

Appraisal Report of
El Colegio Universitario del Sagrado Corazón
Located at
Calle San Antonio - Santurce Ward
San Juan, Puerto Rico

Prepared by Request of
Sister Socorro Juliá
Colegio Universitario del Sagrado Corazón

Prepared by
Landron Research & Associates
Centrum Plaza Building
17 Mexico Street, Hato Rey, P.R.

By
George J. Landron
Appraiser
S.R.A. - A.S.A. - M.I.E.

February 12, 1971

REAL ESTATE APPRAISALS



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February 12, 1971

Sister Socorro Juliá
Colegio Universitario del
Sagrado Corazón
Calle San Antonio
San Juan, Puerto Rico

Sister Juliá:

Pursuant to your request the undersigned has made a study and prepared an appraisal report of the above mentioned property.

The purpose of this appraisal report is to estimate the "Market Value" of the fee simple title of said property. This parcel contains 9.39 cuerdas of land segregated from the main farm owned by the "Congregación de Madres del Sagrado Corazón de Jesus."

Enclosed please find a detailed property description and all pertinent data that was gathered and analyzed, serving as basis and support to this report. After careful study it is my professional opinion that the market value of this property is of \$4,900,000

Four Million Nine Hundred Thousand Dollars

as of February 12, 1971.

In case any questions may arise in connection with this report, or if I can be of future service to you, please feel free to call upon me at any time.

Respectfully,

George J. Landron
George J. Landron
Appraiser
S.R.A. - A.S.A. - M.I.E.



GJL:pa

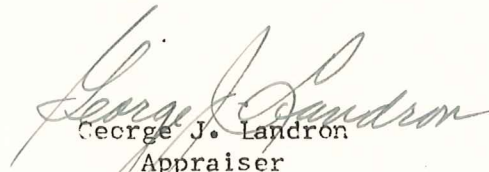
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Certification

I do hereby certify that:

1. The appraiser has no interest, present or contemplated in the property, subject of this report.
2. The appraiser has personally inspected the property and comparable sales.
3. Neither the employment to make the appraisal nor the compensation is contingent to the amount of valuation reported.
4. That this appraisal is my honest opinion of the amount the property owner mentioned herein should receive as compensation from the Highway Authority for the rights acquired according to this report.
5. That no relevant facts known by this appraiser that may influence the value of the subject property have been withheld or concealed.
6. The values stated herein are based on the assumption that there is a clear title to the property.
7. This report has been prepared according to the standards of the Society of Real State Appraisers, American Society of Appraisers and Puerto Rico Institute of Real Estates Appraisers.


George J. Landron
Appraiser
S.R.A. - A.S.A. - M.I.E.

Contingencies and Limiting Conditions

This report is subject to the following contingencies and limiting conditions:

1. The legal description furnished to us is assumed to be correct. We assume no responsibility for matters legal in character nor do we render any opinion as to the title, which is assumed to be good.
2. The sketches in this report, prepared by the appraiser are only included to assist the reader in visualizing the property. No survey of the property (except personal inspection and measurements) was made by the appraiser.
3. All information supplied to us by others is believed to be true and correct, but assume no responsibility for its accuracy.
4. No fractional part of this appraisal report is to be used in conjunction with other appraisal. Such use renders it invalid.

PART II

Purpose of Appraisal

The purpose of this appraisal report is to estimate the "Market Value" of the property described herein.

Market Value Definition

By "Market Value" is understood: (1) As defined by the courts, is the highest price estimated in terms of money which a property will bring if exposed for sale in the open market allowing a reasonable time to find a purchaser who buys with knowledge of all the uses to which it is adapted and for which it is capable of being used. (2) Frequently it is referred to as the price at which a willing seller would sell and a willing buyer would buy, neither being under abnormal pressures.

We should bear in mind the principle of "Highest and Best Use" which refers to that potential use that would yield the highest net return for the land.

Identification of Property

The subject property is located on San Antonio Street of Santurce Ward, San Juan, Puerto Rico, legally described as:

URBANA: Solar radicado en el Barrio Santurce Norte del Municipio de San Juan con una cabida superficial de nueve cuerdas treinta y nueve céntimos (9.39) equivalentes a treinta y seis mil novecientos nueve metros cuadrados con nueve centímetros cuadrados y en lindes por el Norte y Este en dos alineaciones distintas que suman trescientos noventa y un metros con veinticinco centímetros (391.25) y en ciento cuarenta y un metros con un centímetros (141.01) respectivamente con la finca principal de la cual se segrega; por el Sur, en ciento treinta y cuatro metros veintitres centímetros (134.23) con la calle San Antonio; y por el Oeste, en doscientos treinta y cuatro metros con otros terrenos de otros dueños que la separan de la Calle Bouret.

City and Area Data

The subject property is located on the southern boundary of Santurce Ward, adjacent to Hato Rey Ward of the Capital City of San Juan, Puerto Rico. The Island of Puerto Rico lies in the torrid zone between 17' 55" and 18' 31" north latitude and 65' 39" and 67' 15" west longitude. This latitude is slightly farther south than the southern tip of Hawaii. The Island is the smallest and farthest east of the four islands known as the Greater Antilles. The City of San Juan, is about 1,400 miles southeast of New York City, about 3 hours flight by jet. It is 450 miles east of Cuba, 525 miles north of Caracas, Venezuela and 1,050 miles southeast of Miami.

Puerto Rico is an Island of extreme contrasts, not only in its climate but socially, geographically and politically speaking. It is a showroom of democratic principles throughout the hemisphere. Countries like India, the African States and other young nations trying to improve their standards of living, send regularly their most talented public servants to observe the spectacular development of the Island.

The economic growth of the Island and specially of the San Juan Metropolitan Area can be better described as a miracle. The Island's population increased from 2,210,703 in 1950 to 2,350,000 in 1960 and the Metropolitan Area has grown from 508,600 in 1950 to 648,000 in 1960. Statistical projections indicate a probable population of one million by 1975. The city of San Juan has changed from an old fashioned town into a full-fledged modern city. All this progress is greatly due to the activities and very successful programs displayed by the Puerto Rican Industrial Development Administration and other governmental agencies that have developed, encouraged and assisted financially a considerable number of diversified industries on the Island, thus changing the old stagnant one or two crop agrarian economy into a prosperous industrial and commercial flourishing complex. This reform brought along substantial increases in standards of living and in the purchasing power of the average citizen. Furthermore, it encouraged the State and Federal Government to enter into a closer and bigger effort to develop the Island into one of the best examples of what good planning and democracy can do to further develop under developed areas.

Local capital, which was traditionally conservative and mostly oriented towards holdings of real estate investment, has been participating actively in financing the development of industry, commerce and agriculture, side by side with their mainland sources of capital counterparts.

Physical Characteristics:

The San Juan Metropolitan Area is located at the east central part of the northern coast of Puerto Rico. It covers an area of 73.78 square miles including five different municipalities and more than 50 urban and rural "barrios" or wards.

Geographically, it shares the two main physiographic features of Puerto Rico: the hills and the plains. The Metropolitan Area, as part of the northeastern climatic system of Puerto Rico, enjoys a warm (77'f), humid (80") climate. Its vegetation is less abundant than that existing in the mountainous regions of the Island. The average rainfall varies between 60 and 90 inches per year in different regions.

San Juan is an area of great scenic variety and natural beauty. The topography of the San Juan Metropolitan Area varies from picturesque hills on the south, to gently rolling land in the center, to broad plains to the east and to the west. Towards the north, along the Atlantic, the region ends in the Santurce Peninsula, and the Old San Juan Islet, rocky promontories averaging 150 feet in height.

Population and Income:

As the industrial, financial, governmental, communications, educational and cultural centers of Puerto Rico, the San Juan Metropolitan Area is the heart of the Commonwealth. It contains approximately one-third of the Island's population. The rapid industrial and commercial development of the current economic boom has resulted in a population explosion reaching a figure of 603,810 which represented a 27.3 percent increase over the 1950 total population of 474,356. By 1975 approximately one million people are expected to live in Metropolitan San Juan.

The personal income at current prices increased from \$653.4 in 1950 to \$1,389.3 in 1960 and to \$3,443.0 in 1969. The average yearly economic growth for the entire Island has been around 10%

Neighborhood Data

The subject property neighborhood is centrally located between the Stop 24, (First Federal Mortgage and Loan Association and Cobian Center Intersection on Ponce de León Avenue) and the New Hato Rey Financial Center, where the newest Chase Manhattan, Banco Popular, First National Bank, Banco de Ponce, Pan American Building and John Hancock's Bldg. are located.

There is a well balanced diversified land use zoning pattern. There are some high income R-3 (residential zoning) areas, some commercial, some industrial, and some R-5 (high density residential) areas around the subject property.

Up to about three years ago the financial-commercial center of the Metropolitan Area used to be around Stop 24 (Parque St. and Ponce de Leon Avenue) neighborhood; however, the banking and financial activities have shifted to the south towards the Banco Popular and Hato Rey Center, where land values have reached the highest peaks. Recently, the John Hancock Enterprises paid over \$240 a square meter for their building site at Bolivia and Ponce de Leon Avenue. (Please see Neighborhood and Comparable Sales Maps in Addenda section of this report.)

Site Description and Highest and Best Use

The site is an irregular shape parcel of land comprising 9.39 cuerdas (a cuerda is roughly .97 acre) or 36,909 sq. meters. Its main entrance gate is located only about 100 meters northwest of Ponce de Leon Ave. (Please see plot plan in Addenda section of this report). The topography is high, rolling to undulating. The top soil is of a sandy texture with a heavy, plastic clay subsoil that does not require piling. This characteristic is of particular significance as the lower adjacent neighborhoods to the south slope down to organic estuary deposits where expensive piling is necessary.

The site contains eight modern multi-story buildings especially built for educational purposes. This type of property unquestionably falls under the "Special Purpose" category.

If it were not for the critical need of educational institutions in the Island of Puerto Rico and that it is a matter of Public Policy to stimulate and encourage (subsidize) the establishment and expansion of such institutions,

the Highest and Best use for the entire parcel of land where both colleges are located would be for a diversified development of R-5 (High Rise, High Density Residential) and C-2, C-3 (Commercial and Shopping Center) Area. This is the only large tract of land located within the center of the San Juan Metropolitan Area with an ideal high topography. Furthermore, it is only about 1 kilometer north of the proposed "Model City and San Juan Center" project.

This highest and best use potentiality should not be ignored in estimating the land value.

Buildings and Land Improvements Description

The site's undulating topography has been gracefully graded and terraced in a very functional manner. The parcel is surrounded by modern, well-paved streets with all public services and utilities such as city sewerage, storm sewerage, water, telephone, electricity, fire and police protection. All kinds of public transportation are available within a short block's distance and the airport is located only about 8 miles away. All off-site improvements and services are available at the property's perimeter in case they were necessary for future developments.

The property contains 8 interconnected rectangular shaped, multi-story, reinforced concrete buildings with reinforced concrete flat roofs. This set of buildings form an irregular rectangular shaped complex of connecting buildings with the interior patios (Please see plot plan and photographs in Addenda section of this report.) Patio No. 1 is beautifully landscaped and patios No 2 and No 3 are paved, used for sports and gymnastics (Please see photographs Nos. 9, 10, 11). The eight buildings have been built following the terrain contour and patio No 1 is at a higher level than patios 2 and 3. The buildings' capacity is from 3,000 to 5,000 students; capacity depending on the grades and subjects to be taught.

Method of Appraisal

Considering that the property to be appraised is an educational institution operated by a religious, non-profitable organization, the only applicable approach to estimate market value is the replacement cost less depreciation approach. By this method the land value is estimated by market comparison and/or hypothetical subdivision method and the estimated land value is added to the depreciated replacement cost of the structures.

As there are no recent comparable sales of tracts of land similar in size to the subject property, comparable sales of lots zoned C-2, C-3, and R-5, which are considered the highest and best use for the land will be considered. The hypothetical subdivision formula will be used to arrive at the estimated market value of the whole parcel of land.

Comparable Sales Data

Though the subject property is zoned R-3, it is the appraiser's opinion that this zoning has remained unchanged traditionally because in all probabilities no request has been filed for a change to other use in harmony with the socio-economic development in the neighborhood. With the scarcity of underdeveloped land, especially in the Metropolitan Area, the Planning Board's latest policy is to encourage high density developments to make more efficient use of public utilities and services. It is therefore logical to expect that a change in use to R-5 and commercial will be approved by the Planning Board if such a change were requested. It is considered that the highest and best use for this parcel is R-5 and Commercial and such comparable sales will be used. The actual zoning on the East boundary of the subject property is R-5, the zoning to the South is C-2, and to the West is R-5 again.

Comparable Sale No. 1

Location: Just South of Martin Peña Canal - between Ponce de Leon and Muñoz Rivera Avenues - where the new "Gateway to the Future Bldg." is being built. (About 1 km. south of subject property.)

Code Identification: 063-001-001-01

Grantor: Pan American Investment Inc.

Grantee: Gateway to the Future Inc.

Date of Sale: July 18, 1969

Zoning: C-2

Consideration: \$853,101.25

Area: 6,824.81 sq. meters

Unit Price: \$125.00 S/M

Registration: Book 690, Page 165, Farm 6189

Description: Irregular shape lot. Much lower than Muñoz Rivera Ave. No access to this Ave. Access on marginal road to Ponce de Leon Ave. Lot on organic sub-soil; required very expensive piling. Used for mixed R-5 and commercial purposes.

Comparable Sale No. 2

Location: South West corner of Bolivia and Chile Streets

Code Identification: 063-022-075-02 and 14

Grantor: Graciela Tort Vda. de Suárez

Grantee: Corp Calma

Date of Sale: July 15, 1968

Zoning: C-2

Consideration:	Area	Amount
Lot 02	646.4 s/m	\$ 60,000
Lot 14	<u>550.25 s/m</u>	<u>70,000</u>
Total	1,196.65 s/m	\$ <u>130,000</u>

Unit Price: \$108.63 (average)

Registration: Deed No. 28 before Andrés Guillermand Fajardo, Book 657, Page 6, Farm 18493.

Description: The two lots have been grouped together forming a corner lot. Though the zoning is C-2 the trend in this neighborhood is to build R-5 (residential condominiums) after lots are grouped to form a unit over 1,000 sq. meters.

Comparable Sale No. 3

Location: North West corner of Mexico and Uruguay Streets, now Centrum Plaza Building.

Code Identification: 063-031-074-07

Grantor: Ilusión Corporation

Grantee: Centrum Plaza Inc.

Date of Sale: November 5, 1965

Zoning: C-3 (but used for R-5 and C-2).

Consideration: \$270,350

Area: 2,536.68 sq. meters

Unit Price: \$106.58 sq. meter

Registration: Deed No. 9 before Rodolfo Aponte, Attorney,

Description: Rectangular shape corner lot now contains Centrum Plaza Residential Condominium with two commercial floors.

Comparable Sales Data Analysis

The above sales show the trend towards high rise-high density residential condominiums containing a certain commercial area within. These condominiums are usually built within a neighborhood around a proportionate size shopping center. Considering the size, shape, dates of transactions, and location of these sales, it is conservatively estimated that R-5 and commercial lots that could be subdivided in the subject property would bring a market value of \$125.00 a sq. meter.

Having the estimated market value per sq. meter for the standard R-5 and commercial lots, the hypothetical subdivision formula can be applied. The formula is based on the following equation;

Value of Developed Land = Value of Raw land plus all development costs plus developer's profit.

It is much easier to solve this formula by using the unit value and unit costs per square meter. We now have the following factors:

- X = unit value of raw land
 \$125.00 = market value per sq. meter of developed land
 \$ 6.00 = development cost per square meter. This is a safe figure as all off-site improvements are found at the perimeter of subject property.
 8% = interest per year on all costs; estimating 3 years time to develop and sell all lots — 24%.
 25% = reasonable developer's profit
 70% = net area of saleable land. It is estimated that 30% of land is used for streets and public uses.

$$.70 \times \$125 = X + \$6.00 + .24 (X + \$6) + .25 [(X + \$6) + .24 (X + \$6)]$$

$$\$87.50 = X + 6 + .24X + 1.44 + .25 (X + 6 + .24X + 1.44)$$

$$\$87.50 = X + 6 + .24X + 1.44 + .25X + 1.5 + .06X + .36$$

$$\$87.50 = 1.55X + 9.30$$

$$\$87.50 - 9.30 = 1.55X$$

$$\$78.20 = 1.55X$$

$$X = \frac{\$78.20}{1.55} = \$50.45 \quad \text{that can be rounded off to } \$50 \text{ per sq. meter for raw land.}$$

The subject property area is of 36,909 square meters which at \$50 will indicate a land value of \$1,845,450.

Replacement Cost Estimate

The buildings have been labeled from A to H, following the architect's blue-prints. All buildings are reinforced concrete, fire proof throughout, floors are finished with terrazo tiles, walls and ceilings are finished with cement stucco, the chemistry laboratory floors are finished with quarry tiles. All bathroom floors and walls are finished with ceramic tiles. There is no functional obsolescence. The design and layout has been very well planned by well-qualified and experienced architects. Hallways, corridors, and interior circulation system is very functional. There is a chapel and auditorium with adequate capacity of this size school.

To estimate unit replacement cost for this type of structure, Architects Osvaldo Toro and Santiago Gonzalez Seijo and Building Contractor Engineer Genaro Del Valle were consulted. The unit costs reported by them varied from \$18.00 to \$20.00 per sq. ft. considering all floors. It must be noted that floors that are referred to as basements in the blue-prints are not really basements. (Please see photographs in Addenda section of this report.) The buildings have been built on three, step down levels, thus all floors have at least one faced (side) facing an open level. This condition can be better understood by looking at photographs No. 9, 10, and 11. Both levels of building along center of photograph No 10 are referred to as "basements" in the blue-prints but they really are not. The same condition can be seen in photograph No. 11.

To estimate replacement cost, the \$18.00 per sq. ft. figure will be used. The following figures are the total square feet area per building:

Building A	20,591
B	21,126
C	23,429
D	43,185
E	29,340
F	14,415
G	26,402
H	20,942
Total Building Area	<u>199,430</u> sq. ft.

$199,430 \times \$18.00 = \$3,589,740 =$ Replacement cost new.

Depreciation

These buildings are about 5 years old. A 3% yearly depreciation is reasonable for this type of building subject to heavy pedestrian tear and wear. The observed depreciation confirms this estimate.

Depreciated cost: $.85 \times \$3,589,740 = \$3,051,279$

There are about \$120,000 sq. ft. of asphaltic pavement at 10¢ sq. ft. = \$12,000.

There are about 600 lineal meters of paved driveway (about 10 ft. wide) at \$10.00 a meter will indicate a replacement cost of \$6,000.

There are about 26,000 sq. ft. of paved areas in inside patios 2 and 3 at 40¢ a sq. ft. equals \$10,400.

Lawns, landscaping, and fencing is estimated at \$30,000.

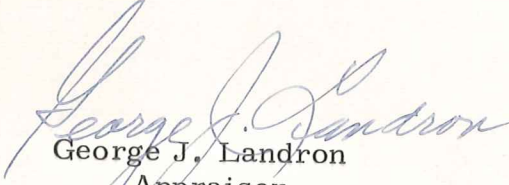
There is a reinforced concrete caretaker's residence, about 900 sq. ft. in area. The depreciated replacement cost per sq. ft. is estimated at \$10.00 a sq. ft., indicating a value of \$9,000.

Depreciated Replacement Cost Summary

Depreciated cost - all buildings	\$3,051,279
Asphaltic paved areas	12,000
Driveways	6,000
Interior patios and courts - concrete paved areas	10,400
Lawns, landscaping, ornamental iron, and concrete fences	30,000
Caretaker's residence	9,000
	<u>\$3,118,679</u>
Estimated value of land by comparison	<u>1,845,450</u>
Estimated value of property	\$4,964,129
Can be rounded off to	\$4,900,000

Final Estimate of Value

Four Million Nine Hundred Thousand Dollars.


 George J. Landron
 Appraiser
 S.R.A. - A.S.A. - M.I.E.

Experience Record
(Curriculum Vitae)

GEORGE J. LANDRON.....Real Estate Appraiser
Senior Member A.S.A. - N.I.E. - S.R.A. Agronomist - Soil Scientist
Natural Resources Surveyor

Date of Birth: April 19, 1909

Place: Ponce, Puerto Rico

Thirty six years experience in soil surveying, Physical, Erosion and Water Conservation Surveys; Aerial Photo Interpretation; Preparation of Land Use Planning; Real Estate Appraisals; General Building Contractor and Business Management.

Education: BS Degree in Agricultural Sciences, Mayor in Soil Science, University of Puerto Rico, 1930

Post Graduate Work: 1) Escuela Graduada Universidad de Puerto Rico - Economía y Planificación Agrícola - primer semestre 1970. 2) Matemáticas Para Tasadores. Instituto de Estudios Jurídicos, San Juan Puerto Rico - Junio, 1969. 3) Concepto Sobre el Poder del Estado, Procedimientos y Técnicas de Valoración de la Propiedad (States Eminent Domain Power Concept & Valuation Procedures and Techniques) University of Puerto Rico, April 1963. 4) Condemnation Appraisal - American Institute of Real Estate Appraisal, University of Connecticut, Storrs, Conn., September 1965. 5) Real Estate Appraisal, Principles of Economics, Financing and Business Law, University of Puerto Rico, 1963-64. 6) Engineering Drawing, Business Management, Statistical Methods, Accounting, University of Miami, Miami, Florida - 1955. 7) Soil Physics (Summer 1930) University of California, Berkeley, Cal. 8) Special Problems in Tropical Soils, Geology and Soil Fertility, University of Puerto Rico, 1930-31.

Military: Served for approximately 4½ years during World War II in the U. S. Airforce. Joined as Second Lieutenant and was discharged as Captain.

Attended: U. S. Airforce Combat Intelligence and Aerial Photo Intelligence School, Harrisburg, Pa.; Aerial Combat Gunnery Officer's School at Laredo, Texas; Photo Intelligence School, Neuham Courtney, England.

In Charge: Photo Intelligence, Bomb Damage Assessment and Target Folders, XV A.F. 47th Bomb Wing and Wing Gunnery Officer European Theater, since the invasion of Africa through Tunisian, Algeria-French Morocco, Sicily, Naples-Foggia, Rome-Arno, North Appenines, Air Combat Balkans and Germany campaigns. At the close of the war, was Wing Gunnery Officer at Pueblo Airforce Base, Pueblo, Colorado, taking B 29 training to go to Japan.

Civilian: (1960-1970) Self employed. Real Estate Appraisals (Independent Fee Appraiser) under my own business firm as "Landron Research and Associates". Mainly Fee Real Estate Appraisals for condemnation proceedings, expert court testimony, estate inheritance settlements and feasibility studies. On panel as Fee Appraiser for: Veterans Administration, U. S. Government Urban and Housing Renewal Corp., U. S. Government General Services Administration, Puerto Rico Department of Public Works, Highway Dept., Gulf Petroleum, P.R. Industrial Research Laboratory (Estimating damages to Coffee Plantations caused by Copper Mining Explorations). Also owned and managed a tropical foliage plant nursery, producing propagating material to be exported to the United States and Europe.

Agronomist, part time consultant to the Río Piedras Agricultural Experiment Station, University of Puerto Rico (1964-1966). Also part time evening instructor University of P. R. "Principles of Real Estate Appraisals" and off and on evening classes student of subjects such as Economics, Business Law, Finance, Condemnation Procedures and other related to the appraisal profession. I have appraised industrial properties, large multi story office buildings, resort hotels, drainage canals, agricultural enterprises and all kinds of raw land.

Member Cf: Puerto Rico Institute of Real Estate Appraisers, Ex-Director, Secretary and Senior Member "Society of Real Estate Appraisers" S.R.A. Member, The American Society of Photogrammetry, Colegio de Agrónomos de Puerto Rico, American Society of Agricultural Sciences, Senior Member and Secretary of American Society of Appraisers, and Soil Conservation Society of America.

(1947-1960) Separated from U. S. Airforce and established residence in Miami, Florida. Attended various schools and the University of Miami. Took courses, in Real Estate Brokerage, Blue Prints Reading, Building Cost Estimating, Engineering Drawing, Business Statistics, Accounting and Business Management. Passed General Building Contractors Examination in cities of Miami, Miami Beach and Coral Gables. Organized, owned and operated successfully "Pan American Homes, Inc." and "Miami Quality Construction Inc." two general building contracting firms engaged in the construction of residential structures and small motels. Also organized "Pleasant Acres Farms Inc." in South Miami, an agricultural enterprise devoted to the production and wholesale of tropical foliage plants. The first two corporations were legally dissolved and Pleasant Acres Farm Inc. fixed assets were sold to "Arvida Greenhouses" (Arthur Vining Davis).

(1942-1947) U. S. Airforce - World War II

(1941-1942) U. S. Department of Agriculture, Soil Conservation Service, Soil Scientist, Party Chief Conservation Surveys of Proad River and Laurens County District, South Carolina, U. S. A. Erosion, Soils, Vegetation and Slope Surveys on aerial photographs to establish land use practices, erosion and flood control programs. April 1942 - Government of Puerto Rico, Department of Finance. Loaned from U. S. Government to organize a new "Scientific Assessment Bureau". For tax purposes and preparation of first cadastral map of Puerto Rico.

(1937-1941) Assitant Soil Technologist and later Soil Scientist. In charge of soil erosion, water conservation, land use and slope survey of Puerto Rico and Virgin Islands. Preparation of first "Land Use Capability Tables" for crop planning, flood and erosion control programs. Aerial photographs were used in mapping all physical field characteristics. These physical survey maps and land use capability tables were the basis for cadastral maps and planning all future development programs. All work conducted under the U. S. Government Soil Conservation Service (Dept. of Agriculture).

(1936-1937) April 1936 - November 1937 Soil Scientist making erosion slope and vegetative surveys. Mapping features on planetable or aerial photographs of different rivers watersheds, east of the Mississippi River. Covered Susquehanna River Watershed, New York and other projects in the states of Virginia, West Virginia, the Blowing Rock and Skyline Drive section of North and South Carolina and the Piedmont Section of South Carolina and Georgia.

(1935-1936) First General Reconnaissance Erosion Survey of Puerto Rico. Junior Soil Surveyor with U. S. Soil Conservation Service.

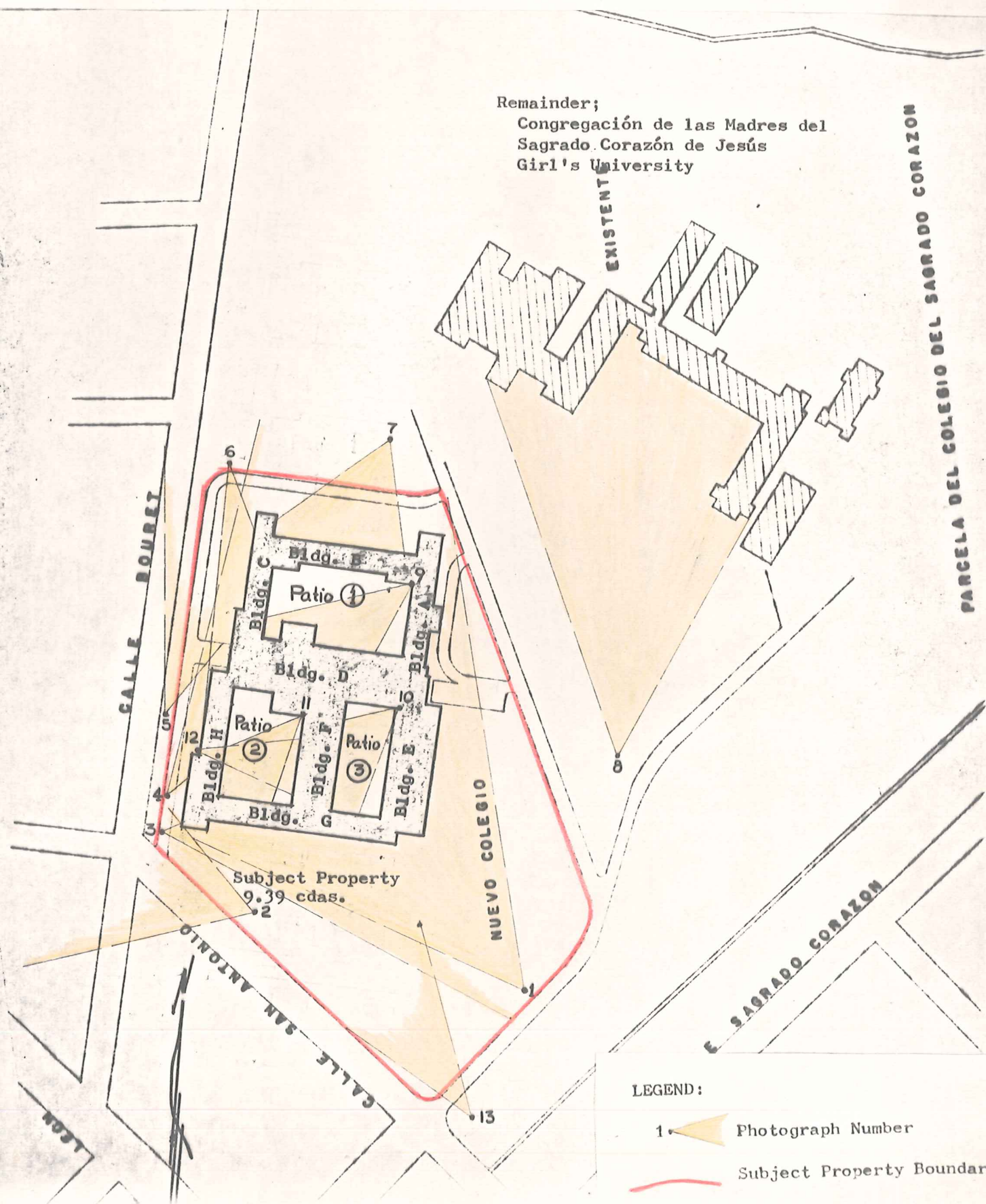
(1934-1935) Agronomist (under private contract with the government of the Republic of Panama) to select the sites to build and establish "Agricultural Experiment Stations". Constructed "Las Tablas Experiment Station" at Las Tablas province and established modern plantations of sugar cane, rice and vegetables. Introduced pure-bred livestock from Texas for breeding purposes.

(1933-1934) Department of Finance, Government of Puerto Rico, Bureau of Property Classification for tax purposes. Agronomist (Soil Scientist). In charge of the planning and adaptation of Soil Survey maps and use of Aerial Photographs in the preparation of Cadastral Maps for Tax Purposes.

(1931-1933) Junior Soil Surveyor (U.S. Department of Agriculture Bureau of Chemistry and Soils, later Bureau of Plant Industry). Field work with plane-table and aerial photographs making soil survey maps based on Geologic, climatic vegetative, micro-biological and chemical characteristics of soils and their profiles.

PLOT PLAN & PHOTOGRAPHS LOCATION SKETCH

Remainder;
 Congregación de las Madres del
 Sagrado Corazón de Jesús
 Girl's University



LEGEND:

- 1 Photograph Number
- Subject Property Boundary

Photograph No. 1

Photograph No. 1: Taken from main driveway facing N.W. Bldgs. G to the left and E to the right. Notice that blue-prints describe these two buildings as having two basements, however, from this side the two basements correspond to the first two floors. They are considered basements because of the split-level layout. Building B is at a higher level than D and D is higher than G. There are three levels. (Please see photo No. 9 and 10 of inside patios 1 and 2 respectively.) Please see Plot Plan and photograph location sketch in Addenda section of report. Photographs are numbered in a clockwise sequence around the buildings.

Photograph No. 2

Taken facing West towards Bouret St. entrance. Please notice high value single family dwellings.

Photograph No. 3

Photo taken from SW corner of building G, facing East towards the R-5 residential neighborhood. Notice residential condominium apartment building in background.

Photograph No. 4

Taken from SW corner of Bldg. H, facing North. Please notice 3 stories, however, this building is described in blue-prints as having two basements. Please see photo No. 11 taken of patio 2 from higher level at Bldg. D. The two lower floors are considered "Basements" in relation to Bldg. B.

Photograph No. 5

Taken from West side of Bldg. H and Bldg C, on right background. Notice R-5 residential condominium along west side of neighborhood.

Photograph No. 6

Taken from NW corner of building facing South. Again notice elevation. This is building C (foreground) rated with one basement, where buses are parked. This building has one basement in relation to building B. Please see photograph Location Sketch and plot plan.

Photograph No. 7

Bldg. B - three stories. No basement. This building is located at highest level to the north. Please see photo No. 9 of inside patio 1 and bldg. D. This photo was taken from corner of bldgs. B and A.

Photograph No. 8

Taken facing N. The Administration Bldg. This is NOT included in the complex being appraised. (Please see plot plan.)

Photograph No. 9

Taken from inside corner - Bldgs. B and A facing SW into interior patio 1 and Bldg. D.

Photograph No. 10

Taken from inside corner of Bldgs. D and E, into patio 3 facing SW. Notice Bldg. F to the right. According to architect's plans, these two stories are called "basements" because they are located on the lower level of graded ground.

Photograph No. 11

Taken from inside corner of Bldgs. D and F, facing SW. Notice Bldgs. H to the right and G background which are supposed to have two basements, the first two floors facing into the court yard.

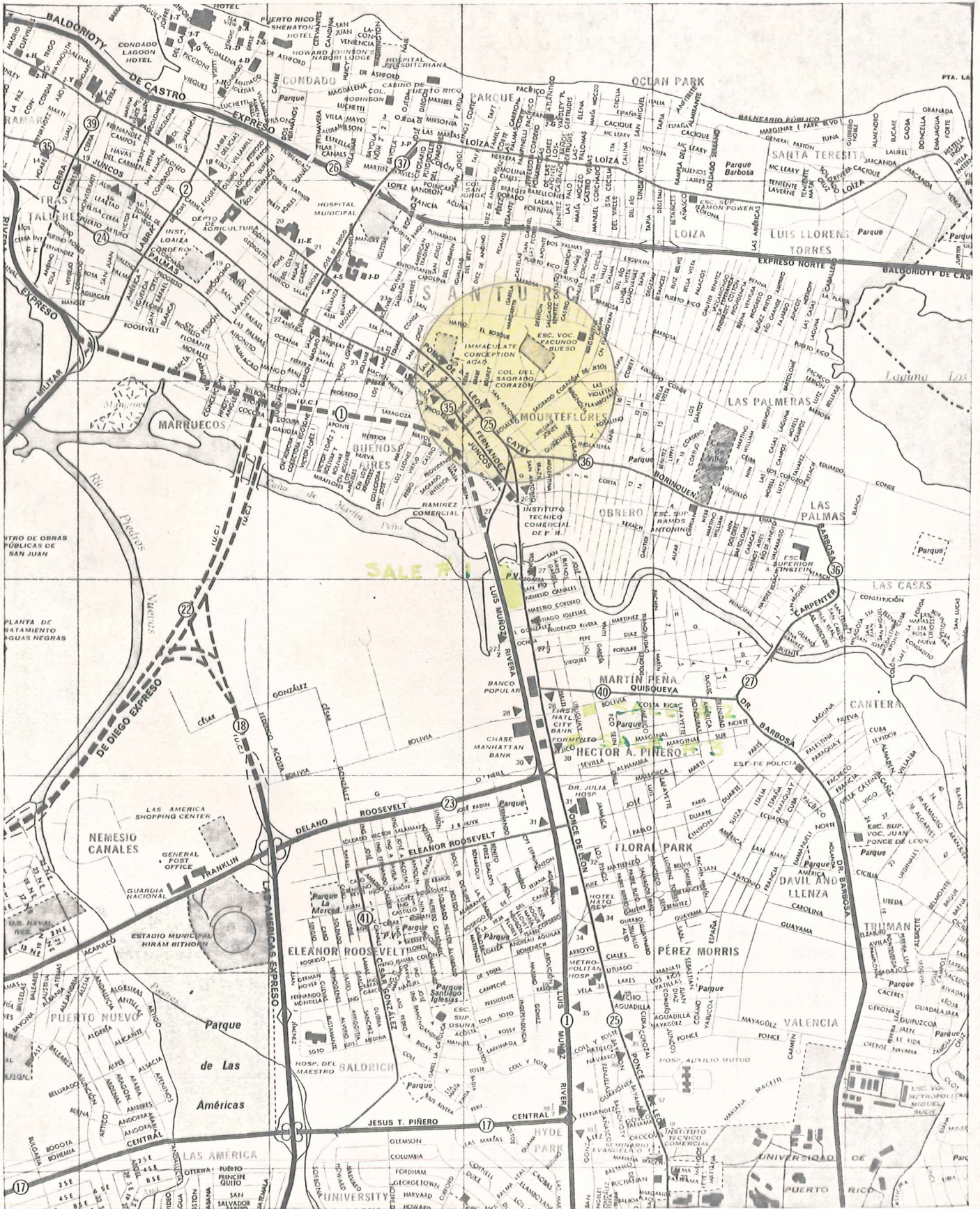
Photograph No. 12

Interior court yard No. 2 - taken from W side of building H facing East.
Bldg. F - background - which is rated as "two basements."

Photograph No. 13

Caretaker's residence - taken from main gate facing West by North.

NEIGHBORHOOD AND COMPARABLE SALES MAP



Guillermo Silva López & Associates

REAL ESTATE APPRAISERS & CONSULTANTS

OFFICE 205 EL CENTRO I - 500 MUÑOZ RIVERA AVENUE - HATO REY, PUERTO RICO 00919

TELEFONO 764-8720

COLLEGE OF THE SACRED HEART

Buildings A Through H

PREPARED

For: COLLEGE OF THE SACRED HEART
San Antonio Street
Santurce, Puerto Rico

By: Guillermo Silva López, SRA-MIE
Appraiser

Robert F. Mc Closkey
Co-Appraiser

As of: February 15, 1971



Guillermo Silva López & Associates

REAL ESTATE APPRAISERS & CONSULTANTS

OFFICE 205 EL CENTRO I - 500 MUÑOZ RIVERA AVENUE - HATO REY, PUERTO RICO 00919
TELEFONO 764-8720

February 15, 1971

College of the Sacred Heart
San Antonio Street
Santurce, Puerto Rico

Attention: Sister Julia

Dear Sister Julia:

In accordance with your request, we have made an appraisal of Buildings A through H located on 9.39 cuerdas of developed land forming part of The College of the Sacred Heart, Santurce, Puerto Rico.

The purpose of this appraisal is to estimate the Market Value in "fee simple" of the subject property as of February 15, 1971.

After a personal inspection of the subject property and a thorough investigation and analysis of all the economic factors affecting values, it is the opinion of the appraisers that the Market Value in "fee simple" of the subject property as of February 15, 1971 was

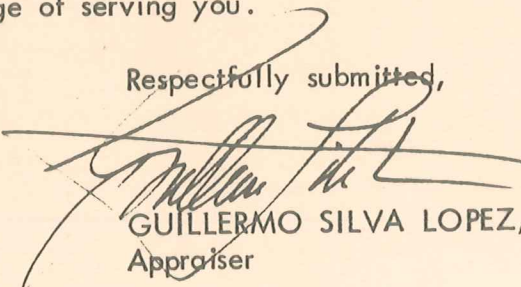
\$4,663,000

(FOUR MILLION SIX HUNDRED AND SIXTY THREE THOUSAND DOLLARS)

The supporting data and the results of our investigation and analysis upon which this value is based are contained in the narrative appraisal report which is handed herewith.

Many thanks for the privilege of serving you.

Respectfully submitted,



GUILLERMO SILVA LOPEZ, SRA-MIE
Appraiser



Guillermo Silva López & Associates

BUILDINGS A THROUGH H
COLLEGE OF THE SACRED HEART
SAN ANTONIO STREET
SANTURCE, PUERTO RICO



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SUMMARY OF SALIENT FACTS AND CONCLUSIONS

1. Subject Property: Buildings A through H located on 9.39 cuerdas of developed land forming part of College of the Sacred Heart, Santurce, Puerto Rico.

2. Site: An urban parcel of land in a choice location of the Santurce Area, irregular in shape with a slightly rolling topography, adequate drainage and all utilities on comprising an area of 9.39 cuerdas or 36,906.45 Sq. Mts.

3. Improvements: Buildings A through H comprising eight (8) intercommunicating buildings providing classrooms, laboratories, dining rooms, chapel, library, laundry, kitchen, students dormitories, sisters dormitories, carpenter shop, warehouse, and adequate sanitary facilities.

4. Estimate of Value by the Cost Approach:

Replacement Cost of Improvements	\$2,818,000
Site Valuation	<u>1,945,000</u>
Total Indicated Value by the Cost Approach	\$4,663,000

5. Final Estimate of Value: \$4,663,000

6. Date of Value Estimate: February 15, 1971



STATEMENT OF THE PROBLEM

Identification of the Property:

The Subject Property, Buildings A through H, forming part of College of the Sacred Heart, Santurce, Puerto Rico located on 9.39 cuerdas of developed land.

Property Rights Appraised:

This appraisal is made with the understanding that the ownership of the Subject Property includes all the rights that may be lawfully owned and is therefore title in "fee simple".

Purpose of the Appraisal:

The purpose of this appraisal is to estimate the Market Value in fee simple of the subject property as of February 15, 1971.

Market Value, as accepted by the courts and defined in the Fourth Edition of the Appraisal Terminology and Handbook published by the American Institute of Real Estate Appraisers is, "the highest price estimated in terms of money which a property will bring if exposed for sale in the open market allowing a reasonable time to find a purchaser who buys with knowledge of all uses to which it is adapted and for which it is capable of being used".



SITE ANALYSIS

The Site of the Subject Property under appraisal is a tract of urban land located on the grounds of and forming part of College of the Sacred Heart, Santurce, Puerto Rico and comprising 9.39 cuerdas or 36,906.45 Sq. Mts. of urban land.

Legal Description:

---"URBANA:- Solar radicado en el Barrio Santurce Norte del Municipio de San Juan con una cabida superficial de nueve cuerdas treinta y nueve céntimos (9.39) equivalentes a treinta y seis mil novecientos nueve metros cuadrados con nueve centímetros cuadrados y en lindes por el Norte y Este en dos alineaciones distintas que suman trescientos noventa y un metros con veinticinco centímetros (391.25) y en ciento cuarenta y un metros con un centímetros (141.01) respectivamente con la finca principal de la cual se segrega; por el Sur, en ciento treinta y cuatro metros veintitres centímetros (134.23) con la calle San Antonio; y por el Oeste, en doscientos treinta y cuatro metros con otros terrenos de otros dueños que la separan de la Calle Bouret.

Zoning:

The Subject Site is currently zoned R-3, which permits construction of medium density residential structures.



METHOD OF VALUATION

A complete appraisal report calls for the three Approaches to value: Cost Approach, Income Approach, and Sales or Market Data Approach.

The Cost Approach is a method of estimating value by reference to the sum of the land as though it were vacant plus the current cost of construction of the improvements, less depreciation, if any. The current costs of construction of the improvements were obtained from contractors and engineers sources.

The Income Approach is the capital value theory of appraising which affirms that the value of the property tends to be set by the expected net yield to its owners. Since a limited number of schools are constructed to be rented to other entities, insufficient evidence was established to provide the basis for the Income Approach and therefore this approach was discarded in the final appraisal of the Subject Property.

The Market Data Approach indicates value by comparison with similar properties recently sold in the vicinity.

Appraisals of schools and similar properties are made largely for accounting and insurance purposes. Very few schools are sold, and therefore a complete lack of sales of comparable properties are available to the appraiser which prohibits the thorough analysis of the market approach for the establishment of a final estimate of value for the Subject Property.

Since the purpose of this appraisal is only to estimate the Market Value in fee simple of the land and buildings, commonly known as Buildings A through H College of the Sacred Heart, the only approach to value available to the appraiser is the Cost Approach.



JUSTIFICATION OF LAND VALUE

The value of land in the San Juan Metropolitan Area has experienced a sharp increase since 1950 which is a reflection of the dynamic economic development of the area. Vacant lots are very scarce and their owners are holding them for joint ventures or speculation on the market.

Provided sufficient transaction data is available the most effective approach to site valuation is by comparison with known transactions of similar sites.

Recent land transactions have been investigated and analyzed toward reaching a conclusion for an estimate of land value by the Market Comparison Approach. These transactions were investigated through purchase deed or institutions, to verify the terms and the price involved.

All comparable sales transactions were investigated in order to make proper adjustment between each site and the subject site.

A brief description of comparable sales with similar characteristics to the subject site follows:

Sale No. 1

Location:	Rosario Street, close to Baldorioty de Castro Avenue, Santurce Norte
Grantor:	Pedro Amado Rivera
Grantee:	Francisco R. Bechara
Date of Sale:	June 7, 1968
Selling Price:	\$90,426
Area:	1,446 Sq. Mts.
Price per Sq. Mt.:	\$70.00
Recorded at:	Book 170, Page 22, Santurce Norte
Farm No.:	1446



Sale No. 2

Location:	Del Parque Street, Santurce Norte
Grantor:	Filomena González Padin
Grantee:	Menvax Corp.
Date of Sale:	December 18, 1969
Area:	626 Sq. Mts.
Selling Price:	\$50,000
Price per Sq. Mt.:	\$79.90
Boundaries:	North: Bernardino Trujillo South: Mariano Pesquera Y Gregorio Paris East: Bernardino Trujillo West: Del Parque Street
Attorney:	Aurelio Emanuelli Belaval, Deed No. 11

Sale No. 3

Codification:	063-031-071-01
Grantor:	Coca Cola Bottling Co. of P. R.
Grantee:	Plaza Central Inc.
Date:	September 15, 1966
Area:	34,230 Sq. Mts.
Price:	\$2,122,294
Price per Sq. Mt.:	\$62.00
Zoning:	C-2
Recorded:	Book 169, Page 215 Farm No. 1975
Boundaries:	North: Bolivia Street South: Railroad track East: Muñoz Rivera Avenue West: U. S. Army



Sale No. 4

Codification:	063-031-071-01 (Part)
Grantor:	Plaza Central Inc.
Grantee:	Overseas Realty Corp.
Date:	September 15, 1966
Area:	8,373 Sq. Mts.
Price:	\$1,033,729
Price per Sq. Mt.:	\$123.46
Zoning:	C-2
Attorney:	Ramón Ruiz Sánchez
Boundaries:	North: Bolivia Street South: Plaza Central Inc. & Other East: Muñoz Rivera Avenue West: Plaza Central Inc.

The appraisers have considered the above mentioned sales of vacant land in the Hato Rey and Santurce Areas as indications of value for the Subject Site. None of these lots had any valuable land improvements at the time of sale.

A peculiarity of the Subject Property is its size and location in the Santurce Area for which there are no comparable transactions available. An important factor in the development of the estimated market value for the Subject Property was a hypothetical development most appropriate and feasible under the actual zoning R-3.

According to the actual zoning the most intensive use of the Subject Property would be a program utilizing a permissible 100 sq. mts. per family in a medium density residential development. This special treatment will be considered by the Puerto Rico Planning Board by the presentation of a multi-family project in R-3 zoned district. Under this utilization, 40 square meters of the 100 sq. mts. permissible per unit, must be dedicated to uses which satisfy communal necessities, such as recreational, commercial, religious, and schools.

After considering the amount of land to be dedicated to streets and walks calculated approximately 15 sq. mts. per unit, and the profit of the developer, and after considering the location and size adjustments of the comparables listed based on the judgment of the appraiser and the zoning adjustment based on the suitability of the site for the present utilization; and, after considering the reliability of the indications of value and their degree of comparability to the subject site, the appraisers are of the opinion that the Market Value per Sq. Mt. of the subject site, vacant and available for use as of February 15, 1971 was..... \$50.00 per Sq. Mt.



Market Value Correlation:

Subject Site	36,906.45 Sq. Mts.
Estimated Market Value per Sq. Mt.	\$50.00
Site Valuation 36,906.45 Sq. Mts. at \$50.00	\$1,845,323.00
Rounded to	\$1,845,000.00



THE COST APPROACH

The Cost Approach to value consists in estimating the Reproduction Cost New of the Improvements based on today's labor and similar materials, prices, and construction techniques, less depreciation from all causes, if any, in which the value of the land estimated by the Market Comparison Approach is added.

In estimating the cost of the building, the total square feet measured at the outside of the foundations or perimeter of the level are multiplied by the cost per square foot applicable to similar structures.

The Basic Cost Factors per square foot is based on the unit in place cost method of building construction of acceptable standards of materials and workmanship.

DEPRECIATED VALUE OF THE BUILDINGS

<u>Building</u>	<u>Area in Sq. Ft.</u>	<u>Unit Price per Sq. Ft.</u>	<u>Total Value</u>
1. A	20,400	\$ 14.00	\$ 285,600
2. B	28,264	14.00	395,696
3. C	24,220	13.00	314,860
4. D	35,483	12.00	425,796
a. Chapel	11,929	22.00	262,438
5. E	31,601	11.00	347,611
6. F	15,060	10.00	150,600
7. G	26,037	13.00	338,481
8. H	19,431	12.00	233,172
Total Value of the Buildings			\$ 2,754,254
Paved Area and Driveways		\$29,000	
Landscaping and Fences		25,000	
Caretakers Residence		10,000	
Sub-Total			\$ 64,000



Total Value of the Improvements	\$ 2,818,254
Add: Site Valuation	\$ 1,845,000
Total	\$ 4,663,254
Rounded to	\$ 4,663,000



FINAL ESTIMATE OF VALUE

As stated under the Method of Valuation section of this appraisal, the only approach available to the appraiser for an estimate of value is the Cost Approach.

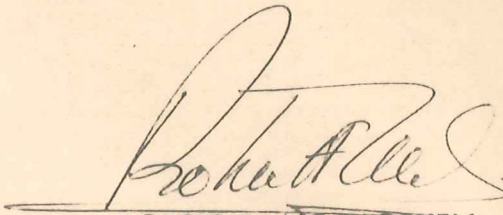
The Market Data Approach to value is being eliminated by the appraisers because the market has not been established in Puerto Rico as to the buying and selling of schools which would in turn establish a price market or an estimate of value to be used by the appraiser in determining the market price applicable to the subject property.

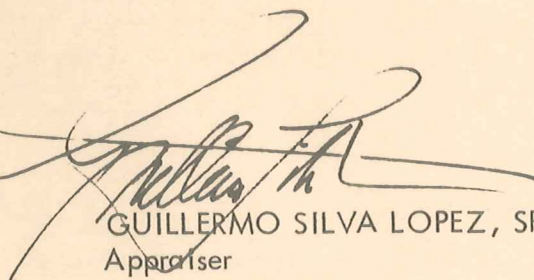
Also the Income Approach is considered by the appraisers not acceptable in the proper determination of value of schools because the subject property is not a rental venture.

After analyzing all the available data as required by this assignment, it is our opinion that the Market Value of the Subject Property in fee simple as of February 15, 1971 was.....

\$4,663,000

(FOUR MILLION SIX HUNDRED AND SIXTY THREE THOUSAND DOLLARS)


ROBERT F. MCCLOSKEY
Co-Appraiser


GUILLERMO SILVA LOPEZ, SRA-MIE
Appraiser



CERTIFICATE OF THE APPRAISER

I, GUILLERMO SILVA LOPEZ, do hereby certify that I have no interest, present or contemplated, in the property and that neither the employment to make the appraisal nor the compensation is contingent on the value of the property. I certify that I have personally inspected the property appraised, and that according to my knowledge and belief, all statements and information in this report are true and correct, subject to the assumptions and limiting conditions.

I further certify that this appraisal has been made in accordance with the Standards of Practice and Code of Ethics of the Society of Real Estate Appraisers, and the Puerto Rico Institute of Real Estate Appraisers (MIE) of which the appraiser is a member.

I further certify that to the best of my knowledge and belief, the statements and opinions contained herein are correct as set forth.

Based upon the information contained in this report and upon my general experience as an appraiser, it is my opinion that the Market Value in fee simple, as defined herein, of the subject property as of February 15, 1971 was.....

\$4,663,000

(FOUR MILLION SIX HUNDRED AND SIXTY THREE THOUSAND DOLLARS)



GUILLERMO SILVA LOPEZ, SRA-MIE
Appraiser



ASSUMPTIONS AND LIMITING CONDITIONS

That the title of the Subject Property is good and marketable.

That the legal description furnished is assumed to be correct.

That the property is free and clear of all liens.

That no guarantee is made as to correctness of the information which was furnished by others and used in making this appraisal and no liability is assumed on account of accuracy or errors in such estimates or opinions.

That the employment to appraise such property is not contingent with its estimation of value.

That we have no present, past or prospective interest in the Subject Property.

That no liability is assumed on matters of legal character affecting the Subject Property and the appraisal does not imply the right to court testimony on the part of the appraiser without additional agreement.

That the distribution of the total valuation in this report between land and building applies only under the program of utilization and must not be used in any other manner.



- :- QUALIFICATION DATA - :-

Name and Address

Guillermo Silva López, SRA-MIE
P. O. Box 10735
Caparra Heights, Puerto Rico 00922

Office Address

500 Muñoz Rivera Avenue
El Centro II Condominium
Office 228
Hato Rey, Puerto Rico 00919

Education

B.S.A.
Lic. No. 685

College of Agriculture and Mechanic Arts
University of Puerto Rico

Real Estate Courses

Real Estate Appraisers I
American Institute of Real Estate Appraisers
University of Virginia

Real Estate Appraisers II
American Institute of Real Estate Appraisers
Rider College, New Jersey

Real Estate Appraisers VIII
American Institute of Real Estate Appraisers
University of Georgia

Finance 317 - Principles of Real Estate
Finance 515 - Appraisal of Real Estate
University of Puerto Rico

Principles and Techniques of Residential
Appraising
Society of Real Estate Appraisers
Inter-American University of Puerto Rico

Seminar on Highway, Beautification Appraising
Society of Real Estate Appraisers
Washington, D. C.

Narrative Report Seminar
Society of Real Estate Appraisers
San Juan, Puerto Rico



Interamerican Seminar on Real Estate Appraisers
Society of Real Estate Appraisers
University of Puerto Rico

Instructor's Clinic for the course
"An Introduction to Appraising Real Estate
Property"
Society of Real Estate Appraisers
Charlotte, N. C.

Real Estate and City Residential Appraising
Weaver School, Santurce, Puerto Rico

VI Interamerican Conference on Savings and Loans
Rio de Janeiro, Brazil

Experience

Independent Appraiser in Puerto Rico and the Virgin Islands for:

Federal Housing Administration
Veterans Administration
Mutual Savings Bank of Puerto Rico
Sinclair Caribbean Oil Co.
Federal Savings and Loan Association of the U. S.
a. City Federal Savings
b. County Federal Savings
c. First Federal Savings of Grand Forks, N. D.
d. First Federal Savings of N. Y.
e. First Federal Savings of Philadelphia
f. Island Federal Savings
g. Ninth Federal Savings
h. West Side Federal Savings

Federal Savings and Loan Association of Puerto Rico
a. Bayamón Federal Savings
b. Caguas Federal Savings
c. Central Federal Savings
d. First Federal Savings
e. Metropolitan Federal Savings
f. United Federal Savings
g. Western Federal Savings



Mortgage and Leasing Corporations

- a. Atlantic Southern Co. of Puerto Rico
- b. Congress Credit Corp. N. Y.
- c. Equitable Life Assurance Co. of Puerto Rico
- d. Fidelity Bond & Mortgage Corporation
- e. Hato Rey Mortgage Corporation
- f. Housing Investment Corporation
- g. La Confederación del Canada
- h. Pan American Life Insurance Co. of New Orleans
- i. Puerto Rico Finance Corporation
- j. Pilot Life Insurance Co. of Puerto Rico
- k. Puerto Rico Industrial Development Corp. (PRIDCO)
- l. Talcott Inter American Corporation
- m. Trans Oceanic Life Ins. Co.
- n. Trust Mortgage Corporation

Commercial Banks of Puerto Rico and the United States

- a. Banco Crédito y Ahorro Ponceño
- b. Banco de Ponce
- c. Banco Mercantil de Puerto Rico
- d. Banco Popular de Puerto Rico
- e. Bowery Savings Bank
- f. Central Savings Bank
- g. Chase Manhattan Bank
- h. First National City Bank
- i. Government Development Bank for Puerto Rico
- j. The New York Bank for Savings

Expert Witness

The Superior Court of Justice

Qualified Instructor

For: "An Introduction to Appraising
Real Estate Property" of the Society of
Real Estate Appraisers



Member

Society of Real Estate Appraisers

Institute of Real Estate Appraisers of Puerto Rico

National Institute of Real Estate Boards

San Juan Board of Realtors

Board of Directors-Bayamón Federal Savings
and Loan Association

College of Agronomist

Compliance Inspector for

Federal Savings and Loan Association

Mutual Savings Bank and Mortgage Corp.



Handwritten signature of Guillermo Silva Lopez in black ink, featuring a large, stylized initial 'G' and 'L'.

GUILLERMO SILVA LOPEZ, SRA-MIE
Appraiser *

*Over \$1 Billion and 11 years of
experience in Appraisal Values



- : - QUALIFICATION DATA - : -

Name and Address

Robert F. McCloskey
P. O. Box 10735
Caparra Heights, Puerto Rico 00922

Office Address

500 Muñoz Rivera Avenue
El Centro II Condominium
Office 228
Hato Rey , Puerto Rico 00919

Education

School of Hotel Administration
Cornell University
Ithaca, New York

B.B.A.

School of Business Administration
University of Puerto Rico
Rio Piedras, Puerto Rico

Real Estate Courses

Principles and Techniques of
Residential Appraising
Society of Real Estate Appraisers
Santurce, Puerto Rico

Narrative Report Seminar
Society of Real Estate Appraisers
Berlin, New Jersey

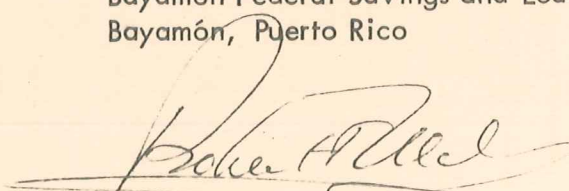
Appraisal Experience

Guillermo Silva López & Associates
3 years Experience in Appraising,
residential, commercial and industrial
properties

Qualified Appraiser

First Federal Savings and Loan Association
Santurce, Puerto Rico

Bayamón Federal Savings and Loan Association
Bayamón, Puerto Rico



ROBERT F. MC CLOSKEY
Appraiser*

*Over \$300 Million in Appraisal Values



Guillermo Silva López & Associates



16 Feb 1971

EXHIBIT C

FRANK BRUNET CALAF
ABOGADO - NOTARIO

APARTADO POSTAL 2370
TELÉFONOS 722-5697
724-7809

CALLE SAN FRANCISCO 405
SAN JUAN, PUERTO RICO 00903

- ATTORNEY'S OPINION OF TITLE -

I hereby certify that I have made an examination of the title of the premises situate in the City of San Juan, Ward of North Santurce, Commonwealth of Puerto Rico, and particularly described herein, and I further certify that in my opinion a marketable and indefeasible fee simple title to said premises is vested in "CONGREGACION DE MADRES DEL SAGRADO CORAZON DE JESUS EN PUERTO RICO" by Public Deed number Thirty One (31), executed at San Juan, Puerto Rico, on 19 November 1966, before Notary Public Frank Brunet Calaf, which deed is filed for recordation at the Registry of the Property of San Juan, First Section, at Volume 584 of the Book of Daily Operations, Entry number 152, covering lands described herein subject only to the following estates, liens, defects and objections:

1.- DESCRIPTION OF THE PREMISES:

"URBAN:- Lot located in the North Santurce Ward of the Municipality of San Juan, comprising an area of NINE cuerdas and THIRTY NINE hundredths of a Cuerda (9.39) equivalent to THIRTY SIX THOUSAND NINE HUNDRED NINE SQUARE METERS AND NINE SQUARE CENTIMETERS (36,909.9), bounded on the North and East, in two different azimuths with distances of three hundred ninety one meters twenty five centimeters and one hundred forty one meters and one centimeter respectively, by the principal property from which it was segregated; on the South, in one hundred thirty four meters and twenty four centimeters, by San Antonio Street; and on the West, in two hundred thirty four meters, by other properties belonging to different owners which separate it from Bouret Street. In this lot, there have been constructed seven buildings of reinforced concrete and roofs of the same material, designed to be used as elementary and high school for girls and young ladies, which buildings

include class rooms, laboratories, library, cafeteria, religious chapel and dormitories for resident students and nuns.

+ 2.- STATUTORY AND MUNICIPAL REQUIREMENTS RELATING TO LAND AND BUILDINGS:

The segregation of the described lot was duly approved and authorized by the Planning Board of Puerto Rico on Report No. 66-L-2200, issued on Case No. 66-1289 Lot, dated May 4, 1966.

Construction and use of buildings for school purposes was also approved by the Planning Board.

Both the land and buildings and the use to which the property is dedicated, are within the statutory and municipal requirements and regulations for the zone.

3.- RIGHTS OF TENANTS, LESSEES AND OCCUPANTS:

The only occupant of the premises is the Congregación de Madres del Sagrado Corazón de Jesús en Puerto Rico, who has a fee simple title to the property.

There are no leases whatsoever on any part of the premises.

4.- MORTGAGES:

The premises are subject to a First Mortgage established by the "CONGREGACION" to the Banco Gubernamental de Fomento Para Puerto Rico, or Order, for the original amount of \$1,000,000.00, said Bank being the holder of two mortgage notes, one for the amount of \$100,000.00 with interest at 6% per annum, payable in monthly installments of \$3,042.19 beginning on June 1, 1966, and ending on May 1, 1969; and the second for the amount of \$900,000.00, with interest at 6% per annum, payable in monthly installments of \$7,047.91 beginning on 1 June 1969, and ending on 1 May 1986, both notes being drawn to the Banco Gubernamental de Fomento Para Puerto Rico, or Order.

The referred to mortgage was established through Public Deed Number 200, executed at San Juan, Puerto Rico on 26 April 1966 before Notary Public Jorge M. Morales.

Filed for recordation at the Registry of the Property of San Juan, First Section, at Volume 576 of the Book of Daily Operations.

This mortgage was originally constituted upon the totality of the property of the "CONGREGACION" in Santurce, from which property the herein referred to lot was segregated, but through Public Deed Number 31 of 19 November 1966, herein before referred to, the remainder of land left after the segregation of the instant lot was liberated from the mortgage and the same was left affecting only the instant lot.

There are no other mortgages on the property.

5.- EASEMENTS:

By its origin it is affected by an easement in favor of the Puerto Rico Water Resources Authority.

6.- RESTRICTIONS:

No restrictive covenants are contained in the Deed where property was segregated.

7.- TAXES AND ASSESSMENTS:

Both land and buildings are exempt from both Commonwealth and Municipal Taxes.

8.- There are no other liens and objections affecting the described property.

14 February 1971


FRANK BRUNET CALAF

Attorney

February 16, 1971

EXHIBIT E

OUTLINE SPECIFICATIONS

1. Foundations - spread footings on sandy clay
2. Structure - reinforced concrete walls, columns, beams and slabs.
3. Partitions - Concrete masonry generally throughout.
4. Wall and ceiling finishes - cement plaster generally throughout.
5. Floor finishes - Terrazo tile generally throughout.
6. Doors & frames - flush mahogany doors and mahogany frames.
7. Windows - Aluminum jalousies.
8. Accoustical finishes - lay-in accoustical tile on some ceiling areas.
9. Plumbing-
 - a) Sanitary system-generally extra heavy cast iron and galvanized steel for vents.
 - b) Water supply-copper pipe and/or tubing
 - c) Storm water system-cast iron pipe.
10. Electrical-copper wiring in rigid galvanized steel conduit throughout.

COLEGIO UNIVERSITARIO DEL SAGRADO CORAZON • COLLEGE OF THE SACRED HEART
BOX 12383 LOIZA STATION, SANTURCE, PUERTO RICO 00914

February 11, 1971

Mr. Rafael V. Pérez
United Federal Savings & Loan Association
1508 Ave Franklin D. Roosevelt
Hato rey, P.R.

Dear Mr. Pérez:

On July 15, 1970 we started negotiations with the Corporation "Congregación de Madres del Sagrado Corazón en Puerto Rico" in order to acquire their property consisting of nine (9) acres and an academic facility next to our College property.

The value of the said property is \$3,861,526.70 . The Corporation asks for a down payment of \$250,000 to be given as we sign the deed in July or August, 1971. We will assume an existing debt of \$857,688.43 to the Banco de Fomento which holds a first mortgage on this property.

We need to borrow the amount of this down payment. This will be subject to the following conditions:

- 1) Maturity Period: Ten (10) years
- 2) Security: Ten (10) acres of undeveloped land appraised at a total price of \$1,200,000
- 3) A moratorium of eighteen (18) months before the first repayment is done.

We will be very grateful if you state in your answer the following:

- 1) If your Institution is able to provide this type of financing.
- 2) Which is the lowest interest rate at which you are able to provide it?

Your answer will be appreciated as soon as possible as we have urgency to have it in order to proceed with the negotiations.

Thanking you in advance for a prompt reply, I am

Sincerely yours

Sister Socorro Juliá
Dean of Administration

COLEGIO UNIVERSITARIO DEL SAGRADO CORAZON • COLLEGE OF THE SACRED HEART
BOX 12383 LOIZA STATION, SANTURCE, PUERTO RICO 00914

February 11, 1971

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United Federal Savings & Loan Association
1508 Ave Franklin D. Roosevelt
Caparra, P.R.

Dear Mr. Pérez:

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We need to borrow the amount of \$2,753,838.27 balance left of the total price after assuming the existing debt and giving the down payment of \$250,000.

This will be subject to the following conditions:

- 1) Maturity period: Thirty (30) years
- 2) Security: a second mortgage on the property to be acquired.

We will be very grateful if you state in your answer the following:

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Dean of Administration

COLEGIO UNIVERSITARIO DEL SAGRADO CORAZON • COLLEGE OF THE SACRED HEART
BOX 12383 LOIZA STATION, SANTURCE, PUERTO RICO 00914

February 11, 1971

Mr. Alejo Torres
Banco de Ponce
Stop 18 Ponce de Leon Ave
Santurce, P.R.

Dear Mr. Torres:

On July 15, 1970 we started negotiations with the Corporation "Congregación de Madres del Sagrado Corazón en Puerto Rico" in order to acquire their property consisting of nine (9) acres and an academic facility next to our College property.

The value of the said property is \$3,861,526.70 . The Corporation asks for a down payment of \$250,000 to be given as we sign the deed in July or August, 1971 . We will assume an existing debt of \$857,688.43 to the Banco de Fomento which holds a first mortgage on this property.

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Sincerely yours


 Sister Socorro Juliá
 Dean of Administration

COLEGIO UNIVERSITARIO DEL SAGRADO CORAZON • COLLEGE OF THE SACRED HEART
BOX 12383 LOIZA STATION, SANTURCE, PUERTO RICO 00914

February 11, 1971

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Banco de Ponce
Stop 18 Ponce de Leon Ave
Santurce, P.R.

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Thanking you in advance for a prompt reply, I am

Sincerely yours



Sister Socorro Juliá
Dean of Administration

BANCO DE PONCE



FUNDADO EN 1817 • MIEMBRO FEDERAL DEPOSIT INSURANCE CORPORATION • DIRECCION CALEGRAFICA: BANCOPONCE

Santurce, Puerto Rico
February 16, 1971

Sister Socorro Juliá, Dean of Administration
College of the Sacred Heart
Box 12383, Loíza Station
Santurce, Puerto Rico 00914

Dear Sister Juliá:

Reference is made to your letter of February 11, 1971,
inquiring whether this bank will be able to provide a
loan for \$2,753,838.27 for thirty (30) years.

Please be informed that we are able to provide the amount
of the loan, but our policies don't permit us to make loans
for such a long period of time.

The prevailing interest rate is 9 per cent.

We hope that this information will serve your purpose.

Sincerely yours,

Alejo Torres
Vice President

AT/amg

BANCO DE PONCE



Santurce, Puerto Rico
February 16, 1971

Sister Socorro Juliá, Dean of Administration
College of the Sacred Heart
Box 12383, Lofza Station
Santurce, Puerto Rico

Dear Sister Juliá:

Reference is made to your letter of February 11, 1971,
inquiring whether this bank will be able to provide a
loan for \$250,000 for ten (10) years and a moratorium
of eighteen (18) months before the first payment is done.

Please be informed that we are able to provide the amount
of the loan, but our policies don't permit us to make loans
for such a long period of time plus the aforesaid moratorium.

The prevailing interest rate is 9 per cent.

We hope that this information will serve your purpose.

Sincerely yours,

Alejo Torres
Vice President

AT/amg

February 16, 1971

EXHIBIT G

SPECIFIC DATA REGARDING THE PROPOSED FACILITIES AND THE PROJECT

Bldg.	Floor Level (Ft.)	Gross Area (Sq.Ft.)	Total Assignable Area in the Proposed Facilities (Sq. Ft.)	Assignable Area Included in the Project (Sq. Ft.)	Instructional and Library Facilities (Sq. Ft.)	Instruction-Related Facilities (Sq.Ft.)	Nonassignable Area (Sq. Ft.)
A	89.81		1,163	1,163	1,163	—	
	101.63		3,309	3,309	3,309	—	
	113.44		2,904	2,904	2,904	—	
	125.25		<u>2,780</u>	<u>2,780</u>	<u>2,780</u>	—	
	Subtotals	20,591	10,156	10,156	10,156		10,435
B	89.81		4,535	4,535	4,424	111	
	101.63		4,535	4,535	4,424	111	
	113.44		4,123	4,123	4,123	—	
	125.25		<u>4,123</u>	<u>4,123</u>	<u>4,123</u>	—	
	Subtotals	21,126	17,316	17,316	17,094	222	3,810
C	89.81		1,752	1,752	1,752	—	
	101.63		4,964	4,964	4,964	—	
	113.44		4,227	4,227	4,227	—	
	125.25		<u>4,227</u>	<u>4,227</u>	<u>4,227</u>	—	
	Subtotals	23,429	15,170	15,170	15,170	—	8,259
D	89.81		—	—	—	—	
	101.63		10,576	10,576	10,576	—	
	113.44		<u>1,756</u>	<u>1,756</u>	<u>1,756</u>	—	
	Subtotals	43,185	12,332	12,332	12,332		30,853

February 16, 1971

EXHIBIT G

SPECIFIC DATA REGARDING THE PROPOSED FACILITIES AND THE PROJECT (Continued...)

dg.	Floor Level (Ft.)	Gross Area (Sq.Ft.)	Total Assignable Area In the Proposed Facilities (Sq. Ft.)	Assignable Area Incuded in the Project (Sq. Ft.)	Instructional and Library Facilities (Sq. Ft.)	Instruction-Related Facilities (Sq.Ft.)	Nonassignable Area (Sq. Ft.)
	78.00		4,266	4,266	4,266	---	
	89.81		7,569	7,569	7,569	---	
	101.63		661	661	661	---	
	Subtotals	29,496	12,496	12,496	12,496	---	16,844
	78.00		5,047	5,047	5,047	---	
	89.81		5,237	5,237	5,237	---	
	Subtotals	14,415	10,284	10,284	10,284	---	4,131
	78.00		4,890	4,890	4,890	---	
	89.81		5,033	5,033	5,033	---	
	101.63		5,033	5,033	5,033	---	
	Subtotals	26,402	14,956	14,956	14,956	---	11,446
	78.00		3,403	3,403	3,403	---	
	89.81		6,193	6,193	6,193	---	
	101.63		6,193	6,193	6,193	---	
	Subtotals	20,942	15,789	15,789	15,789	---	5,153
	Totals	<u>199,430</u>	<u>108,499</u>	<u>108,499</u>	<u>108,277</u>	<u>222</u>	<u>90,931</u>



BANCO POPULAR CENTER, HATO REY

TEL. 765-9800 • Cables BANPOPULAR

GPO BOX 2708 - SAN JUAN, PUERTO RICO 00936

February 26, 1971

Sister Socorro Juliá
Dean of Administration
College of the Sacred Heart
Box 12383 Loíza Station
Santurce, Puerto Rico 00914

Dear Sister Socorro Juliá:

Reference is made to your letter of February 11, 1971 requesting a loan in the sum of \$250,000.00 with a 30 year maturity, giving as security a second mortgage on nine acres of land that you intend to acquire next to your college property.

Please be informed that this institution is unable to provide this type of financing.

Sincerely yours,

Arnaldo Soto Couto
Vice President

ASC/mcj



TEL. 765-9800 • Cables BANPOPULAR

BANCO POPULAR CENTER, HATO REY

GPO BOX 2708 - SAN JUAN, PUERTO RICO 00936

February 26, 1971

Sister Socorro Juliá
Dean of Administration
College of the Sacred Heart
Box 12383 Loíza Station
Santurce, Puerto Rico 00914

Dear Sister Socorro Juliá:

Reference is made to your letter of February 11, 1971 requesting a loan in the sum of \$2,753,838.27 with a 30 year maturity, giving as security a second mortgage on nine acres of land that you intend to acquired next to your college property.

Please be informed that this institution is unable to provide this type of financing.

Sincerely yours,

Arnaldo Soto Couto
Vice President

ASC/mcj

COLEGIO UNIVERSITARIO DEL SAGRADO CORAZON • COLLEGE OF THE SACRED HEART
BOX 12383 LOIZA STATION, SANTURCE, PUERTO RICO 00914

February 11, 1971

Mr. Gustavo Pérez Passalacqua
Real Estate Department
Banco Popular de Puerto Rico
Hato Rey, P.R.

Dear Mr. Pérez:

On July 15, 1970 we started negotiations with the Corporation "Congregación de Madres del Sagrado Corazón en Puerto Rico" in order to acquire their property consisting of nine (9) acres and an academic facility next to our College property.

The value of the said property is \$3,861,526.70. The Corporation asks for a down payment of \$250,000 to be given as we sign the deed in July or August, 1971. We will assume an existing debt of \$857,688.43 to the Banco de Fomento which holds a first mortgage on this property.

We need to borrow the amount of \$2,753,838.27 balance left of the total price after assuming the existing debt and giving the down payment of \$250,000.

This will be subject to the following conditions:

- 1) Maturity period: Thirty (30) years
- 2) Security: a second mortgage on the property to be acquired.

We will be very grateful if you state in your answer the following:

- 1) If your Institution is able to provide this type of financing
- 2) Which is the lowest interest rate at which you are able to provide it?

Your answer will be appreciated as soon as possible as we have urgency to have it in order to proceed with the negotiations.

Thanking you in advance for a prompt reply, I am

Sincerely yours

Sister Socorro Juliá
Dean of Administration

COLEGIO UNIVERSITARIO DEL SAGRADO CORAZON • COLLEGE OF THE SACRED HEART
BOX 12383 LOIZA STATION, SANTURCE, PUERTO RICO 00914

February 11, 1971

Mr. Gustavo Pérez Passalacqua
Real Estate Department
Banco Popular de Puerto Rico
Hato Rey, P.R.

Dear Mr. Pérez:

On July 15, 1970 we started negotiations with the Corporation "Congregación de Madres del Sagrado Corazón" en Puerto Rico in order to acquire their property consisting of nine (9) acres and an academic facility next to our College property.

The value of the said property is \$3,861,526.70. The Corporation asks for down payment of \$250,000 to be given as we sign the deed in July or August, 1971. We will assume an existing debt of \$ 857,688.43 to the Banco de Fomento which holds a first mortgage on this property.

We need to borrow the amount of this down payment. This will be subject to the following conditions:

- 1) Maturity Period: Ten (10) years
- 2) Security: Ten (10) acres of undeveloped land appraised at a total price of \$1,200,000
- 3) A moratorium of eighteen (18) months before the first repayment is done.

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Thanking you in advance for a prompt reply, I am

Sincerely yours

Sister Socorro Juliá
Dean of Administration



UNITED FEDERAL SAVINGS

Oficina central: Avenida Franklin Delano Roosevelt 1508, Caparra Heights G.P.O. Box 2647 San Juan, Puerto Rico 00936 Tel. 783-3370

February 26, 1971

Sister Socorro Juliá
Dean of Administration
College of the Sacred Heart
Box 12383, Loiza Station
Santurce, Puerto Rico 00914

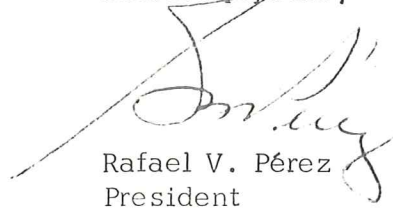
Dear Sister Juliá:

Thank you for your letter dated February 11, 1971, in which you request from our Association a loan in the amount of \$250,000.00 to be given at the time of signing the deed for the acquisition of nine (9) acres and the academic facility next to the College.

I regret to inform you that because of the nature of the loan and the prohibition included in our Rules and Regulations for loans of this type, we cannot consider your request favorably.

I thank you for giving us the opportunity to consider said loan and I certainly hope that we can be of service to you in the future.

Sincerely yours,



Rafael V. Pérez
President

RVP:dm



Oficina central: Avenida Franklin Delano Roosevelt 1508, Caparra Heights G.P.O. Box 2647 San Juan, Puerto Rico 00936 Tel. 783-3370

February 26, 1971

Sister Socorro Juliá
Dean of Administration
College of the Sacred Heart
Box 12383, Loiza Station
Santurce, Puerto Rico 00914

Dear Sister Juliá:

Thank you for your letter dated February 11, 1971, in which you request from our Association a mortgage loan in the amount of \$2,753,838.27 for the purpose of acquiring nine (9) acres and the academic facility next to the College.

I regret to inform you that because of the nature of the loan and the prohibition included in our Rules and Regulations for loans of this type, we cannot consider your request favorably.

I thank you for giving us the opportunity to consider said loan and I certainly hope that we can be of service to you in the future.

Sincerely yours,



Rafael V. Pérez
President

RVP:dm