO



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Summary of Important Facts and Conclusions

SUBJECT PROPERTY : The fee simple interest in the proposed sixty three (63) single family detached dwellings that comprise the remaining of the Paisajes de Dorado residential subdivision.

PROPERTY LOCATION : North of km. 2.5 of state road no. 695 at the Higuillar Ward of the Dorado Municipality in Puerto Rico.

PROPOSED ACCESS : Directly from state road no. 695.

NEIGHBORHOOD MARKET : The subject's neighborhood is characterized by low to medium density residential uses, in which single family residential properties fall predominantly within a \$50,000 to \$500,000 price range.

However, recently built single family residential subdivisions, or those under construction in the subject neighborhood, reflect sales prices in the \$190,000 to \$850,000 range.

Commercial facilities and other supporting services and amenities are available within reasonable driving distances, predominantly within or near the Dorado town core, which is about 2 miles north of the overall subject project site.

AREA OF THE REMNANT SUBJECT PROJECT SITE : 9.386 cuerdas and/or 36,893.009 square meters.

AREA OF THE IMPROVED SITE : + 11.025 cuerdas and/or 43,332.611 square meters.

OVERALL PROJECT SITE AREA : 20.411 cuerdas and/or 80,225.620 square meters.

The foregoing land area figures were furnished by the client/lender, as submitted by the sponsor developer, and were assumed to be correct. As such, they were used as the basis of this appraisal report. Consequently, no responsibility or liability is assumed in case of future area discrepancies.

PROPERTY ZONING : R-0 (Low density residential)

However, according to the 7/17/01 ARPE approval, a higher density usage for the overall subject project site

was allowed under the parameters of the R-3 (medium density residential) zoning restriction.

HIGHEST AND BEST USE : The highest and best use of the overall subject project site is its on-going medium density residential development which complies with the parameters of the R-3 zoning restriction and provides for a higher density usage than that allowed by its current R-0 (low density residential) zoning restriction.

SPONSOR/DEVELOPER : Desarrollos Río Dorado, Inc.

SPECIAL ASSUMPTIONS : The values reported in this appraisal report are based on the 7/17/01 Regulations and Permits Administration (ARPE) preliminary development plan approval issued for the re-opening of case no. 99DX2-00000-01417, which provides for the development of a 148 unit residential subdivision at the overall subject project site, or 11 units more than the amount now proposed.

In addition, certain offsite work will be reportedly required to improve the connections to the utilities that would provide service to the overall proposed subject project. In particular, the sanitary and storm sewer service will be connected to the facilities recently built during the construction of the nearby Monte Elena residential subdivision, which are available just a few meters north from the overall subject project site. Similarly, the potable water and electric power services must be brought from the existing facilities along state road no. 693, close to its junction with state road no. 695.

Consequently, the values reported in this appraisal report are based on the foregoing and other requirements and recommendations made by the government agencies inherent to this case. Furthermore, the reported values are contingent on the availability of all the utilities and services that will be required for the development of the overall subject project site. Any change would render the reported values null and void.

Finally, the availability of capacity and/or connection rights to any or all public utilities were not determined by the appraisers. Thus, the values reported in this appraisal report are also contingent upon and limited to said capacity and right of connection.

INDICATIONS OF FEE SIMPLE VALUES

Subject Remnant Project Site Value by the Sales Comparison Approach	:	\$920,000
Subject Remnant Project Value by the Income Capitalization Approach	:	Not Applicable*
Subject Remnant Project Value by the Cost Approach	:	\$14,900,000
Subject Remnant Project Cumulative (or Gross) Sellout by the Development (Sales Comparison) Approach	:	\$14,700,000
Subject Remnant Project Discounted Value or Value to a Single Purchaser	:	\$11,400,000
“As Is” Subject Remnant Project Site Value by the Cost Approach	:	\$3,950,000
Date of Value Opinions	:	September 25, 2006

*Note: The remaining subject project is proposed and is being appraised as a total sales package. Therefore, the traditional income capitalization approach is not applicable in its valuation analysis. The intention of the sponsor/developer of the remaining subject project is to sell the proposed remaining subject units. Therefore, the proposed remaining subject project has not been designed, nor will it be developed as an income producing property, nor are properties such as the subject project typically developed as rental ventures in Puerto Rico. Consequently, the only income to be generated by the subject project will be the receipts of the sales of the proposed remaining subject units which was considered in the development (sales comparison) approach.

The Valuation Process

Typically, there are three (3) basic approaches that may be used by appraisers in forming an opinion of market value, which provide data from the market from three (3) different areas when all are available. They are the cost approach, the sales comparison approach and the income capitalization approach.

The cost approach, has as its premise, the valuation of the site of the property under appraisal, as if vacant, by comparison with other competitive vacant sites that have sold in the recent past, making market extracted and/or driven adjustments, if any, for differences to indicate a site value. To this site value, the estimated cost to reproduce or replace the improvements of the property being appraised is added, less any loss in value (depreciation) that might have transpired or taken place. This approach to value is mainly based on the economic principle of substitution.

The sales comparison approach, has as its premise, a comparison of the property being appraised, with others competitive properties of similar design, utility and use, that have sold in the recent past. To indicate a value for the property under appraisal, market extracted and/or driven adjustments, if any, are made to the comparable sales in order to account for differences with the property being appraised. This approach to value is also mainly based on the economic principle of substitution.

The income capitalization approach, as used for investment properties, has as its premise, the estimation of the amount of the net income the property under appraisal is generating, or could potentially generate, which when capitalized in a manner that is commensurate with the risk and life expectancy of the improvements, will indicate the present value of the income stream. This approach to value is mainly based on the economic principle of anticipation.

Normally, these three (3) approaches will each indicate a different value. After all the factors in each of the approaches have been carefully weighted, the indications of value derived from each of the approaches are reconciled to arrive at a final value conclusion for the property under appraisal.

The sales comparison approach to value is probably the appraisal technique most easily understood by the general public. This approach to value is developed on the basis of the market selling price per units of comparison, or on an absolute basis, for similar type properties. In appraising vacant sites and residential dwellings, the sales comparison approach is typically, not only the best value indicator appraisers have, but usually the only reliable one. Consequently, this is the approach to value that will be used to arrive at the individual market values of the remaining subject project site and of the proposed subject units, in order to determine the cumulative (or gross) subject project sellout.

The proposed remaining subject project under appraisal is being appraised as a total sales package. Therefore, the traditional income capitalization approach is not applicable in its valuation analysis. The intention of the sponsor/developer of the subject project, is to sell the proposed remaining subject units. Thus, the proposed remaining subject project has not been designed, nor will it be developed as an income producing property, nor are properties such as the subject project typically developed as rental ventures in Puerto Rico. Consequently, the only income to be generated by the subject project, will be the receipts of the sales of the proposed remaining subject units which will be considered in the development (sales comparison) approach.

The cost approach will also be developed. However, it is not an aggregate method for delineating a conclusion of value in appraising a total residential project. Nevertheless, it is of utmost importance in determining the feasibility for a proposed remnant project, as the income from the sales should exceed the development cost by a sufficient profit amount.

The Cost Approach

Project Site Valuation

As indicated in the 12/5/03 appraisal, the \$2,000,000 market value figure previously concluded for the overall subject project site, assuming a raw land condition, has not changed significantly and thus, it is still considered unchanged for purposes of this update valuation analysis.

Thus, to account for the proportional raw land value of the remaining subject project site, the \$2,000,000 value figure was prorated among the 137 units delineated for the overall subject project, and the proportional value of the remaining subject project site is of \$920,000 ($\$2,000,000 \div 137 \text{ units} = \$14,598.54 \text{ per unit}$; $\$14,598.54 \text{ per unit} \times 63 \text{ subject units} = \$919,708.02$, say \$920,000).

Value of “As Is” Remaining Subject Project Site

However, the reader should be aware, that a substantial amount of site work, infrastructure and other improvements have been made to the overall subject project site, which included the proportional part inherent to the remaining subject project site. In fact, and according to the cash flow and estimate of costs in place furnished by the client/lender, as submitted by subject project’s sponsor/developer, the cost estimate of the site improvements of the overall project in place is summarized as follows:

Infrastructure	\$2,499,006
Landscape	\$ 190,783
Neighborhood facilities	+ <u>\$ 133,373</u>
Sub-Total / Direct (Hard) Costs	\$2,823,162

To the previous amount, a figure of \$3,754,294 in indirect (soft) cost must be added providing, for the following total:

Sub-Total / Direct (Hard) Costs	\$2,823,162
Indirect (Soft) Costs	+ <u>\$3,754,294</u>
Total	\$6,577,456

Then, if this \$6,577,456 is prorated among the 137 units of the overall proposed projects, an unitary figure of \$48,010.63 per unit results ($\$6,577,456 \div 137 \text{ units}$), providing for an allocated rounded amount of \$3,025,000 ($\$48,010.63 \text{ per units} \times 63 \text{ units} = \$3,024,669.69$) for the remaining subject project site.

As such, the “as is” remaining subject project site value is the sum of \$920,000 land value in a raw land condition plus, the site improvements in place, or

Remaining Project Site Value	\$ 920,000
Site Improvements In Place	+ <u>\$3,025,000</u>
Total	\$3,945,000
Rounded to	\$3,950,000

Estimation of Reproduction Cost New of the Proposed Subject Improvements

After establishing the value of the remaining subject project site, the next step in the development of the cost approach is the estimation of the reproduction cost new of the proposed remaining subject improvements. Estimation of the reproduction cost new (RCN) of improvements is usually done by the use of cost manuals or by information supplied by local builders and contractors.

For the estimated reproduction cost new of the proposed remaining subject improvements, the calculator cost method of the Marshall Valuation Service, published by the Marshall and Swift Publication Company, will be used. In addition, the Marshall Valuation Service indication will be reconciled with the construction cost contracted by the project's sponsor/developer for the proposed remaining subject project.

In section 12, page 25, of the Marshall Valuation Service, Tropical Housing is described for good, average and fair type units in Puerto Rico. The general type of construction of the proposed remaining subject units is considered to lie between the specifications of the average and the mid-point of the average and the good type units, whose base cost factors are of \$77.57 and \$100.84 per square foot, respectively, after deducting the package refrigeration cost inherent in the good type unit indication. As such, a figure of \$89.21 per square foot will be used as the base square foot cost for the subject model unit.

Included in the following page of the report there is a calculator cost form, where the reproduction cost new of the subject model type unit will be calculated using the Marshall Valuation Service calculator cost method. A number of adjustments will be made to the base cost factor to take into account those items present or absent at the proposed subject model unit, which differed from the ones described for the improvements in the Cost Valuation Service.

The resulting reproduction cost new figures will be the final cost to the project's sponsor/developer and will include average architect's and engineer's fees. These in turn will include plans, plan check, building permits, and survey to establish building lines and grades. In addition, included will be the normal interest on building funds during the period of construction and processing fees or service charges. Also included will be the sales taxes on material, normal site preparation, utilities from structure to line figured for typical setback, and contractor's overhead and profit, including job supervision, workmen's compensation, fire and liability insurance, unemployment insurance, etc.

Site improvements and other costs for the project's communal areas, such as landscaping, paving, sidewalks, lighting and off-site costs, including utilities, jurisdictional hook-up, tap-in, impact or entitlement fees, assessments and neighborhood/recreational facilities, such as the set-up of the controlled access/security oriented system, are estimated to be an additional \$5,000 per unit and will be considered accordingly.

Discounts and bonuses paid for financing, legal fees, appraisal fees, real estate taxes on the land, and other miscellaneous indirect (soft) costs, are not included in the service costs. These are estimated to represent approximately an additional 10% of the reported construction cost obtained from the Marshall Valuation Service and will also be considered accordingly.

CALCULATOR COST FORM

For subscribers using the MARSHALL VALUATION SERVICE Calculator Cost Method

SQUARE FOOT COSTS

1. Subscriber making survey Vallejo & Vallejo Date of survey September 25, 2006
 2. Type of Improvement Model B / 3BR-2BA + 2 Car Carport Owner Desarrollos Río Dorado, Inc.
 3. Located at Proposed Paisajes de Dorado Residential Subdivision, North of kilometer 2.5 of state road no. 695, Higuillar Ward, Dorado, Puerto Rico

	SECTION I	SECTION II	SECTION III	SECTION IV
4. Occupancy	One Story Dwelling	Carport & Entry Pch.		
5. Building class and quality	Cls. C Qual. A/G	Cls. C Qual. A/G	Cls. Qual.	Cls. Qual.
6. Exterior wall	Reinf. Concrete	Reinf. Concrete		
7. No. of stories & height per story	No. 1 Ht. 8'-6"	No. 1 Ht. 8'-6"	No. Ht.	No. Ht.
8. Average floor area	1,527 sq. ft.	402 sq. ft.		
9. Average perimeter	3-Irregular	1-Square		
10. Age and condition	Age 0 Cond. New	Age 0 Cond. New	Age Cond.	Age Cond.

11. Region: Western___ Central___ Eastern X
 12. Climate: Mild X Moderate___ Extreme___

13. Base Square Foot Cost

SECTION I	SECTION II	SECTION III	SECTION IV
\$89.21	-----		

SQUARE FOOT REFINEMENTS

14. Heating, cooling, ventilation
15. Elevator deduction
16. Miscellaneous
17. Total lines 13 through 16

- 0 -	-----		
- 0 -	-----		
- 0 -	-----		
\$89.21	-----		

HEIGHT AND SIZE REFINEMENTS

18. Number of stories-multiplier
19. Height per story-multiplier (see Line 7)
20. Floor area-perimeter multiplier (see Lines 8 and 9)
21. Combined height and size multiplier (Lines 18 x 19 x 20)

1.000	-----		
1.015	-----		
1.044	-----		
1.060	-----		

FINAL CALCULATIONS

22. Refined square foot cost (Line 17 x 21)
23. Current cost multiplier (Sect. 99 p. 3)
24. Local multiplier (Sect. 99 p. 5 thru 10)
25. Final sq. ft. cost (Line 22 x Line 23 x Line 24)
26. Area in Square Feet.
27. Line 25 x Line 26
28. Site Improvements & Other Costs
29. Sub-Total (Line 27 + Line 28)
30. Indirect (Soft) Costs (15%)
31. Total Reproduction Cost New
32. Rounded to

SECTION I	SECTION II	SECTION III	SECTION IV
\$94.56			
1.02			
0.88			
\$84.88	\$38.20*		
1,527 sq. ft.	402 sq. ft.		
\$129,612.00	\$15,356.00		
\$5,000.00	- 0 -		
\$134,612.00	\$15,356.00		
\$20,192.00	\$2,303.00		
\$154,804.00	\$17,659.00		
\$154,800.00	\$17,700.00		

TOTAL OF ALL SECTIONS = \$172,500

*0.45 Fraction of first story living area Final Square Foot Cost. The Carport/Entry Porch Area combines 377 square feet of the Carport Area and 25 square feet of the Entry Porch area.

	6	7	8	9	10	11	12	13	14	15	16	17	18	COSTO PARA TERMINAR
\$249,219	\$3,563	\$271,545	\$3,563	\$74,128	\$3,563	\$338,031	\$3,563	\$3,563	\$45,430	\$3,563	\$30,698	\$0	\$90,325	\$1,706,980
\$2,000	\$3,563	\$10,852	\$3,563	\$2,000	\$3,563	\$42,000	\$48,478	\$3,563	\$2,000	\$3,563	\$2,000	\$0	\$9,450	\$96,352
\$53,478	\$0	\$0	\$0	\$0	\$0	\$40,000	\$3,350	\$0	\$0	\$0	\$0	\$0	\$0	\$182,234
\$62,139	\$0	\$3,350	\$0	\$9,975	\$0	\$0	\$0	\$0	\$9,975	\$0	\$0	\$0	\$0	\$119,177
\$8,411	\$0	\$0	\$0	\$21,215	\$0	\$0	\$0	\$0	\$21,215	\$0	\$0	\$0	\$0	\$79,814
\$106,941	\$0	\$0	\$0	\$40,938	\$0	\$94,201	\$0	\$0	\$12,240	\$0	\$28,698	\$0	\$80,875	\$123,036
\$0	\$0	\$47,100	\$0	\$0	\$0	\$47,100	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$9,040
\$0	\$0	\$173,913	\$0	\$0	\$0	\$82,957	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$554,837
\$0	\$0	\$36,330	\$0	\$0	\$0	\$19,945	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$148,050
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$335,570
\$557,284	\$559,372	\$539,910	\$517,372	\$546,247	\$517,372	\$548,689	\$559,372	\$559,372	\$546,247	\$353,047	\$153,778	\$0	\$68,538	\$7,759,401
\$11,037	\$42,000	\$22,538	\$0	\$31,317	\$0	\$1,317	\$42,000	\$0	\$0	\$0	\$0	\$0	\$0	\$473,471
\$546,247	\$517,372	\$517,372	\$517,372	\$546,247	\$517,372	\$517,372	\$517,372	\$517,372	\$546,247	\$353,047	\$153,778	\$0	\$0	\$7,285,930
\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$0	\$0	\$134,085
\$122,394	\$97,873	\$164,017	\$164,017	\$95,946	\$78,554	\$82,335	\$82,335	\$65,804	\$68,510	\$48,041	\$48,370	\$26,132	\$35,500	\$1,663,095
\$11,000	\$3,972	\$11,000	\$11,000	\$11,000	\$3,972	\$11,000	\$11,000	\$3,972	\$11,000	\$3,972	\$11,000	\$3,972	\$11,000	\$960
\$3,972	\$3,972	\$3,972	\$3,972	\$3,972	\$3,972	\$3,972	\$3,972	\$3,972	\$3,972	\$3,972	\$3,972	\$3,972	\$3,972	\$0
\$14,778	\$14,778	\$14,778	\$14,778	\$14,778	\$14,778	\$14,778	\$14,778	\$14,778	\$14,778	\$14,778	\$14,778	\$14,778	\$14,778	\$0
\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$0
\$13,000	\$1,000	\$61,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$0
\$1,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$0
\$73,818	\$71,918	\$67,570	\$65,163	\$59,702	\$53,278	\$45,888	\$45,888	\$41,570	\$34,357	\$25,581	\$14,696	\$2,332	\$5,000	\$90,000
\$931,297	\$663,207	\$977,872	\$614,505	\$718,722	\$601,889	\$971,485	\$971,485	\$631,139	\$662,587	\$407,051	\$235,246	\$26,132	\$194,363	\$954,585
\$8,640,115	\$8,498,622	\$7,828,149	\$7,633,822	\$6,988,603	\$6,238,136	\$5,369,109	\$5,369,109	\$4,873,524	\$4,025,874	\$3,212,908	\$1,929,964	\$485,689	\$-1,170,939	\$1,706,980
\$931,297	\$663,207	\$977,872	\$614,505	\$718,722	\$601,889	\$971,485	\$971,485	\$631,139	\$662,587	\$407,051	\$235,246	\$26,132	\$194,363	\$954,585
\$-4,194,942	\$-1,394,099	\$-1,394,099	\$-1,394,099	\$-1,633,513	\$-1,633,513	\$-1,633,513	\$-1,633,513	\$-1,633,513	\$-1,633,513	\$-1,633,513	\$-1,633,513	\$-1,633,513	\$-1,633,513	\$-1,633,513
\$64,351	\$75,076	\$75,076	\$75,076	\$75,076	\$75,076	\$75,076	\$75,076	\$75,076	\$75,076	\$75,076	\$75,076	\$75,076	\$75,076	\$75,076
\$11,878	\$13,858	\$13,858	\$13,858	\$13,858	\$13,858	\$13,858	\$13,858	\$13,858	\$13,858	\$13,858	\$13,858	\$13,858	\$13,858	\$13,858
\$43,265	\$50,476	\$50,476	\$50,476	\$74,417	\$74,417	\$74,417	\$74,417	\$74,417	\$74,417	\$74,417	\$74,417	\$74,417	\$74,417	\$74,417
\$8,495,964	\$7,907,141	\$7,551,332	\$6,993,639	\$6,237,164	\$5,369,864	\$4,870,402	\$4,870,402	\$4,034,502	\$3,218,300	\$2,149,798	\$695,049	\$-958,441	\$-2,446,738	\$-29,439,231

	6	7	8	9	10	11	12	13	14	15	16	17	18	COSTO PARA TERMINAR
\$8,640,115	\$8,498,622	\$7,828,149	\$7,633,822	\$6,988,603	\$6,238,136	\$5,369,109	\$5,369,109	\$4,873,524	\$4,025,874	\$3,212,908	\$1,929,964	\$485,689	\$-1,170,939	\$1,706,980
\$931,297	\$663,207	\$977,872	\$614,505	\$718,722	\$601,889	\$971,485	\$971,485	\$631,139	\$662,587	\$407,051	\$235,246	\$26,132	\$194,363	\$954,585
\$-4,194,942	\$-1,394,099	\$-1,394,099	\$-1,394,099	\$-1,633,513	\$-1,633,513	\$-1,633,513	\$-1,633,513	\$-1,633,513	\$-1,633,513	\$-1,633,513	\$-1,633,513	\$-1,633,513	\$-1,633,513	\$-1,633,513
\$64,351	\$75,076	\$75,076	\$75,076	\$75,076	\$75,076	\$75,076	\$75,076	\$75,076	\$75,076	\$75,076	\$75,076	\$75,076	\$75,076	\$75,076
\$11,878	\$13,858	\$13,858	\$13,858	\$13,858	\$13,858	\$13,858	\$13,858	\$13,858	\$13,858	\$13,858	\$13,858	\$13,858	\$13,858	\$13,858
\$43,265	\$50,476	\$50,476	\$50,476	\$74,417	\$74,417	\$74,417	\$74,417	\$74,417	\$74,417	\$74,417	\$74,417	\$74,417	\$74,417	\$74,417
\$8,495,964	\$7,907,141	\$7,551,332	\$6,993,639	\$6,237,164	\$5,369,864	\$4,870,402	\$4,870,402	\$4,034,502	\$3,218,300	\$2,149,798	\$695,049	\$-958,441	\$-2,446,738	\$-29,439,231

SUMMARY OF COST APPROACH

Total Reproduction Cost New	\$11,150,000
Add: Entrepreneurial Incentive (25%)	<u>\$ 2,787,500</u>
Sub-Total	\$13,937,500
Add: Project Site Value	<u>\$ 920,000</u>
Total	\$14,857,000
Total	\$14,900,000

(FOURTEEN MILLION NINE HUNDRED THOUSAND DOLLARS)

The subject improvements are proposed and when completed, will be in new physical condition, suffering from no physical depreciation. In addition, no functional obsolescence was observed for the proposed subject improvements as per the plans and specifications submitted. Finally, the proposed remaining subject project will enjoy an adequate location and as such, no external obsolescence was observed.

The Development (Sales Comparison) Approach

The best criteria for delineating the market value of a residential unit is based on the principle of substitution, upon which the sales comparison approach is based.

The principle of substitution states, that a prudent purchaser would pay no more for a property, than the cost of acquiring an equally desirable substitute on the open market. In addition, it presumes that the purchaser will consider the alternatives available for the decision. Finally, substitution may assume the form of the purchase of an existing property. In other words, this principle states, that when several similar or commensurate commodities, goods or services are available, the one with the lowest price will attract the greatest demand. Thus, the recent sales of comparable residential units in the competitive market will form the basis for arriving at the cumulative (or gross) sellout of the proposed remaining subject project by the development (sales comparison) approach.

The next step in this valuation analysis concerns the price at which the proposed remaining subject units will find acceptance in the market. This total figure should exceed the development cost by an amount, sufficient enough, to reward the sponsor/developer for his or her risk and expenses in creating the project, while remaining competitive in the market.

Success in marketing is largely a matter of meeting competition. This includes physical characteristics, accessibility to employment centers and vital services, environmental and recreational facilities, and basic construction quality and standards.

To arrive at the proposed remaining subject project total sales potential, recent sales transactions of comparable/competitive single family dwellings located in the subject's general area were analyzed.

In the next pages of the report, two (2) sales comparison analysis grids with three (3) comparable sales each have been included for the subject model house. They provide good market data in order to arrive at the individual market value of the units proposed at the remaining subject project.

The descriptions in the grids will include dollar adjustments reflecting market reaction to those items of significant variation between the proposed subject model house and the comparable properties listed. If a significant item in a comparable property is superior to, or more favorable than the subject model house, a minus (-) adjustment will be made, thus reducing the indicated value of the subject model house; if a significant item in a comparable property is inferior to, or less favorable than the subject model house, a plus (+) adjustment will be made, thus increasing the indicated value of the subject model house.

Sales Comparison Analysis Grids

FEATURE	SUBJECT	SALE 1		SALE 2		SALE 3	
Prop. Paisajes de Dorado Dev., Address Dorado, PR		FF-4 (318), Montereal Phase, Los Montes Dev., Dorado, PR		C-3, Margo St., Palmas de Cerro Gordo Dev., Vega Alta, PR		AL-8, Montemayor Phase, Los Montes Dev., Dorado, PR	
Proximity to Subject		Competitive Development		Competitive Development		Competitive Development	
Sales Price	\$ NA	\$ 245,000		\$ 296,000		\$ 260,000	
Price/Gross Living Area	\$ NA ㊦	\$ 162.25 ㊦		\$ 164.44 ㊦		\$ 150.81 ㊦	
Data & Verification Sources		Office databases		Office databases		Office databases	
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-)\$ Adjust.	DESCRIPTION	+(-)\$ Adjust.	DESCRIPTION	+(-)\$ Adjust.
Sales or Financing Concessions		None		None		None	
Date of Sale/Time		2/06		11/05		11/05	
Location	Average/Interior Lot	Similar / Similar		Superior 5% / Sim.	-15,000	Similar / Similar	
Site	350.00 Sq. Mts.	358 Sq.Mts.	-500	325 Sq.Mts.	+1,500	458 Sq.Mts.	-7,000
View	Typical	Similar		Similar		Similar	
Design (Style)	1 Story Modern	2 Stories / Similar		2 Stories / Similar		2 Stories / Similar	
Actual Age (Yrs.)	Under Construction	5 Years		3 Years		4 Years	
Condition	New	Similar		Similar		Similar	
Above Grade Room Count	Total Bdrms: Baths	Total Bdrms: Baths		Total Bdrms: Baths		Total Bdrms: Baths	
	7 3 2	7 4 2.5		9 4 2.5		8 4 2.5	
Gross Living Area	1,527 Sq. Ft.	1,510 Sq. Ft.	+1,500	1,800 Sq. Ft.	-26,000	1,724 Sq. Ft.	-18,500
Basement & Finished Rooms Below Grade	Quality of Construction: Average	Similar		Good -\$5/Sq.Ft.	-9,000	Similar	
Garage/Carport	2 Car Carport	2 Car Carport		2 Car Carport		2 Car Carport	
Additional Features	Paved areas, Porch	Storage, IG, PA Porch, Utility, Fce	-10,000	PA, Fences, Porch IG, Split A/C	-15,000	PA, Fences, IG, Patio, Porch	-5,000
Net Adj. (total)		<input type="checkbox"/> + <input checked="" type="checkbox"/> - \$	-9,000	<input type="checkbox"/> + <input checked="" type="checkbox"/> - \$	-63,500	<input type="checkbox"/> + <input checked="" type="checkbox"/> - \$	-30,500
Adjusted Sales Price of Comparables		\$ 236,000		\$ 232,500		\$ 229,500	

FEATURE	SUBJECT	SALE 4		SALE 5		SALE 6	
Prop. Paisajes de Dorado Dev., Address Dorado, PR		AS-8, Cocatier St., Los Montes Dev., Dorado, PR		N-14 (111), Zirconia St., Los Prados Dev., Dorado, PR		B-21, Palacios de Marbella Dev., Toa Alta, PR	
Proximity to Subject		Competitive Development		Competitive Development		Competitive Development	
Sales Price	\$		\$ 252,000		\$ 220,000		\$ 233,000
Price/Gross Living Area	\$ NA	\$ 149.55		\$ 170.81		\$ 150.32	
Data & Verification Sources		Office databases		Office databases		Office databases	
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-)\$ Adjust.	DESCRIPTION	+(-)\$ Adjust.	DESCRIPTION	+(-)\$ Adjust.
Sales or Financing Concessions		None		None		None	
Date of Sale/Time		11/05		11/05		8/05	
Location	Average/Interior Lot	Similar / Similar		Similar / Similar		Similar / Similar	
Site	350.00 Sq. Mts.	392 Sq.Mts.	-2,500	627 Sq.Mts.	-18,000	450 Sq.Mts.	-6,500
View	Typical	Similar		Similar		Similar	
Design (Style)	1 Story Modern	2 Stories / Similar		1 Story / Similar		Similar	
Actual Age (Yrs.)	Under Construction	1 Year		5 Years		12 Months	
Condition	New	Similar		Good +5%	+11,000	New	
Above Grade Room Count	Total Bdrms: Baths	Total Bdrms: Baths		Total Bdrms: Baths		Total Bdrms: Baths	
	7 : 3 : 2	7 : 4 : 2.5		7 : 3 : 2		7 : 4 : 2	
Gross Living Area	1,527 Sq. Ft.	1,685 Sq. Ft.	-15,000	1,288 Sq. Ft.	+22,500	1,550 Sq. Ft.	-2,000
Basement & Finished Rooms Below Grade	Quality of Construction: Average	Similar		Similar		Average	
Garage/Carport	2 Car Carport	2 Car Carport		2 Car Carport		2 Car Carport	
Additional Features	Paved areas,	Storage, IG, PA		Sto, IG, PA, Pch,		Paved Areas,	
	Porch	Porch, W Tank -5,000		Fce, 1/2Bath -10,000		Porch, Storage	
Net Adj. (total)		<input type="checkbox"/> + <input checked="" type="checkbox"/> - \$	-22,500	<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$	5,500	<input type="checkbox"/> + <input checked="" type="checkbox"/> - \$	-8,500
Adjusted Sales Price of Comparable			\$ 229,500		\$ 225,500		\$ 224,500

There were five (5) types of adjustments made to the comparable transactions selected, accounting for differences in locations, site areas, gross living areas, qualities of construction and additional features or other improvements.

The location adjustment was based on a 5% of the respective sales prices, as extracted by paired sales analyses, and was applied to sale 2 to account for its slightly superior location. The rest of the listed sales are located in competitive sectors to that of the subject.

The site area adjustments were based on a \$65 per square meter figure determined by a paired sales analysis made among the listed sales.

The gross living area adjustments were based on a \$95 per square foot figure obtained also from a paired sales analysis among the listed sales.

The quality of construction adjustment was applied only to sale 2 and was based on a \$5.00 per square foot of gross living area, in order to account for its superior quality of finishes.

Finally, the adjustments for other improvements were based on the contributory value of these extra/additional items.

In summary, after adjusting the listed comparable transactions, the indicated values of the proposed subject model unit were as follows:

SALE NO.	ADJUSTED INDICATIONS
1	\$236,000
2	\$232,500
3	\$229,500
4	\$229,500
5	\$225,500
6	\$224,500

A statistical analysis of the foregoing indications is as follows:

MEAN	MID-POINT	MEDIAN/MODE
\$229,583.33	\$230,250	\$229,500

The foregoing statistical indications consistently point towards a rounded market value figure in the \$230,000 level, with this indication being representative of the proposed remaining subject units in their basic and/or minimum home site areas of 350.00 square meters each and a typical interior location.

As indicated in the Improvements Analysis included in the Addendum section of the report, there will be 3,331.00 square meters of cumulative home site areas over the 350.00 square meter basic and/or minimum home sites of the subject model unit, which will be considered at \$65 per square meter, as established in the previous valuation analysis. Similarly, there will be eight (8) corner locations, which will be considered at \$4,000 each, as concluded in the 12/15/03 appraisal.

Therefore, the total cumulative (or gross) sellout of the proposed remaining subject project, which will be comprised of sixty three (63) single family dwellings, is concluded as follows:

63 proposed Model B units x \$230,000	=	\$14,490,000.00
3,331.00 square meters at \$65 per square meter	=	\$ 216,515.00
8 corner locations at \$4,000 each	=	<u>\$ 32,000.00</u>
Total	=	\$14,738,515.00
Rounded to	=	\$14,700,000.00

(FOURTEEN MILLION SEVEN HUNDRED THOUSAND DOLLARS)

The total sales proceeds result is representative of the cumulative (or gross) value of the sixty three (63) single family detached dwellings proposed at the remaining subject project site. This value is in fee simple and is based on the assumption, that all units have been completed as per the plans and specifications submitted, as of September 25, 2006.

IN RE DESARROLLOS RIO DORADO INC

Case No. _____

Debtor(s)

(If known)

**SCHEDULE B - PERSONAL PROPERTY
(Continuation Sheet)**

TYPE OF PROPERTY	N O N E	DESCRIPTION AND LOCATION OF PROPERTY	HUSBAND, WIFE, JOINT, OR COMMUNITY	CURRENT VALUE OF DEBTOR'S INTEREST IN PROPERTY WITHOUT DEDUCTING ANY SECURED CLAIM OR EXEMPTION
15. Government and corporate bonds and other negotiable and non-negotiable instruments.	X			
16. Accounts receivable.	X			
17. Alimony, maintenance, support, and property settlements in which the debtor is or may be entitled. Give particulars.	X			
18. Other liquidated debts owed to debtor including tax refunds. Give particulars.	X			
19. Equitable or future interest, life estates, and rights or powers exercisable for the benefit of the debtor other than those listed in Schedule A - Real Property.	X			
20. Contingent and noncontingent interests in estate of a decedent, death benefit plan, life insurance policy, or trust.	X			
21. Other contingent and unliquidated claims of every nature, including tax refunds, counterclaims of the debtor, and rights to setoff claims. Give estimated value of each.	X			
22. Patents, copyrights, and other intellectual property. Give particulars.	X			
23. Licenses, franchises, and other general intangibles. Give particulars.	X			
24. Customer lists or other compilations containing personally identifiable information (as defined in 11 U.S.C. § 101(41A)) provided to the debtor by individuals in connection with obtaining a product or service from the debtor primarily for personal, family, or household purposes.	X			
25. Automobiles, trucks, trailers, and other vehicles and accessories.	X			
26. Boats, motors, and accessories.	X			
27. Aircraft and accessories.	X			
28. Office equipment, furnishings, and supplies.	X	OFFICE EQUIPMENT: COMPUTER, PRINTER, DESK, CHAIR		1,000.00
29. Machinery, fixtures, equipment, and supplies used in business.	X			
30. Inventory.	X			
31. Animals.	X			
32. Crops - growing or harvested. Give particulars.	X			
33. Farming equipment and implements.	X			
34. Farm supplies, chemicals, and feed.	X			

IN RE DESARROLLOS RIO DORADO INC

Case No. _____

Debtor(s)

(If known)

**SCHEDULE B - PERSONAL PROPERTY
(Continuation Sheet)**

TYPE OF PROPERTY	N O N E	DESCRIPTION AND LOCATION OF PROPERTY	HUSBAND, WIFE, JOINT, OR COMMUNITY	CURRENT VALUE OF DEBTOR'S INTEREST IN PROPERTY WITHOUT DEDUCTING ANY SECURED CLAIM OR EXEMPTION
35. Other personal property of any kind not already listed. Itemize.	X			
TOTAL				481,700.00

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_____ **0** continuation sheets attached

(Include amounts from any continuation sheets attached.
Report total also on Summary of Schedules.)

IN RE DESARROLLOS RIO DORADO INC

Case No. _____

Debtor(s) _____

(If known)

SCHEDULE C - PROPERTY CLAIMED AS EXEMPT

Debtor elects the exemptions to which debtor is entitled under:
(Check one box)

Check if debtor claims a homestead exemption that exceeds \$146,450. *

- 11 U.S.C. § 522(b)(2)
- 11 U.S.C. § 522(b)(3)

DESCRIPTION OF PROPERTY	SPECIFY LAW PROVIDING EACH EXEMPTION	VALUE OF CLAIMED EXEMPTION	CURRENT VALUE OF PROPERTY WITHOUT DEDUCTING EXEMPTIONS
Not Applicable			

* Amount subject to adjustment on 4/1/13 and every three years thereafter with respect to cases commenced on or after the date of adjustment.

IN RE DESARROLLOS RIO DORADO INC

Case No. _____

Debtor(s)

(If known)

SCHEDULE D - CREDITORS HOLDING SECURED CLAIMS

State the name, mailing address, including zip code, and last four digits of any account number of all entities holding claims secured by property of the debtor as of the date of filing of the petition. The complete account number of any account the debtor has with the creditor is useful to the trustee and the creditor and may be provided if the debtor chooses to do so. List creditors holding all types of secured interests such as judgment liens, garnishments, statutory liens, mortgages, deeds of trust, and other security interests.

List creditors in alphabetical order to the extent practicable. If a minor child is the creditor, state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. §112 and Fed. R. Bankr. P. 1007(m). If all secured creditors will not fit on this page, use the continuation sheet provided.

If any entity other than a spouse in a joint case may be jointly liable on a claim, place an "X" in the column labeled "Code debtor," include the entity on the appropriate schedule of creditors, and complete Schedule H – Code debtors. If a joint petition is filed, state whether the husband, wife, both of them, or the marital community may be liable on each claim by placing an "H," "W," "J," or "C" in the column labeled "Husband, Wife, Joint, or Community."

If the claim is contingent, place an "X" in the column labeled "Contingent." If the claim is unliquidated, place an "X" in the column labeled "Unliquidated." If the claim is disputed, place an "X" in the column labeled "Disputed." (You may need to place an "X" in more than one of these three columns.)

Total the columns labeled "Amount of Claim Without Deducting Value of Collateral" and "Unsecured Portion, if Any" in the boxes labeled "Total(s)" on the last sheet of the completed schedule. Report the total from the column labeled "Amount of Claim Without Deducting Value of Collateral" also on the Summary of Schedules and, if the debtor is an individual with primarily consumer debts, report the total from the column labeled "Unsecured Portion, if Any" on the Statistical Summary of Certain Liabilities and Related Data.

Check this box if debtor has no creditors holding secured claims to report on this Schedule D.

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CREDITOR'S NAME AND MAILING ADDRESS INCLUDING ZIP CODE AND ACCOUNT NUMBER. <i>(See Instructions Above.)</i>	CODEBTOR HUSBAND, WIFE, JOINT, OR COMMUNITY	DATE CLAIM WAS INCURRED, NATURE OF LIEN, AND DESCRIPTION AND VALUE OF PROPERTY SUBJECT TO LIEN	CONTINGENT	UNLIQUIDATED	DISPUTED	AMOUNT OF CLAIM WITHOUT DEDUCTING VALUE OF COLLATERAL	UNSECURED PORTION, IF ANY
ACCOUNT NO. 80-0000261 DORAL BANK PO BOX 70308 SAN JUAN, PR 00936-8308		2004 CONSTRUCTION LOAN VALUE \$ 4,780,000.00				3,400,000.00	
ACCOUNT NO.		VALUE \$					
ACCOUNT NO.		VALUE \$					
ACCOUNT NO.		VALUE \$					
Subtotal (Total of this page)						\$ 3,400,000.00	\$
Total (Use only on last page)						\$ 3,400,000.00	\$

0 continuation sheets attached

(Report also on
Summary of
Schedules.)

(If applicable, report
also on Statistical
Summary of Certain
Liabilities and Related
Data.)

SCHEDULE E - CREDITORS HOLDING UNSECURED PRIORITY CLAIMS

A complete list of claims entitled to priority, listed separately by type of priority, is to be set forth on the sheets provided. Only holders of unsecured claims entitled to priority should be listed in this schedule. In the boxes provided on the attached sheets, state the name, mailing address, including zip code, and last four digits of the account number, if any, of all entities holding priority claims against the debtor or the property of the debtor, as of the date of the filing of the petition. Use a separate continuation sheet for each type of priority and label each with the type of priority.

The complete account number of any account the debtor has with the creditor is useful to the trustee and the creditor and may be provided if the debtor chooses to do so. If a minor child is a creditor, state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. §112 and Fed. R. Bankr. P. 1007(m).

If any entity other than a spouse in a joint case may be jointly liable on a claim, place an "X" in the column labeled "Codebtor," include the entity on the appropriate schedule of creditors, and complete Schedule H-Codebtors. If a joint petition is filed, state whether the husband, wife, both of them, or the marital community may be liable on each claim by placing an "H," "W," "J," or "C" in the column labeled "Husband, Wife, Joint, or Community." If the claim is contingent, place an "X" in the column labeled "Contingent." If the claim is unliquidated, place an "X" in the column labeled "Unliquidated." If the claim is disputed, place an "X" in the column labeled "Disputed." (You may need to place an "X" in more than one of these three columns.)

Report the total of claims listed on each sheet in the box labeled "Subtotals" on each sheet. Report the total of all claims listed on this Schedule E in the box labeled "Total" on the last sheet of the completed schedule. Report this total also on the Summary of Schedules.

Report the total of amounts entitled to priority listed on each sheet in the box labeled "Subtotals" on each sheet. Report the total of all amounts entitled to priority listed on this Schedule E in the box labeled "Totals" on the last sheet of the completed schedule. Individual debtors with primarily consumer debts report this total also on the Statistical Summary of Certain Liabilities and Related Data.

Report the total of amounts not entitled to priority listed on each sheet in the box labeled "Subtotals" on each sheet. Report the total of all amounts not entitled to priority listed on this Schedule E in the box labeled "Totals" on the last sheet of the completed schedule. Individual debtors with primarily consumer debts report this total also on the Statistical Summary of Certain Liabilities and Related Data.

Check this box if debtor has no creditors holding unsecured priority claims to report on this Schedule E.

TYPES OF PRIORITY CLAIMS (Check the appropriate box(es) below if claims in that category are listed on the attached sheets)

Domestic Support Obligations
Claims for domestic support that are owed to or recoverable by a spouse, former spouse, or child of the debtor, or the parent, legal guardian, or responsible relative of such a child, or a governmental unit to whom such a domestic support claim has been assigned to the extent provided in 11 U.S.C. § 507(a)(1).

Extensions of credit in an involuntary case
Claims arising in the ordinary course of the debtor's business or financial affairs after the commencement of the case but before the earlier of the appointment of a trustee or the order for relief. 11 U.S.C. § 507(a)(3).

Wages, salaries, and commissions
Wages, salaries, and commissions, including vacation, severance, and sick leave pay owing to employees and commissions owing to qualifying independent sales representatives up to \$11,725* per person earned within 180 days immediately preceding the filing of the original petition, or the cessation of business, whichever occurred first, to the extent provided in 11 U.S.C. § 507(a)(4).

Contributions to employee benefit plans
Money owed to employee benefit plans for services rendered within 180 days immediately preceding the filing of the original petition, or the cessation of business, whichever occurred first, to the extent provided in 11 U.S.C. § 507(a)(5).

Certain farmers and fishermen
Claims of certain farmers and fishermen, up to \$5,775* per farmer or fisherman, against the debtor, as provided in 11 U.S.C. § 507(a)(6).

Deposits by individuals
Claims of individuals up to \$2,600* for deposits for the purchase, lease, or rental of property or services for personal, family, or household use, that were not delivered or provided. 11 U.S.C. § 507(a)(7).

Taxes and Certain Other Debts Owed to Governmental Units
Taxes, customs duties, and penalties owing to federal, state, and local governmental units as set forth in 11 U.S.C. § 507(a)(8).

Commitments to Maintain the Capital of an Insured Depository Institution
Claims based on commitments to the FDIC, RTC, Director of the Office of Thrift Supervision, Comptroller of the Currency, or Board of Governors of the Federal Reserve System, or their predecessors or successors, to maintain the capital of an insured depository institution. 11 U.S.C. § 507 (a)(9).

Claims for Death or Personal Injury While Debtor Was Intoxicated
Claims for death or personal injury resulting from the operation of a motor vehicle or vessel while the debtor was intoxicated from using alcohol, a drug, or another substance. 11 U.S.C. § 507(a)(10).

* Amounts are subject to adjustment on 4/01/13, and every three years thereafter with respect to cases commenced on or after the date of adjustment.

IN RE DESARROLLOS RIO DORADO INC

Case No. _____

Debtor(s)

(If known)

**SCHEDULE E - CREDITORS HOLDING UNSECURED PRIORITY CLAIMS
(Continuation Sheet)**

Taxes and Other Certain Debts Owed to Governmental Units

(Type of Priority for Claims Listed on This Sheet)

CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE AND ACCOUNT NUMBER. <i>(See Instructions above.)</i>	CODEBTOR HUSBAND, WIFE, JOINT, OR COMMUNITY	DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM	CONTINGENT	UNLIQUIDATED	DISPUTED	AMOUNT OF CLAIM	AMOUNT ENTITLED TO PRIORITY	AMOUNT NOT ENTITLED TO PRIORITY, IF ANY
ACCOUNT NO. CRIM PO BOX 195387 SAN JUAN, PR 00919-5387		2009 MUNICIPALITY PROPERTY TAX				30,000.00	30,000.00	
ACCOUNT NO.								
ACCOUNT NO.								
ACCOUNT NO.								
ACCOUNT NO.								
ACCOUNT NO.								

Sheet no. **1** of **1** continuation sheets attached to
Schedule of Creditors Holding Unsecured Priority Claims

Subtotal
(Totals of this page)

\$ **30,000.00** \$ **30,000.00** \$

Total
(Use only on last page of the completed Schedule E. Report also on the Summary of Schedules.)

\$ **30,000.00**

Total
(Use only on last page of the completed Schedule E. If applicable,
report also on the Statistical Summary of Certain Liabilities and Related Data.)

\$ **30,000.00** \$

IN RE **DESARROLLOS RIO DORADO INC**

Case No. _____

Debtor(s)

(If known)

DECLARATION CONCERNING DEBTOR'S SCHEDULES

DECLARATION UNDER PENALTY OF PERJURY BY INDIVIDUAL DEBTOR

I declare under penalty of perjury that I have read the foregoing summary and schedules, consisting of _____ sheets, and that they are true and correct to the best of my knowledge, information, and belief.

Date: _____ Signature: _____ Debtor

Date: _____ Signature: _____ (Joint Debtor, if any)

[If joint case, both spouses must sign.]

DECLARATION AND SIGNATURE OF NON-ATTORNEY BANKRUPTCY PETITION PREPARER (See 11 U.S.C. § 110)

I declare under penalty of perjury that: (1) I am a bankruptcy petition preparer as defined in 11 U.S.C. § 110; (2) I prepared this document for compensation and have provided the debtor with a copy of this document and the notices and information required under 11 U.S.C. §§ 110(b), 110(h), and 342 (b); and, (3) if rules or guidelines have been promulgated pursuant to 11 U.S.C. § 110(h) setting a maximum fee for services chargeable by bankruptcy petition preparers, I have given the debtor notice of the maximum amount before preparing any document for filing for a debtor or accepting any fee from the debtor, as required by that section.

Printed or Typed Name and Title, if any, of Bankruptcy Petition Preparer

Social Security No. (Required by 11 U.S.C. § 110.)

If the bankruptcy petition preparer is not an individual, state the name, title (if any), address, and social security number of the officer, principal, responsible person, or partner who signs the document.

Address

Signature of Bankruptcy Petition Preparer

Date

Names and Social Security numbers of all other individuals who prepared or assisted in preparing this document, unless the bankruptcy petition preparer is not an individual:

If more than one person prepared this document, attach additional signed sheets conforming to the appropriate Official Form for each person.

A bankruptcy petition preparer's failure to comply with the provision of title 11 and the Federal Rules of Bankruptcy Procedure may result in fines or imprisonment or both. 11 U.S.C. § 110; 18 U.S.C. § 156.

DECLARATION UNDER PENALTY OF PERJURY ON BEHALF OF CORPORATION OR PARTNERSHIP

I, the **PRESIDENT** _____ (the president or other officer or an authorized agent of the corporation or a member or an authorized agent of the partnership) of the **DESARROLLOS RIO DORADO INC** (corporation or partnership) named as debtor in this case, declare under penalty of perjury that I have read the foregoing summary and schedules, consisting of **68** sheets (total shown on summary page plus 1), and that they are true and correct to the best of my knowledge, information, and belief.

Date: **July 30, 2010** Signature: **/s/ MANUEL PÉREZ NEVÁREZ**

MANUEL PÉREZ NEVÁREZ

(Print or type name of individual signing on behalf of debtor)

[An individual signing on behalf of a partnership or corporation must indicate position or relationship to debtor.]

Penalty for making a false statement or concealing property: Fine of up to \$500,000 or imprisonment for up to 5 years or both. 18 U.S.C. §§ 152 and 3571.

IN RE DESARROLLOS RIO DORADO INC

Case No. _____

Debtor(s)

(If known)

SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS

State the name, mailing address, including zip code, and last four digits of any account number, of all entities holding unsecured claims without priority against the debtor or the property of the debtor, as of the date of filing of the petition. The complete account number of any account the debtor has with the creditor is useful to the trustee and the creditor and may be provided if the debtor chooses to do so. If a minor child is a creditor, state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. §112 and Fed. R. Bankr. P. 1007(m). Do not include claims listed in Schedules D and E. If all creditors will not fit on this page, use the continuation sheet provided.

If any entity other than a spouse in a joint case may be jointly liable on a claim, place an "X" in the column labeled "Codebtor," include the entity on the appropriate schedule of creditors, and complete Schedule H - Codebtors. If a joint petition is filed, state whether the husband, wife, both of them, or the marital community may be liable on each claim by placing an "H," "W," "J," or "C" in the column labeled "Husband, Wife, Joint, or Community."

If the claim is contingent, place an "X" in the column labeled "Contingent." If the claim is unliquidated, place an "X" in the column labeled "Unliquidated." If the claim is disputed, place an "X" in the column labeled "Disputed." (You may need to place an "X" in more than one of these three columns.)

Report the total of all claims listed on this schedule in the box labeled "Total" on the last sheet of the completed schedule. Report this total also on the Summary of Schedules and, if the debtor is an individual with primarily consumer debts, report this total also on the Statistical Summary of Certain Liabilities and Related Data.

Check this box if debtor has no creditors holding unsecured nonpriority claims to report on this Schedule F.

CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER. <i>(See Instructions Above.)</i>	CODEBTOR HUSBAND, WIFE, JOINT, OR COMMUNITY	DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM. IF CLAIM IS SUBJECT TO SETOFF, SO STATE	CONTINGENT	UNLIQUIDATED	DISPUTED	AMOUNT OF CLAIM
ACCOUNT NO. 98-00013341 AUTORIDAD DE CARRETERAS P.O. BOX 42007 SAN JUAN, PR 00940-2007		2006 IMPACT FEE				26,000.00
ACCOUNT NO. BERRIOS PLUMBING P.O. BOX 115 Bayamon, PR 00960		2008 SUPPLIER				14,894.50
ACCOUNT NO. CRC CONTRACTORS 1100 AVE. PONCE DE LEON OFIC. 204 RIO PIEDRAS, PR 00925		2008 GENERAL CONTRACTORS				195,000.00
ACCOUNT NO. D' BEST ENGINEERING SERVICES INC PMB 13 137 CALLE AMAZONAS SUITE 6 SAN JUAN, PR 00926		2008 FHA INSPECTIONS				6,600.00

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2 continuation sheets attached

Subtotal
(Total of this page) \$ **242,494.50**

Total
(Use only on last page of the completed Schedule F. Report also on
the Summary of Schedules and, if applicable, on the Statistical
Summary of Certain Liabilities and Related Data.)

\$

IN RE DESARROLLOS RIO DORADO INC

Case No. _____

Debtor(s)

(If known)

**SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS
(Continuation Sheet)**

CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER. <i>(See Instructions Above.)</i>	CODEBTOR HUSBAND, WIFE, JOINT, OR COMMUNITY	DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM. IF CLAIM IS SUBJECT TO SETOFF, SO STATE	CONTINGENT	UNLIQUIDATED	DISPUTED	AMOUNT OF CLAIM
ACCOUNT NO. CASE E AC 2009-0370 DACO C/O SONIA GOMEZ MARRERO COLINAS METROPOLITANAS CALLE COLLORES I-18 GUAYNABO, PR 00969		2009 DACO COMPLAINT				2,150.00
ACCOUNT NO. FORASTIERI LAW OFFICES THE HATO REY CENTER SUITE 1404 268 PONCE DE LEON AVE. SAN JUAN, PR 00918		2010 PROFESSIONAL LAW SERVICES				2,317.75
ACCOUNT NO. ING. MIGUEL P. VÉLEZ P.O. BOX 10791 SAN JUAN, PR 00922		2008 PROFESSIONAL SERVICES				28,000.00
ACCOUNT NO. MONTILLA LOPEZ ARQUITECTOS AVE ASHFORD 1018 COND. CONDADO ASTOR OFC 209 SAN JUAN, PR 00907		2006 PROFESSIONAL SERVICES		X		43,175.00
ACCOUNT NO. 66-0602650 MUNICIPIO DE DORADO APARTADO 588 Dorado, PR 00646-0588		2008 - 2009 MUNICIPALITY TAXES (PATENTE)				60,000.00
ACCOUNT NO. NEVARES & SÁNCHEZ ALVAREZ EL CARIBE BLDG. SUITE 1501 53 PALMERAS ST. SAN JUAN, PR 00901-2418		2008 PROFESSIONAL SERVICES				4,122.12
ACCOUNT NO. RAMOS & CO CENTRO INTERNACIONAL DE MERCADEO TORRE I - SUITE 205 GUAYNABO, PR 00968		2007 PROFESSIONAL SERVICES				29,150.00

Sheet no. 1 of 2 continuation sheets attached to
Schedule of Creditors Holding Unsecured Nonpriority Claims

Subtotal
(Total of this page) **\$ 168,914.87**

Total
(Use only on last page of the completed Schedule F. Report also on
the Summary of Schedules, and if applicable, on the Statistical
Summary of Certain Liabilities and Related Data.)
\$

IN RE DESARROLLOS RIO DORADO INC

Case No. _____

Debtor(s)

(If known)

**SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS
(Continuation Sheet)**

CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER. <i>(See Instructions Above.)</i>	CODEBTOR HUSBAND, WIFE, JOINT, OR COMMUNITY	DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM. IF CLAIM IS SUBJECT TO SETOFF, SO STATE	CONTINGENT	UNLIQUIDATED	DISPUTED	AMOUNT OF CLAIM
ACCOUNT NO. RAULI'S TRUCKING 6639 BUZÓN 139 CALLE FRANCIA VILLA MARISOL SABANA SECA, PR 00952		2010 SUPPLIER				7,005.00
ACCOUNT NO. SEIKO ELECTRICAL CONTRACTORS PMB 401-2135 SUITE 15 CARR. #2 BAYAMON, PR 00959-5259		2008 ELECTRICAL CONTRACTORS				495,768.00
ACCOUNT NO. SYLVIA NEVARES ALONSO 450 PONCE DE LEON PH-D SAN JUAN, PR 00901		2007 LOAN				970,000.00
ACCOUNT NO. WORLD LANDSCAPING APARTADO 298 Gurabo, PR 00778		2008 LANDSCAPING SERVICES				3,400.00
ACCOUNT NO.						
ACCOUNT NO.						
ACCOUNT NO.						

Sheet no. **2** of **2** continuation sheets attached to
Schedule of Creditors Holding Unsecured Nonpriority Claims

Subtotal
(Total of this page) **\$ 1,476,173.00**

(Use only on last page of the completed Schedule F. Report also on
the Summary of Schedules, and if applicable, on the Statistical
Summary of Certain Liabilities and Related Data.) **\$ 1,887,582.37**

IN RE DESARROLLOS RIO DORADO INC

Case No. _____

Debtor(s)

(If known)

SCHEDULE G - EXECUTORY CONTRACTS AND UNEXPIRED LEASES

Describe all executory contracts of any nature and all unexpired leases of real or personal property. Include any timeshare interests. State nature of debtor's interest in contract, i.e., "Purchaser," "Agent," etc. State whether debtor is the lessor or lessee of a lease. Provide the names and complete mailing addresses of all other parties to each lease or contract described. If a minor child is a party to one of the leases or contracts, state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. §112 and Fed. R. Bankr. P. 1007(m).

Check this box if debtor has no executory contracts or unexpired leases.

NAME AND MAILING ADDRESS, INCLUDING ZIP CODE OF OTHER PARTIES TO LEASE OR CONTRACT	DESCRIPTION OF CONTRACT OR LEASE AND NATURE OF DEBTOR'S INTEREST. STATE WHETHER LEASE IS FOR NONRESIDENTIAL REAL PROPERTY. STATE CONTRACT NUMBER OF ANY GOVERNMENT CONTRACT.
<p>CRC CONTRACTORS 1100 AVE. PONCE DE LEON OFIC. 204 RIO PIEDRAS, PR 00925</p>	<p>CONSTRUCTION CONTRACT</p>

IN RE DESARROLLOS RIO DORADO INC

Debtor(s)

Case No. _____

(If known)

SCHEDULE H - CODEBTORS

Provide the information requested concerning any person or entity, other than a spouse in a joint case, that is also liable on any debts listed by the debtor in the schedules of creditors. Include all guarantors and co-signers. If the debtor resides or resided in a community property state, commonwealth, or territory (including Alaska, Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Puerto Rico, Texas, Washington, or Wisconsin) within the eight-year period immediately preceding the commencement of the case, identify the name of the debtor's spouse and of any former spouse who resides or resided with the debtor in the community property state, commonwealth, or territory. Include all names used by the nondebtor spouse during the eight years immediately preceding the commencement of this case. If a minor child is a codebtor or a creditor, state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. §112 and Fed. R. Bankr. P. 1007(m).

Check this box if debtor has no codebtors.

NAME AND ADDRESS OF CODEBTOR	NAME AND ADDRESS OF CREDITOR

**United States Bankruptcy Court
District of Puerto Rico**

IN RE:

Case No. _____

DESARROLLOS RIO DORADO INC

Chapter **11**

Debtor(s)

VERIFICATION OF CREDITOR MATRIX

The above named debtor(s) hereby verify(ies) that the attached matrix listing creditors is true to the best of my(our) knowledge.

Date: **July 30, 2010**

Signature: /s/ MANUEL PÉREZ NEVÁREZ
MANUEL PÉREZ NEVÁREZ, PRESIDENT

Debtor

Date: _____

Signature: _____

Joint Debtor, if any

DESARROLLOS RIO DORADO INC
PO BOX 6415
SAN JUAN, PR 00914

ING. MIGUEL P. VÉLEZ
P.O. BOX 10791
SAN JUAN, PR 00922

Carlos E. Rodriguez-Quesada
PO Box 9023115
San Juan, PR 00902

MONTILLA LOPEZ ARQUITECTOS
AVE ASHFORD 1018 COND. CONDADO
ASTOR
OFC 209
SAN JUAN, PR 00907

AUTORIDAD DE CARRETERAS
P.O. BOX 42007
SAN JUAN, PR 00940-2007

MUNICIPIO DE DORADO
APARTADO 588
Dorado, PR 00646-0588

BERRIOS PLUMBING
P.O. BOX 115
Bayamon, PR 00960

NEVARES & SÁNCHEZ ALVAREZ
EL CARIBE BLDG. SUITE 1501
53 PALMERAS ST.
SAN JUAN, PR 00901-2418

CRC CONTRACTORS
1100 AVE. PONCE DE LEON OFIC. 204
RIO PIEDRAS, PR 00925

RAMOS & CO
CENTRO INTERNACIONAL DE
MERCADERO
TORRE I - SUITE 205
GUAYNABO, PR 00968

CRIM
PO BOX 195387
SAN JUAN, PR 00919-5387

RAULI'S TRUCKING
6639 BUZÓN 139 CALLE FRANCIA
VILLA MARISOL
SABANA SECA, PR 00952

D' BEST ENGINEERING SERVICES INC
PMB 13 137 CALLE AMAZONAS SUITE
6
SAN JUAN, PR 00926

SEIKO ELECTRICAL CONTRACTORS
PMB 401-2135 SUITE 15 CARR. #2
BAYAMON, PR 00959-5259

DACO C/O SONIA GOMEZ MARRERO
COLINAS METROPOLITANAS
CALLE COLLORES I-18
GUAYNABO, PR 00969

SYLVIA NEVARES ALONSO
450 PONCE DE LEON PH-D
SAN JUAN, PR 00901

DORAL BANK
PO BOX 70308
SAN JUAN, PR 00936-8308

WORLD LANDSCAPING
APARTADO 298
Gurabo, PR 00778

FORASTIERI LAW OFFICES
THE HATO REY CENTER SUITE 1404
268 PONCE DE LEON AVE.
SAN JUAN, PR 00918