



Appraisal Report

of

**Four Hundred Thirteen Acres
Vacant Oceanfront Land
Between Kilometer Marker 10.3 and 11.3
State Road 187 – Municipality of Loiza
Commonwealth of Puerto Rico, USA**

Planned for

**One World Resort and Casino
A Five-Star Destination Resort Community**

Prepared for

One World Corporation

Prepared by



Worldwide Appraisal Services

**9106 Champions Way
PGA Village Resort
Port St. Lucie, FL 34986
(772) 467-1360 Phone (772) 465-4512 Fax
www.globalvaluation.com**



Worldwide Appraisal Services

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July 2, 2007

Mary E. Hicklin-Hurley
President and CEO
One World Corporation.
1776 "I" Street, NW, Suite 900
Washington, DC 20006

RE: Four Hundred Thirteen Acres
Vacant Oceanfront Land
Between Kilometer Marker 10.3 and 11.3
State Road 187 – Municipality of Loiza
Commonwealth of Puerto Rico, USA

Ms. Hicklin-Hurley:

In accordance with our Appraisal Services Contract, we have completed an appraisal of the above referenced property. The property was inspected and all necessary investigations and analysis were made by Global Valuation, Inc.

The subject property is briefly described as a 413-acre vacant parcel of oceanfront land located between Kilometer marker 10.3 and 11.3, State Road 187, Municipality of Loiza, Commonwealth of Puerto Rico USA. The property has antique zoning rights that dates back to 1883 and supersedes all current zoning. This has a tremendous positive affect on the market value and marketability of the subject property because the owners are allowed to develop a wide variety of commercial projects including a Resort Hotel and Casino. The property features over one-half mile of Atlantic Ocean frontage and wide white sandy beach. All public utilities (except sewer) are at the property and it has an excellent location just 10 miles east of Metropolitan San Juan. The property is easily accessible via State Road 187 which runs through the property.

Planned is the One World Resort and Casino, a World-Class Five Star destination resort community with hotel, residences, casino, beach club, spa and an 18 – hole championship golf course and club. The overall density is 500 units or only 1.2 units per acre.

The scope of this assignment is to estimate the market value of the fee simple interest in the subject property "AS IS" and the prospective aggregate of retail values (ARV) "AS COMPLETED".

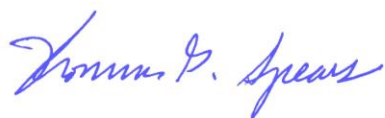
This is a Real Property Appraisal prepared in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP) as promulgated by the Appraisal Standards Board of the Appraisal Foundation. The Appraisal Report is prepared under the "Self-Contained Appraisal Report" option. The Appraisal Foundation is authorized by the United States Congress as the source of appraisal standards and appraiser qualifications. The report complies with all of the standards established in Title XI of the "Financial Institutions Reform Recovery Enforcement Act of 1989 (FIRREA).

Based upon all of the market data information, investigations, inspections, consultations and analysis, it is our opinion that the subject property has a market value of:

“AS IS”	July 2, 2007	\$186,000,000
“ARV AS COMPLETED”	July 2, 2012	\$750,000,000

We certify that we have no interest past or present in the subject property and that our conclusions of value are based on internationally accepted techniques, methods and procedures. Moreover, our fee is not contingent upon a specified value conclusion. The value conclusions are subject to the Assumptions and Limiting Conditions, presented in part two of this appraisal report.

Respectfully submitted,



Thomas G. Spears
President & CEO
Global Valuation, Inc.



**Part One
Introduction**

**Executive Summary
Certificate of Value
Global Valuation Introduction**



I EXECUTIVE SUMMARY

Subject Property

The subject property is briefly described as a 413-acre vacant parcel of oceanfront land located between Kilometer marker 10.3 and 11.3, State Road 187, Municipality of Loiza, Commonwealth of Puerto Rico USA. The property has antique zoning rights that dates back to 1883 and supersedes all current zoning. This has a tremendous positive affect on the market value and marketability of the subject property because the owners are allowed to develop a wide variety of commercial projects including a Resort Hotel and Casino. The property features over one-half mile of Atlantic Ocean frontage and wide white sandy beach. All public utilities (except sewer) are at the property and it has an excellent location just 10 miles east of Metropolitan San Juan. The property is easily accessible via State Road 187 which runs through the property.

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Scope of Work

The scope of this assignment is to estimate the market value of the fee simple interest in the subject property “AS IS” and the prospective aggregate of retail values (ARV) “AS COMPLETED”.

Type of Appraisal

This is a Real Property Appraisal prepared in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP) as promulgated by the Appraisal Standards Board of the Appraisal Foundation. The Appraisal Report is prepared under the “Self-Contained Appraisal Report” option. The Appraisal Foundation is authorized by the United States Congress as the source of appraisal standards and appraiser qualifications. The report complies with all of the standards established in Title XI of the “Financial Institutions Reform Recovery Enforcement Act of 1989 (FIRREA).

Highest and Best Use

Destination Resort Community

Date of Appraisal and Report

“AS IS”	July 2, 2007
“ARV AS COMPLETED”	July 2, 2012

Interest Appraised

Fee Simple Interest

Market Value Estimate

Based upon all of the market data information, investigations, inspections, consultations and analysis, it is our opinion that the subject property has a market value as of June 26, 2007 of:

“AS IS”	July 2, 2007	\$186,000,000
“ARV AS COMPLETED”	July 2, 2012	\$750,000,000



II CERTIFICATE OF VALUE

This is a Real Property Appraisal prepared in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP) as promulgated by the Appraisal Standards Board of the Appraisal Foundation. The Appraisal Report is prepared under the “Self-Contained Appraisal Report” option. The Appraisal Foundation is authorized by the United States Congress as the source of appraisal standards and appraiser qualifications. The report complies with all of the standards established in Title XI of the “Financial Institutions Reform Recovery Enforcement Act of 1989 (FIRREA).

The reported analysis, opinions, and conclusions were developed and this report has been prepared in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the American Society of Appraisers and the Appraisal Institute. The use of this report is subject to the requirements of the American Society of Appraisers and the Appraisal Institute relating to review by their duly authorized representatives.

The appraiser (s) signing this report certify that, to the best of our knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analysis, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions and conclusions.
- We have no present or prospective interest in the property that is the subject of this report, and no personal interest or bias with respect to the parties involved.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the causes 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.
- Global Valuation, Inc. has made a personal inspection of the subject.
- No one provided significant professional assistance to the appraiser (s) signing this report.
- The subject property is briefly described as a 413-acre vacant parcel of oceanfront land located between Kilometer marker 10.3 and 11.3, State Road 187, Municipality of Loiza, Commonwealth of Puerto Rico USA. The property has antique zoning rights that dates back to 1883 and supersedes all current zoning. This has a tremendous positive affect on the market value and marketability of the subject property because the owners are allowed to develop a wide variety of commercial projects including a Resort Hotel and Casino. The property features over one-half mile of Atlantic Ocean frontage and wide white sandy beach. All public utilities (except sewer) are at the property and it has an excellent location just 10 miles east of Metropolitan San Juan. The property is easily accessible via State Road 187 which runs through the property.

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- The scope of this assignment is to estimate the market value of the fee simple interest in the subject property “AS IS” and the prospective aggregate of retail values (ARV) “AS COMPLETED”.
- Our conclusions of value are based on internationally accepted techniques and methods.



- Based upon all of the market data information, investigations, inspections, consultations and analysis, it is our opinion that the subject property has a market value of:

"AS IS"	July 2, 2007	\$186,000,000
"ARV AS COMPLETED"	July 2, 2012	\$750,000,000

Thomas G. Spears, ASA
State Certified General Appraiser # RZ1243

Michael G. Horton, MAI
State Certified General Appraiser #RZ1755

Roberto L. Rivero
State Registered Trainee Real Estate Appraiser # RI16137

Excellence

in appraisal services

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That is why our clients keep counting on us for all their appraisal needs. Our commitment to our clients has propelled us to a global leadership position in the appraisal industry.

Our appraisal reports always meet or exceed the requirements of the Uniform Standards of Professional Appraisal Practice as established by the Appraisal Standards Board of the Appraisal Foundation. The Appraisal Foundation is authorized by the United States Congress as the source of appraisal standards and appraiser qualifications.

Global Valuation appraisers always provide credible, accurate and timely appraisal reports and they are State Certified members of either the American Society of Appraisers (ASA) or The Appraisal Institute (MAI). These international organizations are members of the Appraisal Standards Board and represent two of the eight sponsors of The Appraisal Foundation.



Global Valuation provides all types of appraisals including real property (real estate), personal property (FF&E) and intangible property (business valuations). We have the capabilities to deliver a "Western Style" state of the art narrative appraisal report anywhere in the world.



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- * Commercial properties
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- * Residential properties
- * Agricultural Properties

Appraisal review reports

- * Technical review reports
- * Administrative review reports

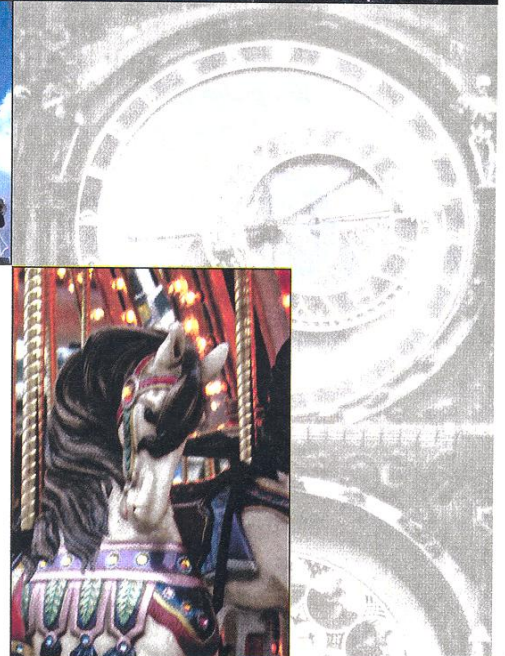
Mass Appraisal Reports

- * Portfolio appraisals

Personal Property (FF&E)

Furniture, fixtures and equipment appraisal reports are available for all types of property including, but not limited to:

- * Alpine ski resorts
- * Hospitals
- * Theme parks
- * Amusement parks
- * Water parks
- * Family entertainment centers
- * Hotels
- * Manufacturing plants
- * Casinos and gambling centers





Services

Consulting reports

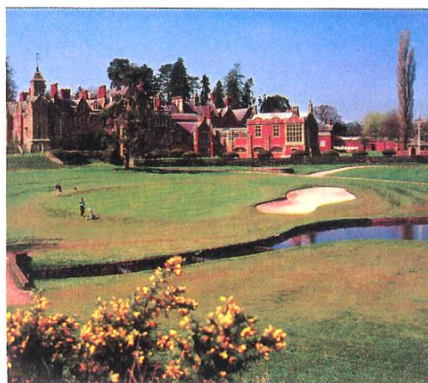
- * Feasibility studies
- * Market studies
- * Marketability studies
- * Cost-benefit studies
- * Pricing and rent projection studies
- * Counseling
- * Expert witness testimony
- * Due diligence



Intangible Property (Business Valuations)

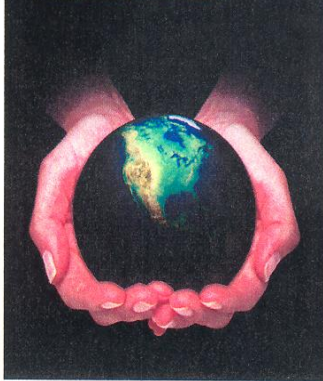
Business valuation depicts the rights and activity inherent in the ownership of an operating entity (individual, public or private) pursuing an economic activity.

- * Business valuations
- * Fairness / Solvency opinions



Complex special purpose properties are our specialty, including but not limited to theme parks, amusement parks, water parks, family entertainment centers, golf courses, resorts, etc.

Global Valuation also specializes in Going-Concern Valuations, which refer to the total property value including real property, personal property and intangible property.



In order to provide state-of-the-art appraisal reports, Global Valuation draws on the talents of the companies, professionals and their extensive knowledge of global markets. With today's global technologies, Global Valuation can accurately analyze any market, anywhere in the world.

Customer needs always come first. They will always be met and will usually exceed expectations.

We have the team, talent and resources to deliver your appraisal on time, and within budget.

Let Global Valuation analyze the market for your next project.

We deliver.



Part Two
Premises of the Appraisal

Type of Appraisal and Report Format
Assumptions and Limiting Conditions
Purpose, Use and Intended Users of the Appraisal
Definitions of Market Value and Terms
Date of Appraisal and Date of Report
Property Rights Appraised
Scope of Work
Sales History of the Subject Property



I TYPE OF APPRAISAL AND REPORT FORMAT

This is a Real Property Appraisal prepared in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP) as promulgated by the Appraisal Standards Board of the Appraisal Foundation. The Appraisal Report is prepared under the “Self-Contained Appraisal Report” option. The Appraisal Foundation is authorized by the United States Congress as the source of appraisal standards and appraiser qualifications. The report complies with all of the standards established in Title XI of the “Financial Institutions Reform Recovery Enforcement Act of 1989 (FIRREA).

II ASSUMPTIONS AND LIMITING CONDITIONS

The value conclusions and the certification within this report are made expressly subject to the following assumptions and limiting conditions.

THIS APPRAISAL REPORT HAS BEEN MADE WITH THE FOLLOWING ASSUMPTIONS:

No responsibility is assumed for the legal description provided or for matters pertaining to legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.

The property is appraised free and clear of any and all liens or encumbrances unless otherwise stated.

Responsible ownership and competent property management are assumed.

The illustrative material in this report is included only to help the reader visualize the property.

It is assumed that the property is in full compliance with all applicable federal, state, and local environmental regulations and laws unless the lack of compliance is stated, described, and considered in the appraisal report.

It is assumed that the property conforms to all applicable zoning and use regulations and restrictions unless non-conformity has been identified, described and considered in the appraisal report.

It is assumed that all required licenses; certificates of occupancy, consents, and other legislative or administrative authority from any government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.

It is assumed that the use of the land and improvements is confined within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.

This valuation is predicated upon the One World Resort and Casino being developed in accordance with the descriptions in this report.

THIS APPRAISAL REPORT HAS BEEN MADE WITH ALL THE FOLLOWING LIMITING CONDITIONS:

Possession of this report, or a copy thereof, does not carry with it the right of publication.

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

Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser (s), or Global Valuation, Inc. shall be disseminated to the public through advertising, public relations, news, sales, or other media without the prior written consent and approval of the appraiser (s) and Global Valuation, Inc.



The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.

Unless otherwise stated in this report, the existence of hazardous materials, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation and other potentially hazardous materials may affect the value of the property. The value estimated is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for such conditions or for any expertise or engineering knowledge required to discover them. The intended user is urged to retain an expert in this field, if desired.

Any allocation of the total value estimated in this report between the land and the improvements applies only under the stated program of utilization. The separate values allocated to the land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.

Any value estimates provided in the report apply to the entire property, and any proration or division of the total into fractional interests will invalidate the value estimate, unless such proration or division of interests has been set forth in the report.

The forecasts, projections or operating estimates contain herein are based on current market conditions, anticipated short-term supply and demand factors, and a continued stable economy. These forecasts are, therefore, subject to changes with future conditions.

This appraisal was prepared by Global Valuation, Inc. and consists of trade secrets and commercial and financial information which are privileged and confidential and exempted from disclosure under 5 U.S.C. 552 (b) (4).

This report remains the property of Global Valuation, Inc. and contains proprietary information; the use of this report is expressly prohibited unless all contractual obligations for payment thereof have been completed.

The reader of this report is encouraged to verify the contents and status by direct contact with

Thomas G. Spears
President & CEO
Global Valuation, Inc.
9106 Champions Way
PGA Village Resort
Port St. Lucie, Florida 34986
Telephone: 772-467-1360
Facsimile: 772-465-4512
Website: www.globalvaluation.com
E-mail: tgs@globalvaluation.com

III PURPOSE, USE AND INTENDED USERS OF THE APPRAISAL

The purpose of an appraisal is the stated reason and scope of an appraisal assignment, which, is established by the client. The scope of this assignment is to estimate the market value of the fee simple interest in the subject property "AS IS" and the prospective aggregate of retail values (ARV) "AS COMPLETED".

The use or function of an appraisal is the manner in which a client employs the information contained in the appraisal report. The function of this appraisal is for an initial public offering (IPO).

The intended user is One World Corporation.



IV DEFINITION OF MARKET VALUE AND TERMS

MARKET VALUE as defined by the Appraisal Standards Board of the Appraisal Foundation, Uniform Standards of Professional Appraisal Practice (USPAP), is the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently and knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised, and each acting in what they consider their own best interest;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

“AS IS” VALUE as defined by the dictionary of Real Estate Appraisal, third edition Appraisal Institute is the value of specific ownership rights to an identified parcel of real estate as of the effective date of the appraisal. Relates to what physically exists and is legally permissible and excludes all assumptions concerning hypothetical market conditions or possible rezoning.

PROSPECTIVE MARKET VALUE refers to a forecast of the value expected at a specified future date. A prospective value estimate is most frequently sought in connection with real estate projects that are proposed, under conversion to a new use, or those that have not achieved sellout or a stabilized level of long-term occupancy at the time the appraisal report is written.

AGGREGATE OF RETAIL VALUE refers to the sum of the appraised values of the individual units in a subdivision, as if all of the units were completed and available for retail sale, as of the date of the appraisal. The sum of the retail sales includes an allowance for lot premiums, if applicable, but excludes all allowances for carrying costs.

MARKET VALUE TERMS are the current purchasing power of the United States Dollar.

V DATE OF APPRAISAL AND REPORT

The effective date of this appraisal and report is

“AS IS”	July 2, 2007
“ARV AS COMPLETED”	July 2, 2012

VI PROPERTY RIGHTS APPRAISED

The valuation of real property includes both the physical real estate and the rights that one or more individuals or legal entities may hold or contemplate holding in the ownership or use of the land and improvements, special attention must be given to limitations or ownership rights, which include easements, encroachments liens, leases, and the disposition of air or subsurface rights. In this case, the property rights appraised are fee simple interest or estate; defined as absolute ownership of real estate that is unencumbered by any other interest or estate and is subject only to the limitations imposed by government agencies.



VII SCOPE OF WORK

The scope of this assignment is to estimate the market value of the fee simple interest in the subject property “AS IS” and the prospective aggregate of retail values (ARV) “AS COMPLETED”.

The scope of the appraisal refers to the extent of the process in which data are collected, confirmed, and reported. Three types of data are gathered for Appraisals: general data, specific data and competitive supply and demand data.

GENERAL DATA consist of information about trends in the social, economic, governmental, and environmental forces that affect property value. Global Valuation, Inc. has gathered all the required general data necessary to estimate the value of the subject property.

SPECIFIC DATA relate to the property being appraised and to the comparable properties. This data includes legal, physical, locational, cost and income and expense information about properties and the details of comparable sales. Financial arrangements that could affect selling prices are also considered. We have collected verified and analyzed all the required specific data necessary to estimate the value of the subject property including specific data for the subject property and all comparable properties utilized in this analysis.

COMPETITIVE SUPPLY AND DEMAND DATA relate to the competitive position of the property in its future market. Supply data include inventories of existing and proposed competitive properties, vacancy rates, and absorption rates. Demand data may consist of population, income employment, and survey data pertaining to potential property users. Global Valuation, Inc. has gathered and verified all the required competitive supply and demand data necessary to estimate the value of the subject property.

One internationally accepted method of data analysis have been developed for this valuation. The Subdivision Development Approach.

THE SUBDIVISION DEVELOPMENT APPROACH is a method of estimating land value when subdivision and development are the highest and best use of the parcel of land being appraised. All direct and indirect costs and entrepreneurial profit are deducted from an estimate of the anticipated gross sales price of the finished units; the resultant net sales proceeds are then discounted to present value at a market derived rate over the development and absorption period to indicate the value of the raw land.

VIII SALES HISTORY OF THE SUBJECT PROPERTY

According to the public records, Parcel ID 21-042-000-010-01-000 identifies a 825-acre parcel of land of which the subject property is the eastern most 413-acres. Note, the transactions identified in the public records are for the whole 825-acre parcel of land.

In 2002 , Mega Productions, Inc owned by Anthony Hurley, leveraged a partner/ownership interest in the property with Alberto Medina Lopez who had inherited the land. In 2004, the contractual ownership of Mega Productions was converted to deeded ownership whereby the property was deeded to Anthony Hurley, Mary Hicklin-Hurley, (50% ownership), and Alberto Medina Lopez (50% ownership), all principals and all joint owners in common. In August 2005, the aforementioned three principals transferred the property into two offshore holding companies (International Investments Holding, LTD and Diversified Investments Holding, LTD), both companies being 50 / 50 joint owners in common. These companies are owned and controlled exclusively by the aforementioned three principals.

In June 2007, Diversified Investments Holding, LTD transferred the interest in the subject property to One World Corporation.





Part Three
Presentation of Data

Identification of the Subject Property
Area Profile

I IDENTIFICATION OF THE SUBJECT PROPERTY

The subject property is briefly described as a 413-acre vacant parcel of oceanfront land located between Kilometer marker 10.3 and 11.3, State Road 187, Municipality of Loiza, Commonwealth of Puerto Rico USA. The property has antique zoning rights that dates back to 1883 and supersedes all current zoning. This has a tremendous positive affect on the market value and marketability of the subject property because the owners are allowed to develop a wide variety of commercial projects including a Resort Hotel and Casino. The property features over one-half mile of Atlantic Ocean frontage and wide white sandy beach. All public utilities (except sewer) are at the property and it has an excellent location just 10 miles east of Metropolitan San Juan. The property is easily accessible via State Road 187 which runs through the property.

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Legal Description

As recorded in the Commonwealth of Puerto Rico.

Parcel of land named Juan Perez at Torrecillas Baja Ward, Municipality of Loiza, Puerto Rico, which compose an area of approximately **FOUR HUNDRED THIRTEEN ACRES**. Bounding at the **North**, by the sea; at the **South**, with Mr. Teodoro Chevremont Hacienda; at the **East**, with Public Land; and **West**, with the western most portion of “Juan Perez Farm.”

Ownership

The property is owned by:
One World Corporation.
Mary E. Hicklin-Hurley, President and CEO

Zoning

The subject property is located in the Pinoñes Special Zoning Planning Area. The special land use plan and zoning classifications for this area have been in effect since June 1995.

According to the zoning maps, the subject property has the following zoning classifications:

- B-2 Mangrove Forest Zone
- CR-1 Conservation of Resources 1 Zone
- CR-A Conservation of Archaeological Zone
- DTS Tourism Selective

According to the Pinoñes Special Planning Area zoning map, the majority of the property is zoned B-2, followed by CR-1 and CR-A. The northeastern most corner of the subject property is zoned DTS, a tourism classification.

It is important to note that the subject property has been private property since 1883; as such the property has antique zoning rights that supersede all current zoning. The antique zoning allows a wide variety of commercial projects including a Destination Resort Hotel and Casino; residences, golf course, spa and beach club.

A copy of the Antique Zoning Rights doctrine is presented in Part 5 as Exhibit-B. A legal opinion and precedence prepared by attorney Wilfredo R. Picorelli Osorio follows.

Wilfredo R. Picorelli Osorio
ATTORNEY AT LAW

June 15, 2007.

Memorandum

Re: Diversified Investments (Holdings) LTD
Antique Uses Right Document

Antique Right Legal Opinion

After reviewing the compilation of the Spanish laws (applicable to Puerto Rico) during the period when Puerto Rico was a possession or province of the Spanish Government (up to 1898) in relation to ownership of lands and use of the lands near the coast line, including the mangrove forest, it is my opinion that those laws are applicable to the Juan Perez Farm at Loíza, Puerto Rico, of which Diversified Investments (Holdings) LTD have a title of a 50% ownership.

The Supreme Court of Puerto Rico in the leading case (pertaining to this matter) of Rupert Armstrong vs. ELA 97 DPR 588 (1969) stated and concluded that those laws (which are annexed) area applicable to the San Patricio Farm (at Guaynabo, Puerto Rico which is the land where today we have a huge commercial complex known as San Patricio Plaza) because, it was acquired by a particular or private person before the Spanish Government enacted the laws regulating the public lands.

It was concluded that those lands, promulgated before the said Spanish laws were enacted, were in private hands (a private person or entity holds title) and were not transferred to the USA Government by virtue of the Paris Treaty (which in 1898 concluded the American-Spanish war) and not then, to the Puerto Rico Government. Then it can be argued that to those lands, the laws relating to the use of coast line are not applicable, due to the fact that they were not public lands when same laws (Spanish or PR) were enacted.

These are very antique rights applicable to the Juan Perez Farm because the Registered Title of this land dates back to the year 1883 as per the entries in the books of the Property Registry.

Cordially,

Wilfredo R. Picorelli Osorio, Esq.



Site Size and Shape

The property is irregular in shape and contains approximately 413-acres.

Utilities

Electricity, municipal drinking water and telephone services are available to the subject property; public sewer service connections less than two (2) miles from the property.

Easements and Restrictions

State Road 187 runs through in an east – west direction, no other easements are indicated on the survey.

Flood Plain Information

The subject property is located in Zone-1 and Zone-2 as defined on the March 4, 1988 Flood Area Map for the Pinones Special Planning Area.

Street Frontage/Accessibility

The property features 3,281 front feet along State Road 187 which runs east – west through the property.

Topography

The property features 3,281 front feet of wide white sandy beaches along the Atlantic Ocean, sand dunes appear to range from 5-30 feet. The property also features marshland, a mangrove swamp area and several named creeks or canals meandering from east to west on the property, most notably Canal de Tierra, Canal del Medio and the Canal Caracoles.

Site Improvements

The subject property features a pedestrian walkway and bicycle path. The pathway parallels the beach and runs the whole length of the property along the sand dunes. The pathway is paved asphalt and throughout the path are covered gazebos with benches.

Several invader (squatters) residences and rustic kiosks are located on the subject property. None of the current improvements indicated above were considered in this appraisal.

It is important to note that State Road 187, a two lane asphalt paved thoroughfare, runs through the property from east to west.

Real Estate Taxes and Assessments

According to the Centro de Recaudacion de Ingresos Municipales (CRIM) tax assessors department in San Juan, Puerto Rico, the subject property has not been assessed for several years and is in the process of being assessed. The subject property is identified as ID: 21-042-000-010-01-000.



Conclusion

The subject property is located on the north shore of Puerto Rico located between Kilometer marker 10.3 and 11.3 on State Road 187 in the Municipality of Loiza, Puerto Rico USA. It is located 10 miles east of Metropolitan San Juan and the San Juan International Airport.

The property features an excellent oceanfront location with outstanding beaches and coves along the 3,281 front feet of coastline on the Atlantic Ocean. The beachfront has natural sand dunes with elevations up to approximately 30 feet which provide dramatic views of the beaches and the Atlantic Ocean.

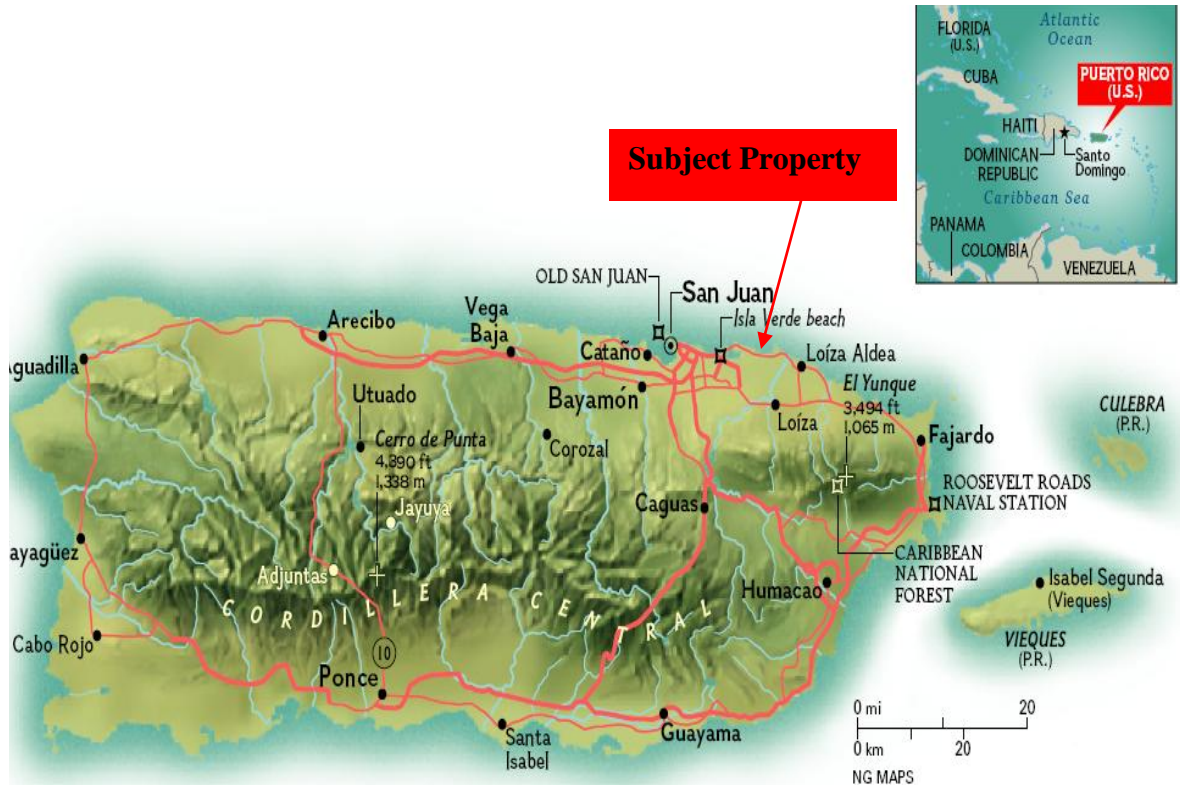
The subject property has antique zoning rights that supersede all current zoning. The property is planned for a five-star hotel, residences, casino, beach club, spa and an 18 – hole championship golf course and club. All the components for a very successful destination resort community.

Location maps; Survey; Land-Use plans and documentation and photographs of the subject property begin on the following pages.

Sand Deposit

IT IS IMPORTANT TO NOTE THAT THERE IS A SUBSTANTIAL SAND DEPOSIT ON THE SUBJECT PROPERTY. THIS HAS A TREMENDOUS POSITIVE IMPACT ON THE VALUE OF THE LAND, HOWEVER, NO CONSIDERATION IS GIVEN TO THE SAND DEPOSIT IN THIS VALUATION AS IT WILL REQUIRE A SEPARATE APPRAISAL AND IS NOT WITHIN THE SCOPE OF THIS ASSIGNMENT.

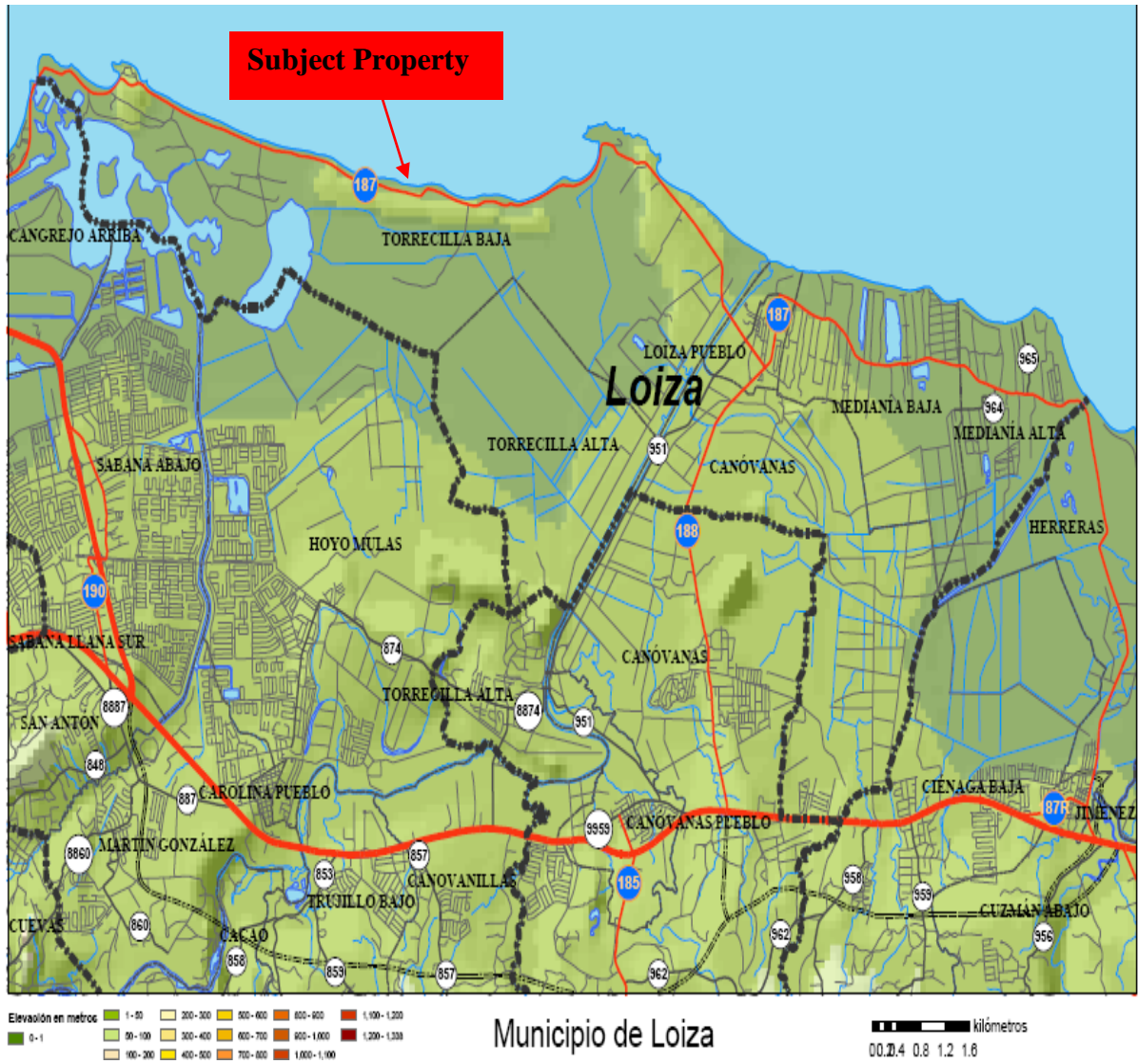
Subject Property Located in Puerto Rico, USA



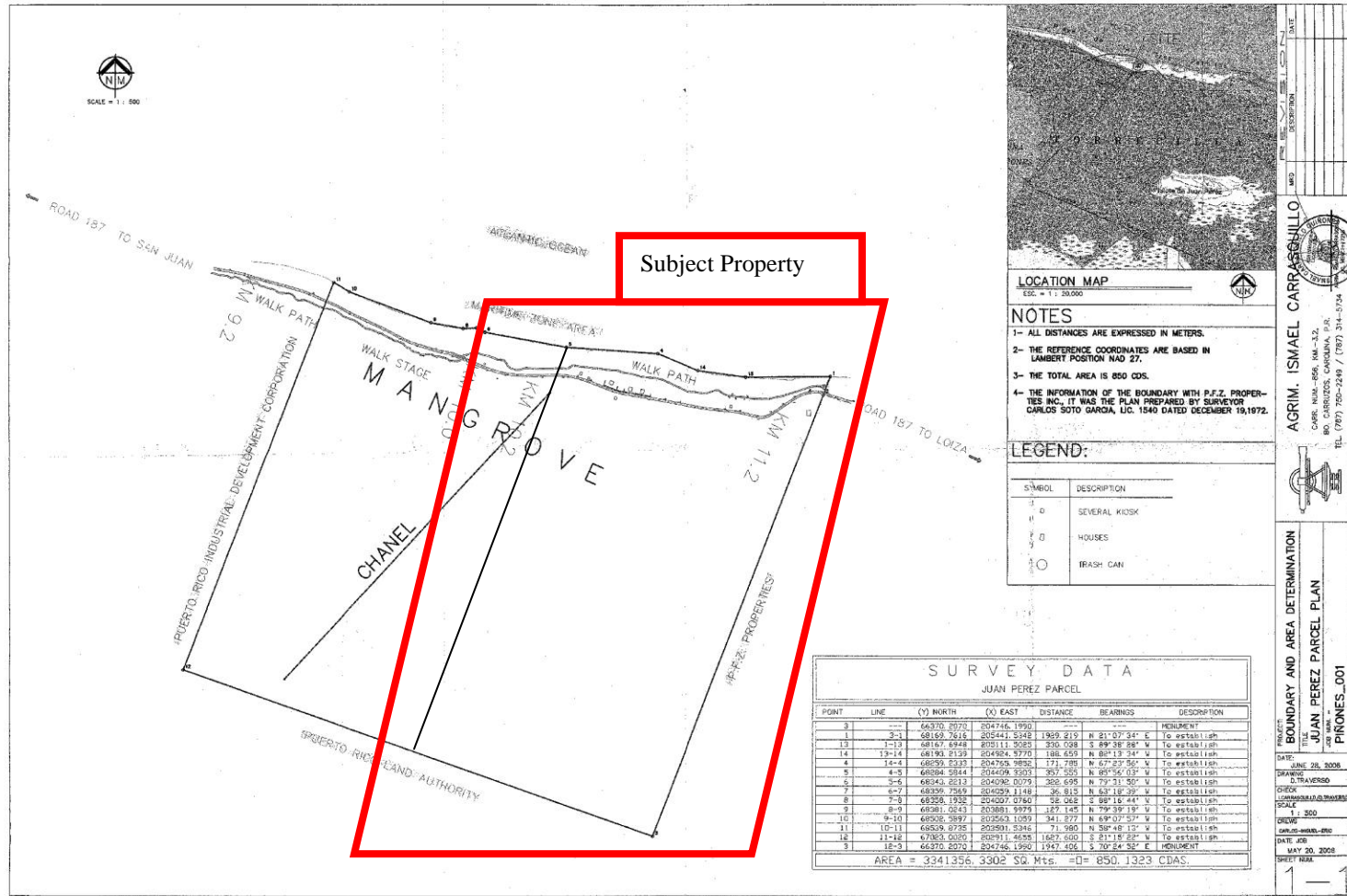
Satellite Photograph of Subject Property



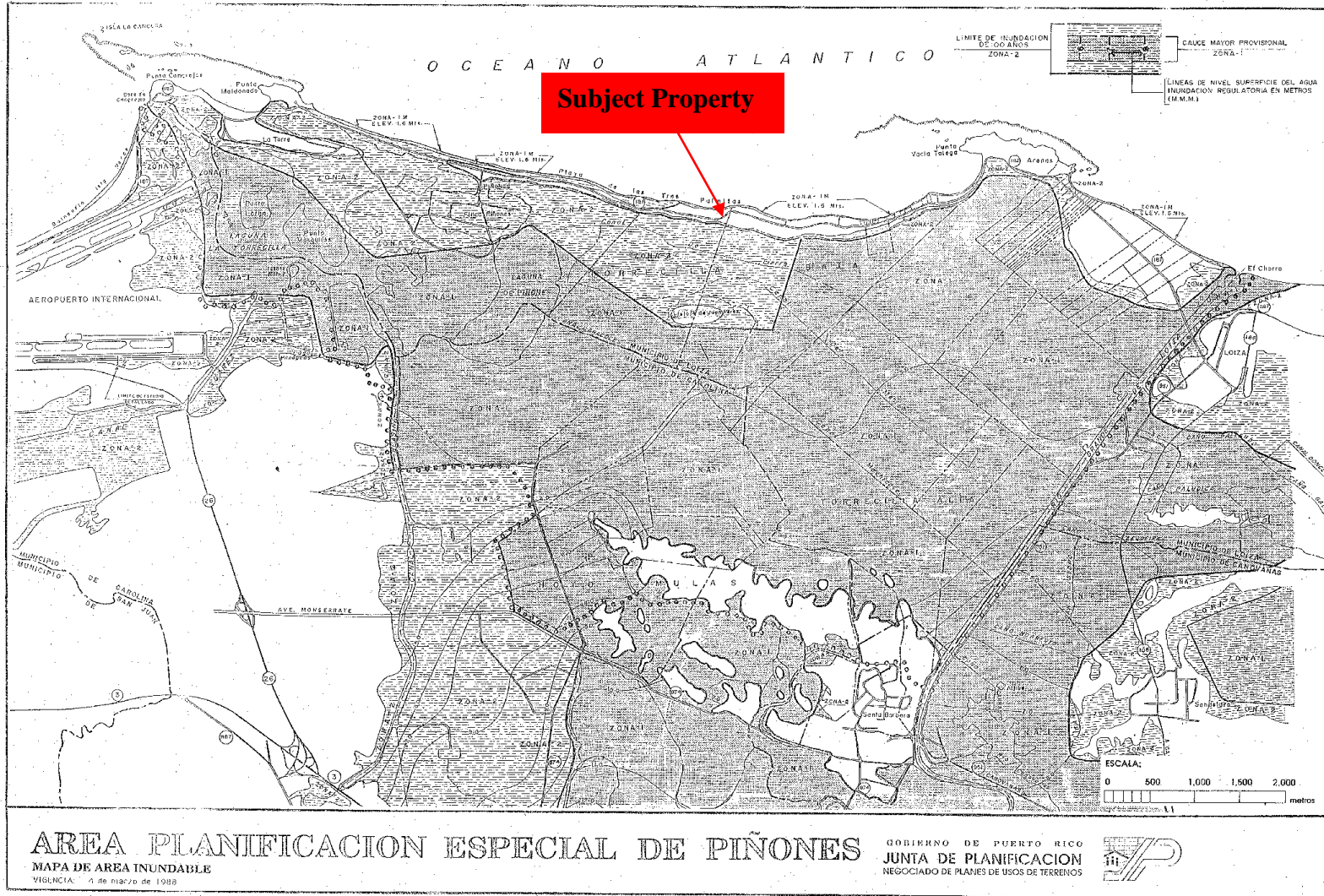
Municipality of Loiza



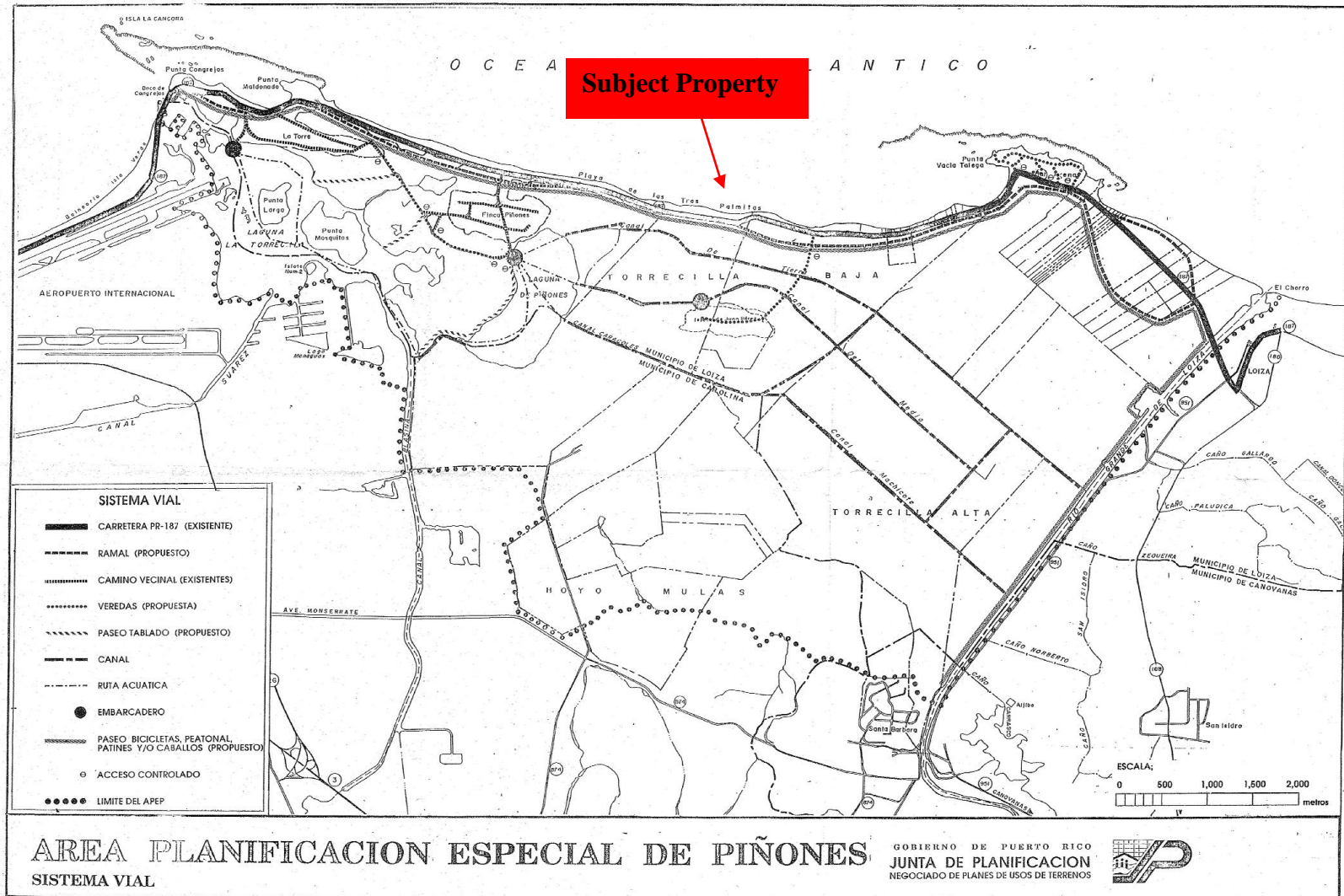
Survey of Subject Property



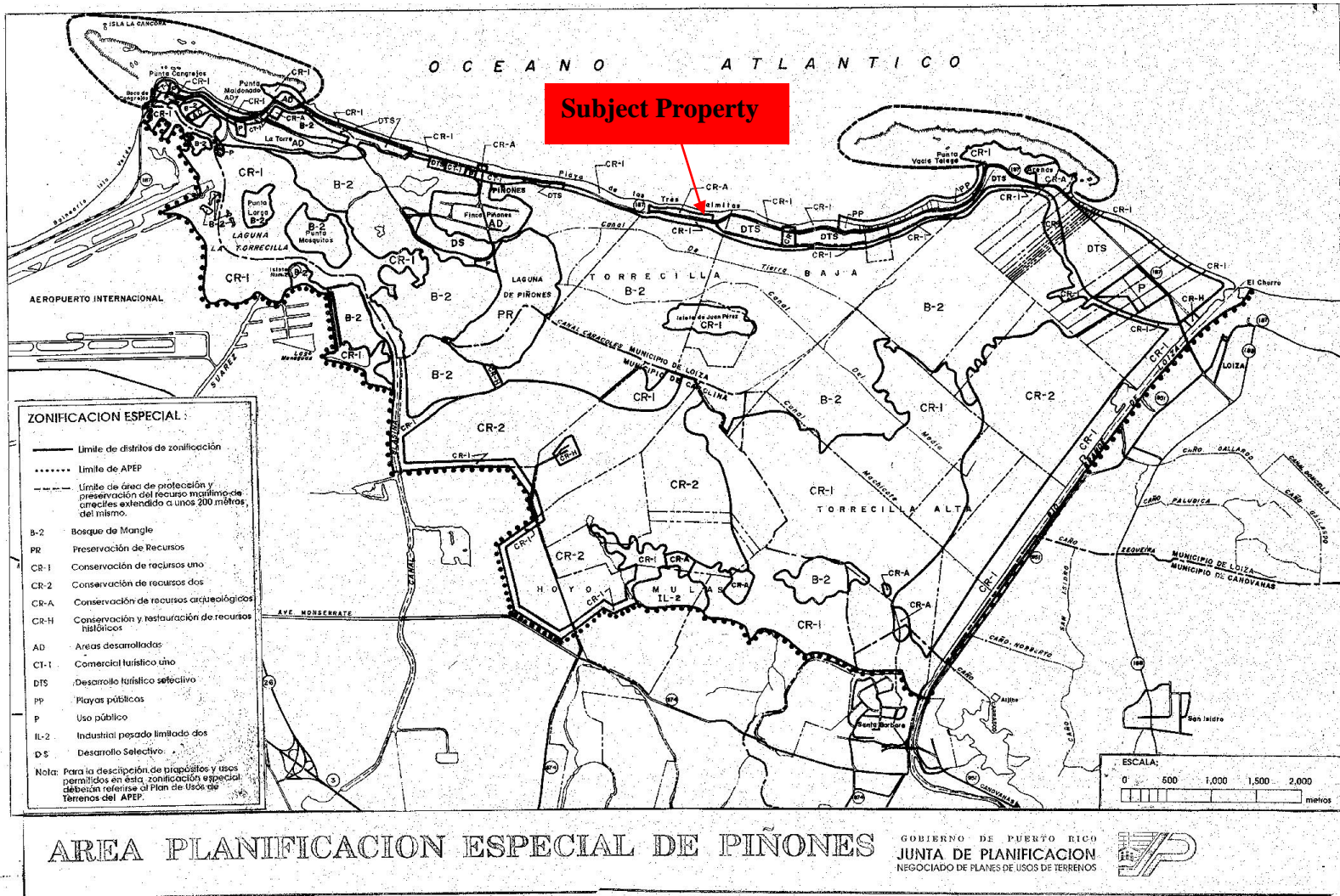
Flood Zone Map of Loiza



Road/Traffic System Map of Loiza



Zoning Map of Loiza



Subject Property Beachfront Views



Beach Sand Dunes and Natural Vegetation



Subject Property on Both Sides of State Road 187 – (Looking East)



Looking West



Subject Property Vegetation South of State Road 187



Bicycle Path and Gazebo



II AREA PROFILE

The subject property is located in the Municipality of Loiza, 10 miles east of the San Juan metropolitan area, on the Island of Puerto Rico, USA in the Caribbean Sub Region of the Americas.

An area profiles of Puerto Rico, the City of San Juan and Municipality of Loiza; summary of the most up to date data on Tourism Market Trends for the Americas and a demographic profile of the Baby Boomer market segment are presented on the following pages.

Caribbean Islands



Puerto Rico



Puerto Rico



Introduction

Background:

Populated for centuries by aboriginal peoples, the island was claimed by the Spanish Crown in 1493 following COLUMBUS' second voyage to the Americas. In 1898, after 400 years of colonial rule that saw the indigenous population nearly exterminated and African slave labor introduced, Puerto Rico was ceded to the US as a result of the Spanish-American War. Puerto Ricans were granted US citizenship in 1917. Popularly-elected governors have served since 1948. In 1952, a constitution was enacted providing for internal self government. In plebiscites held in 1967, 1993, and 1998, voters chose not to alter the existing political status.

Geography

Location:

Caribbean, island between the Caribbean Sea and the North Atlantic Ocean, east of the Dominican Republic

Area:

total: 13,790 sq km

land: 8,870 sq km

water: 4,921 sq km

Coastline:

501 km

Climate:

tropical marine, mild; little seasonal temperature variation

Terrain:

mostly mountains with coastal plain belt in north; mountains precipitous to sea on west coast; sandy beaches along most coastal areas

Elevation extremes:

lowest point: Caribbean Sea 0 m

highest point: Cerro de Punta 1,339 m

Natural resources:

some copper and nickel; potential for onshore and offshore oil

Land use:

arable land: 3.69%

permanent crops: 5.59%

other: 90.72% (2005)

Irrigated land:

400 sq km (2003)

Geography - note:

important location along the Mona Passage - a key shipping lane to the Panama Canal; San Juan is one of the biggest and best natural harbors in the Caribbean; many small rivers and high central mountains ensure land is well watered; south coast relatively dry; fertile coastal plain belt in north

People

Population:

3,944,259 (July 2007 est.)

Population growth rate:

0.393% (2007 est.)

Government

Country name:

conventional long form: Commonwealth of Puerto Rico

conventional short form: Puerto Rico

Dependency status:

unincorporated, organized territory of the US with commonwealth status; policy relations between Puerto Rico and the US conducted under the jurisdiction of the Office of the President

Government type:

commonwealth

Capital:

name: San Juan

geographic coordinates: 18 28 N, 66 07 W

time difference: UTC-4 (1 hour ahead of Washington, DC during Standard Time)

Administrative divisions:

none (territory of the US with commonwealth status); there are no first-order administrative divisions as defined by the US Government, but there are 78 municipalities (municipios, singular - municipio) at the second order; Adjuntas, Aguada, Aguadilla, Aguas Buenas, Aibonito, Anasco, Arecibo, Arroyo, Barceloneta, Barranquitas, Bayamon, Cabo Rojo, Caguas, Camuy, Canovanas, Carolina, Catano, Cayey, Ceiba, Ciales, Cidra, Coamo, Comerio, Corozal, Culebra, Dorado, Fajardo, Florida, Guanica, Guayama, Guayanilla, Guaynabo, Gurabo, Hatillo, Hormigueros, Humacao, Isabela, Jayuya, Juana Diaz, Juncos, Lajas, Lares, Las Marias, Las Piedras, Loiza, Luquillo, Manati, Maricao, Maunabo, Mayaguez, Moca, Morovis, Naguabo, Naranjito, Orocovi, Patillas, Penuelas, Ponce, Quebradillas, Rincon, Rio Grande, Sabana Grande, Salinas, San German, San Juan, San Lorenzo, San Sebastian, Santa Isabel, Toa Alta, Toa Baja, Trujillo Alto, Utuado, Vega Alta, Vega Baja, Vieques, Villalba, Yabucoa, Yauco

Executive branch:

chief of state: President George W. BUSH of the US (since 20 January 2001); Vice President Richard B. CHENEY (since 20 January 2001)

head of government: Governor Anibal ACEVEDO-VILA (since 2 January 2005)

cabinet: Cabinet appointed by the governor with the consent of the legislature

elections: under the US Constitution, residents of unincorporated territories, such as Puerto Rico, do not vote in elections for US president and vice president; governor elected by popular vote for a four-year term (no term limits); election last held 2 November 2004 (next to be held in November 2008)

election results: Anibal ACEVEDO-VILA elected governor; percent of vote - 48.4%

Economy

Economy - overview:

Puerto Rico has one of the most dynamic economies in the Caribbean region. A diverse industrial sector has far surpassed agriculture as the primary locus of economic activity and income. Encouraged by duty-free access to the US and by tax incentives, US firms have invested heavily in Puerto Rico since the 1950s. US minimum wage laws apply. Sugar production has lost out to dairy production and other livestock products as the main source of income in the agricultural sector. Tourism has traditionally been an important source of income, with estimated arrivals of nearly 5 million tourists in 2004. Growth fell off in 2001-03, largely due to the slowdown in the US economy, recovered in 2004-05, but declined again in 2006.

GDP (purchasing power parity):

\$75.82 billion (2006 est.)

GDP - per capita (PPP):

\$19,300 (2006 est.)

GDP - composition by sector:

agriculture: 1%

industry: 45%

services: 54% (2002 est.)

Labor force:

1.3 million (2000)

Labor force - by occupation:

agriculture: 3%

industry: 20%

services: 77% (2000 est.)

Unemployment rate:

12% (2002)

Inflation rate (consumer prices):

6.5% (2003 est.)

Budget:

revenues: \$6.7 billion

expenditures: \$9.6 billion; including capital expenditures of \$NA (FY99/00)

Agriculture - products:

sugarcane, coffee, pineapples, plantains, bananas; livestock products, chickens

Industries:

pharmaceuticals, electronics, apparel, food products, tourism

Transportation

Airports:

30 (2006)

Airports - with paved runways:

total: 17

over 3,047 m: 3

1,524 to 2,437 m: 2

914 to 1,523 m: 7

under 914 m: 5 (2006)

Airports - with unpaved runways:

total: 13

1,524 to 2,437 m: 1

914 to 1,523 m: 2

under 914 m: 10 (2006)

Railways:

total: 96 km

narrow gauge: 96 km 1.000-m gauge (2005)

Roadways:

total: 25,735 km

paved: 24,353 km (includes 427 km of expressways)

unpaved: 1,382 km (2005)

Merchant marine:

total: 3 ships (1000 GRT or over) 77,177 GRT/50,138 DWT

by type: roll on/roll off 3

foreign-owned: 3 (US 3)

registered in other countries: 1 (Saint Vincent and the Grenadines 1) (2006)

Ports and terminals:

Las Mareas, Mayaguez, San Juan

The island of Puerto Rico is almost rectangular in shape, and is the smallest and the most eastern island of the Greater Antilles. Its coasts measures approximately 580 km, and if the adjacent islands Vieques and Culebra are included the coast measures approximately 700 km. To the north and south seas capes measure 8.525 m for the Grave of Puerto Rico and 5.000 m for the Grave of Tanner. In addition to the principal island, the Commonwealth includes: Vieques, Culebra, Culebrita, Palomino (known by some by the Spanish Virgin Islands), Mona, Monito and various others isolated islands. Deep oceans waters fringe Puerto Rico. The Mona Passage, which separates the island from Hispaniola to the west, is about 75 miles (120 km) wide and more that 3,300 feet (1,000 meters) deep.

Off the northern coast is the 28,000 feet (8,500 meters) deep Puerto Rico Trench, and to the south the sea bottom descends to the 16,400 feet (5,000 meters) deep Venezuelan Basin of the Caribbean.

Ecology

The territory is very mountainous (cover 60%), except in the regional coasts, but Puerto Rico offers astonishing variety: rain forest, deserts, beaches, caves, oceans and rivers. Puerto Rico has three main physiographic regions: the mountainous interior, the coastal lowlands, and the karst area.

The mountainous interior is formed by a central mountain chain commonly known as the **Cordillera Central**, extending across the interior of the island, from Mayagüez to Aibonito, which transects the island from east to west. These mountain ranges are *La Cordillera Central*, *La Sierra de Cayey*, *La Sierra de Luquillo*, and *La Sierra Bermeja*.

The largest mountains are Cerro La Punta (1,338 m) in Jayuya; Rosas (1,267 m) found between Jayuya and Ciales, Guilarte (1,205 m) in Adjuntas, Tres Picachos (1,204 m) in Jayuya, and Maravilla (1,182m) in Ponce. Toward to the northeast is Sierra de Luquillo, whose highest peaks are: Toro Hill (1,074 m) found between Río Grande, Naguabo and Las Piedras, and El Yunque Peak (1,065 m) found in Río Grande. Another mountain chain is the Sierra de Luquillo in the northeast.

The second main physiographic feature is the coastal lowlands, which extend 13 to 19 km (8 to 12 mi) inward in the north and 3 to 13 km (2 to 8 mi) in the south. A series of smaller valleys lie perpendicular near the west and east coast. This area was originally formed by the erosion of the interior mountains.

The third important physiographic feature is the karst region in the north. This area consists of formations of rugged volcanic rock dissolved by water throughout the geological ages. This limestone region is an extremely attractive zone of extensive mogotes or haystack hills, sinkholes, caves, limestone cliffs, and other karst features. The karst belt extends from Aguadilla, in the west, to a minor haystack hills formation in Loíza, just east of San Juan.

El Yunque Peak is the Caribbean National Forest. These 28,000 acres are all that remain of the rain forest that once covered much of the island (indeed, much of the entire northern Caribbean). More than 100 billion gallons of rain fall here each year, creating a lush forest with plants of incredible proportions and variety. A hike or horseback ride take you past 240 species of trees, some thousands of years old, 50 species of ferns, 20 varieties of wild orchids and riotous multitude of flowers. Living in the forest (all over the island in fact but quite far to spot) is the tiny coquí frog. The name is derived from his cricket like ko-kee chirp, this tiny creature (a quarter to one inch in size) is considered to be the national mascot. Other forest areas are: Guajataca in the Northwest; Río Abajo, between Arecibo and Utuado; Aguirre in the South; Piñones, east of San Juan; Guánica, west of Ponce; Maricao, Guilarte, Toro Negro and Carite (Guavate), all on the transinsular Panoramic Route. The largest number of bird species can be found at Guánica Forest, which is home to 700 plant species of which 48 are endangered and 16 exist nowhere else. Guánica's dry forest vegetation is unique and the Forest has been declared an International Biosphere Reserve by UNESCO.

Puerto Rico also has some of the most important caves in the west hemisphere. The Río Camuy runs underground for part of its course, forming the third largest subterranean river in the world. There are fine examples of stalactites, stalagmites and, of course, plenty of bats. Located near to Lares, on Route 129, Km 9.8, guided tours available. Close by you can find the Cueva del Infierno, on which 2,000 caves have been discovered; in them live 13 species of bat, the coquí, crickets, an arachnid called the "guavá", and other species.

Another unique environment can be found on Mona Island, 50 miles off the west coast of Puerto Rico. Like the Galapagos Islands, this untouched island has species which are not found elsewhere. Mona is a protected island, under the management of the United States National Park Service and the Puerto Rican Natural Resources Department. Accessible by a sometimes difficult, long boat ride, the island is available for sport diving to those who make special arrangements and are willing to rough it out.

Terrain

Different classification schemes exist for the soils of Puerto Rico. One physiographic approach, based on a scientific classification by the U.S. Soil Conservation Service, can be summarized into five general soil types: humid coastal plains, semiarid coastal plains, humid uplands, semiarid uplands, and humid upland valleys. Another classification by soil scientists at the University of Puerto Rico groups the island's soils into coastal lowlands, alluvium, coastal plains, alluvium in terraces, upland dark, and upland reddish-purple. Traditionally, tropical soils have been looked upon as infertile and unproductive and of poor agricultural value. However, tropical countries provide such high biomass products as sugar cane, bananas, coffee, and tobacco.

Rivers and Lakes

Puerto Rico, due to its relatively short width and its east-west running mountain chain, does not have long rivers or large lakes. The longest river is the Grande de Arecibo, which flows to the northern coast. Other rivers include La Plata, Cibuco, Loíza, and, Bayamón all draining to the north, and the Grande de Añasco, draining to the west. There are other perennial rivers, mostly draining to the north and west. Many of the rivers draining south run dry most of the year; nonetheless, with heavy rainfall, they can cause flooding.

Puerto Rico does not have natural lakes, although it has 15 reservoirs, commonly called lakes, formed by damming the main rivers to produce hydroelectric power and water for irrigation. Hydroelectricity accounts for less than 1% of the electricity generated, as most electric power uses petroleum as the energy source. The island has such natural lagoons as the Condado and San Jose in San Juan, Piñones and Torrecillas in Carolina, Joyuda in Cabo Rojo, and Laguna Tortuguero in Manatí-Vega Baja.

Flora and Fauna

Several thousand varieties of tropical plants grow in Puerto Rico, including the kapok tree ("Ceiba") with its thick trunk, the poinciana (a prickly tropical shrub with brilliant reddish blossoms), the breadfruit, and the coconut palm. A tropical rain forest in the northeastern section of the island has tree ferns, orchids, and mahogany trees; part of this tropical area is included in the Caribbean National Forest. In the dry southwestern corner of Puerto Rico are cactus and bunch grass. Puerto Rico has no large wild mammals. The mongoose was brought in to control rats on sugar cane plantations. Iguanas and many small lizards abound, and bats are present. The island has few animals native to the island, found almost nowhere else in the world, the coquí (mentioned above) and the Puerto Rican Parrot (*Amazona vittata*) ("cotorra puertorriqueña") lives only in a few hidden areas of the Caribbean National Forest. The Puerto Rican Parrot is bright green, about a foot in length, with red forehead, blue primary wing feathers, and flesh-colored bill and feet. Barracuda, kingfish, mullet, Spanish mackerel, tuna, lobster, and oysters are among the many fish inhabiting coastal waters.

Highest Point: Cerro Punta, 1,338 m (4,389 ft)

Lowest Point: Sea level, Caribbean Sea 0 m

Hydrography

Of the 1,200 bodies of water Puerto Rico only classifies 50 of them rivers. Numerous rivers flow down from the mountains to distinct coastal plains. The Central Range divides the north (Atlantic) and south (Caribbean) watersheds. The northern rivers are long, rich and tranquil waters in comparison to the southern rivers, and the coast is wet and green. The major rivers are: Grande de Loíza (65 km), Bayamón (40 km), La Plata (80 km), and Grande de Arecibo (55 km). To the west and the east are the rivers basins which form the water systems and these rivers are: Culebrinas (45 km), Grande de Añasco (65 km), and Guanajibo (36 km). Subterranean streams are abundant, especially toward the northwest. Between the most important thermal fountain is "Los Baños de Coamo" found in Coamo. In the southwest, mangroves have created a unique canal system. Puerto Rican rivers are not navigable by large vessels, but they provide electrical power and irrigation.

Climate

The climate is Tropical Marine with regular temperature of 80°F (26°C). Puerto Rico enjoys warm and sunny days most of the year. Lightweight clothing is appropriate year-round. The winds, which blow from the East, moderate temperatures and rainfall. In the interior, the temperature fluctuates between 73°F and 78°F (22°C and 25°C).

Rainfall tends to be evenly distributed throughout the year, but doubles during the months from May to October, which, unfortunately, coincides with hurricane season, as falls from November to April, with a driest

period from January to April. The north coast gets twice as much rain as the south coast. Annual precipitation in the north is 1,550mm (61.02 inches); in the south is 910mm (36 inches), in coastal regions 101-381 cm (40-150 inches) and in the mountains 508 cm (200 inches).

Puerto Rico is exposed to the cyclones of the Caribbean, although less than Jamaica, Cuba, and the Lesser Antilles. Hurricanes frequently occur between August and October, although the U.S. National Weather Service considers the hurricane season for the North Atlantic Basin to run from June 1 to November 30. The North Atlantic Basin includes the Atlantic Ocean, the Caribbean Sea, and the Gulf of Mexico. Hurricane seasons during 1995-2004 have averaged 13.6 tropical storms (34-63 knots), 7.8 hurricanes (>63 knots) and 3.8 major hurricanes (>95 knots).

Dozens of hurricanes have been recorded in the island's history, but probably the most destructive was San Ciriaco, which struck on August 8, 1899.

The relative humidity is high, about 80% throughout the year.

San Juan, Capital City

San Juan is known as "La Ciudad Amurallada" (the walled city). San Juan was founded in 1521. In 1508 Juan Ponce de León founded the original settlement, Caparra, now known as Pueblo Viejo, behind the almost land-locked harbor just to the west of the present metropolitan area. A year later, the settlement was abandoned and moved to the site of what is now called Old San Juan. San Juan is one of the biggest and best natural harbors in the Caribbean and is the second oldest city in the Americas.



Land Area:

122 sq km (47.5 sq mi)

Water Area:

29.11 sq mi

Population:

442,447

Density:

3,517.1 per sq km (9,144.7 per sq mi)

Housing Units:

182,101

Housing Density:

3,808.4

Per Capita Income:

\$12,437

Source: 2000 Census

Coordinates:

Latitude 18°29'00" N Longitude 66°08'00" W

Wards:

Caimito, Cupey, Hato Rey, Monacillos, Old San Juan, Puerto Nuevo, Quebrada Arenas, Río Piedras, Santurce, Sabana Llana and Tortugo.

San Juan is located in the Northern Coastal Plains region in the karst zone, north of Aguas Buenas and Caguas; east of Bayamón; and west of Carolina and Trujillo Alto.

San Juan is a major port and tourist resort of the West Indies and is the oldest city under the U.S flag. The metropolitan area known as San Juan has 3 distinct areas: Old San Juan, the Beach & Resort area, and other outlying communities, the most important: Río Piedras, Hato Rey, Puerta de Tierra, and Santurce. Río Piedras was founded in 1714 but became incorporated into San Juan in 1951.

During the early 16th century, San Juan was the point of departure of Spanish expeditions to charter or settle unknown parts of the New World. Its fortifications repulsed the English navigator Sir Francis Drake in 1595, as well as later attacks.

In the 20th century the city expanded beyond its walled confines, known as Old San Juan, to incorporate suburban Miramar, Santurce, Condado, Hato Rey and Río Piedras.

San Juan is the largest processing center of the island, the metropolitan area has facilities for petroleum and sugar refining, brewing and distilling and produces cement, pharmaceuticals, metal products clothing, and tobacco. The port is one of the busiest in the Caribbean. San Juan is the country's financial capital, and many U.S. banks and corporations maintain offices or distributing centers there. San Juan is center of Caribbean shipping and is the 2nd largest sea port in the area (after New York City).

Points of Interest

Old San Juan

This is a 465-year-old neighborhood originally conceived as a military stronghold. Its 7-square-block area has evolved into a charming residential and commercial district. The streets here are paved with cobbles of adoquine, a blue stone cast from furnace slag; they were brought over a ballast on Spanish ships and time and moisture have lent them their characteristic color. The city includes more than 400 carefully restored 16th- and 17th-century Spanish colonial buildings. The Old San Juan attracts many tourists, who also enjoy the gambling casinos, fine beaches, and tropical climate. More tourists visit San Juan each year than any other spot in the Caribbean. A leisurely foot tour is advisable for those who really want to experience this bit of the Old World, especially given the narrow, steep streets and frequently heavy traffic. To really do justice to these wonderful old sites, you'll need two mornings or a full day.

Old San Juan has several plazas: Plaza de San José is a favorite meeting place for young and old alike. At its center stands the bronze statue of Ponce de León, made from a British cannons captured in during Sir Ralph Abercromby's attack 1797. The plaza is skirted by a number of historic buildings.

Abutting Plaza San José is the Plaza del Quinto Centenario (Quincentennial Square), opened in October 12, 1992. This plaza is the cornerstone of Puerto Rico's commemoration of the 500th anniversary of Columbus' discovery of the New World, has a sculpture which rises 12 meters (40 feet). The monumental totemic sculpture in black granite and ceramics symbolizes the earthen and clay roots of American history and is the work of Jaime Suarez, one of Puerto Rico's foremost artists.

Plaza de Armas (arms square) is Old San Juan's main square, on San José Street. Features four statues representing the four seasons; all are over 100 years old. It was carefully planned as the main city square and has served as a social meeting place for generations.

Plaza de Colón (Columbus square) was originally called St. James Square was renamed in 1893 to honor Christopher Columbus on the 400th anniversary of his discovery of Puerto Rico; bronze tablets at the pedestal of the Columbus statue record important episodes in the explorer's life.

Plazuela de la Rogativa (plaza of the procession) was built in 1971, features a modern sculpture depicting a procession of religious women commemorates an event that took place on the site in 1797. During the spring of

that year, a fleet of British ships led by under Sir Ralph Amhercrombie sailed into San Juan Bay, meaning to launch an assault on the city and take control of the colony. When the attack was foiled, they undertook a naval blockade of San Juan, hoping to starve the residents into submission. As the towns people began to despair of any help from soldiers garrisoned in the inland towns, the governor ordered a rogativa, or divine entreaty, to ask the saints for assistance. The women of the town formed a procession through the streets, carrying torches and ringing bells. The British, hearing the commotion and seeing the moving lights, decided that reinforcements had arrived and quickly sailed off.

The Plaza de Hostos is located near La Casita, features artisan displays, snack stands, and traditional piragüeros, who sell shaved ice topped with tropical fruit syrup.

Parks

The Parque de las Palomas (pigeon park) is located at the top of the city wall, this park overlooks the restored La Princesa Jail, now a government office with an attractive art gallery. The park is the perfect spot from which to enjoy a magnificent view of the harbor, city and mountains.

The Muñoz Rivera Park is an spacious ocean side park with large trees, landscape gardens and wide walks, located on Jesús T. Piñero Avenue. Open Tues-Sun 9:00am - 5:00pm.

Other parks include: Martí Coll Linera Park, and Central Park (with facilities for jogging, baseball, calisthenics and tennis).

Forts

El Morro, the word itself sounds powerful and this six-level fortress certainly is. Begun in 1540 and completed in 1589. San Felipe del Morro was named in honor of King Phillip II. Most of the walls in the fort today were added later, in a period of tremendous construction from the 1760's-1780's. Rising 140 feet above the sea, its 18-foot-thick wall proved a formidable defense. It fell only once, in 1598, to a land assault by the Earl of Cumberland's forces. The fort is a maze of tunnels, dungeons, barracks, outposts and ramps. El Morro is studded with small, circular sentry boxes called "garitas" that have become a national symbol. The views of San Juan Bay from El Morro are spectacular. The area was designated a National Historic Site in February, 1949 with 74 total acres. It has the distinction of being the largest fortification in the Caribbean. In 1992, the fortress was restored to its historical form in honor of the 500th anniversary of the discovery of Puerto Rico by Christopher Columbus. El Morro Fortress is a National Historic Site administered by the National Park Service. The fort is open to the public daily from 9am to 5pm; (787) 729-6960.

Castillo de San Cristóbal (San Cristóbal Fort) is El Morro's partner in the city's defense. Built in 1634 (completed in 1771), was considered the Gibraltar of the West Indies. San Cristóbal was supported by a massive system of outworks which provided defense in depth and is one of the largest defenses ever built in the Americas. It rose 150 feet, covering 27 acres of land. As if its size and height weren't sufficient to intimidate enemies, its intricate modular design was sure to foil them. A strategic masterpiece, it features five independent units, each connected by moat and tunnel; each fully self-sufficient should the others fall. It's a World Heritage and National Historic Site, administered by the U.S. National Park Service. Open daily from 9am to 6pm; (787) 729-6960.

The Fuerte San Gerónimo (San Gerónimo Fort) was built on the opposite end of San Juan to strengthen the city's defenses. The fort is located behind the Caribe Hilton Hotel, with small military museum in Puerta de Tierra.

The Santa Elena Battery building with a long chimney-topped bunker was the formal army storage area.

Buildings and Other Areas of Interest

La Fortaleza (also known as the Palacio de Santa Catalina began construction in 1533 and finalized the 25 of May of 1540, as a fortress. It was authorized to be built by Charles V as a defense against Carib Indian attacks. The building was the first of a series of military facilities constructed in the Bay of San Juan, but soon later



proved inadequate to guard the entrance to the harbor, and became the official Governor's Residence. The oldest governor's mansion still used as such in Western Hemisphere and part of the old city's World Heritage Site. It has been occupied twice by invaders; by the Earl of Cumberland in 1598 and by the Dutch General Bowdoin Hendrick in 1625 when the building was damaged by fire. A major reconstruction was undertaken in 1640. In 1846, the building was remodeled and given a palatial aspect, uniting harmoniously 16th century military architecture with the refinements of the 19th century. It has been the home of 170 governors of Puerto Rico and is the official residence of the current governor. Although the original structure (Palatial Building surrounded by gardens) was very primitive, La Fortaleza has undergone numerous changes over its 300 years of history. Free tours are available daily. Open Mon-Fri 9:00am-4:00pm; guided tours in English on the hour, in Spanish every 30 minutes, (787) 721-7000 ext. 2358. Tours last about 40 minutes. Access to the official areas is not permitted.

The Alcaldia (San Juan's City Hall), started construction in 1602, completed in 1789. In the 1840's the building was heavily remodeled providing its present day facade intended by its builders to be an exact replica of Madrid's. The building has a tourism information center and a small gallery for periodic exhibitions. Free admissions. Open Mon-Fri 8am - 4pm, except holidays; (787) 724-7171 ext. 2391.

El Capitolio (Capitol Building of Puerto Rico) hold the offices of senators on one wing and those of representatives on the other, with galleries, friezes, mosaics and an impressive rotunda in which Puerto Rico's constitution is exhibited. Construction began in 1919 and the building was inaugurated on February 11, 1929. Guided tours by appointment only, Mon-Fri 9am-5pm, (787) 724-2030 ext. 2472, 2518.

The Catedral de San Juan (San Juan Cathedral) was built in the 1520's, the original church on these grounds had wooden walls and a thatched roof. It was destroyed by hurricane in 1526 (October 4th), rebuilt in 1540, looted in 1598, and damaged by another hurricane in 1615. The Cathedral as seen today is the result of work done in 1917, when major restorations were performed. This Cathedral is an authentic and rare New World example of medieval architecture. The cathedral contains the marble tomb of the island's first governor Juan Ponce de León and the relic of San Pio, a Roman martyr. San Juan Cathedral still holds religious services on a regular schedule. It is also open for tours daily from 8:30am to 4pm.

The Iglesia de San José (San José Church) began construction in 1523. Juan Ponce de León gave the land where the Church now stands. Originally called the Church and Monastery of Saint Thomas Aquinas, it was built by Dominican friars to serve as the monastery's church, it is the second oldest in the Western Hemisphere. The section erected in 1532, the Main Chapel or Sanctuary, is an excellent example of 16th century Spanish Gothic architecture. Ponce de León, was buried here for 300 years until his body was moved to the San Juan Cathedral in 1913. This was the family church of Ponce de León's descendants. Puerto Rican painter José Campeche, who contributed a great deal to the beautiful churches of his island, is buried here. Open Mon-Sat 8:30am - 4pm, Sun mass at 12:00pm; (787) 725-7501.

The Capilla del Cristo (Cristo Chapel) was built in the 16th century (1753). The stories surrounding the history of this small chapel conflict wildly except on one point: someone on horseback took a terrible spill off the cliffs at the end of Calle Cristo. Whether he lived, and the chapel was built to commemorate the miracle, or whether he died, and the chapel was to block off the street and prevent such an accident from happening again, is the part of the story that is in dispute. The beautiful Campeche paintings and altar inside can be seen through the church's glass doors. Open Tues. 10am - 4pm.

The Casino of Puerto Rico was built just before World War I. The exterior - in the style of French mansions of the Louis XVI era, a copper copula, a large ballroom with elaborate plaster-work and a 12-foot chandelier distinguish this building.

The Teatro Tapia (Tapia Theater) was built in 1832 (financed by subscriptions and by taxes on bread and imported liquor) and remodeled in 1949 and 1987 is one of the oldest theaters in the Western Hemisphere, was named for Alejandro Tapia y Rivera, the famous Puerto Rican playwright. Still hosts a variety of entertainment in the fine arts, plays, ballets and concerts. (787) 721-0169 or (787) 721-0180.

Centro de Bellas Artes (Fine Arts Center) opened its doors in 1981. The modern facilities offer concerts, plays, and opera. It is the largest fine arts center in the Caribbean. Located on Ponce de León Avenue, Santurce. Ticket

windows are open daily from 10am to 6pm. and remain open until 8:00 p.m. on performance nights. (787) 725-7353, (787) 725-7354 or (787) 725-7358.

The Escuela de Artes Plásticas (School of Fine Arts) was built by the Spanish colonial government in the 1800s. Previously the facilities served as an asylum for mental patients.

La Intendencia, formerly the Spanish colonial exchequer, a fine example of 19th century Puerto Rican architecture, now houses Puerto Rico's State Department. Open Mon-Fri 8am - 12pm, 1pm - 4:30pm, (787) 722-2121.

Museums

The San Juan Museum of Art and History was built in 1855 as a market and restored in 1979 as a cultural center, showcases Puerto Rico art and music, including concerts and festivals. Open Tuesday-Sunday, 10am - 4pm, (787) 724-1875.

The Pablo Casals Museum is the Spanish master's legacy to the people of Puerto Rico. The museum collection includes manuscripts, memorabilia, photographs and a library of videotapes of Festival Casals concerts. Casals moved to Puerto Rico with his wife in the 1950s. He became the conductor of the Puerto Rico Symphony Orchestra and the president of the Conservatory of Music in Puerto Rico. The museum is open Tuesdays through Saturdays, 9:30am to 5:30pm. Admissions US\$1 adults, US\$0.50 children, (787) 723-9185.

Casa de los Dos Zaguanes (House of the Two Foyers) is home of the Museo del Indio (Museum of the Indian) and features exhibits on the indigenous peoples of the Caribbean region, with exhibits, ceramics and archaeological digs. Located on San José Street, Old San Juan. Open Tues-Sat 9am - 4pm, admission free, (787) 724-5477 or (787) 722-1709.

The Asilo de Beneficencia (Home for the Poor) was built 1840s for the indigent people. Today houses the Instituto de Cultura Puertorriqueña (Institute of Puerto Rican Culture) offering exhibits galleries every day, features an impressive collection of artifacts from pre-European Puerto Rico, including pottery, stone tools and relics, and a recreation of a Taíno village. Open Wed-Sun: 9am - 4:30pm; (787) 724-5949 or (787) 724-5477.

The Convento de los Dominicos (Dominican Convent) was built by Dominican friars in 1523, this building has served alternately as a convent, as a shelter against Carib Indian raids, and as the Caribbean headquarters of the U.S. Army. The convent contains a small chapel museum. Open Wed-Sun, 9am - 12pm, 1pm - 4:30pm; cultural events are sometimes held in the patio, art exhibitions in the galleries, (787) 721-6866.

The Casa Blanca (White House) was built in 1521 and lived in by Ponce de León descendants for over 250 years. In 1779 it was taken over by the Spanish military, then used later by the United States as a residence for military commanders (1898-1966). Today the mansion serves as National Historic Monument, housing a museum of 16th, 17th and 18th century history. Each room is decorated in a style associated with a period of the house's history. Casa Blanca is the oldest continuously occupied residence in the Western Hemisphere. Located on San Sebastián Street, Old San Juan, houses a ethnographic museum and Taino (native Indian) artifacts. Open to the public Tuesday through Sunday, 9am to noon, 1pm to 4:30pm. Guided tours Tuesday-Friday by appointment; admission US\$2 adults, US\$1 children; (787) 724-4102.

The Casa Rosada (Pink House) was built in 1812 for the Spanish army. Today houses a government tourism office where you can pick up brochures, maps and a complimentary welcome cocktail made with Puerto Rican rum.

La Casita (Little House) is home of the Puerto Rico Tourism Co. Information Center. Open Mon-Wed from 8:30am to 8pm; Thu-Fri until 5:30pm; and Sat-Sun, 9am to 8pm. (787) 722-1709.

The Casa de Ramón Power y Girault is the headquarters for the Conservation Trust of Puerto Rico, it also serves as a conservation resource center, in which critical environmental issues can be explored through an interactive multimedia exhibition entitled OJO-ISLA. Located at 155 Tetuán Street. Open Tuesday through Saturday, from 10am to 4:00pm, (787) 722-5834.



The Ruinas de Caparra (Caparra Ruins) are those of an ancient fort where Ponce de León founded the first settlement on the island in 1508. The Museum of the Conquest and Colonization of Puerto Rico at the ruins offers historical documents, exhibits and artifacts. Open daily 9am - 4pm, (787) 781-4795.

The Cuartel de Ballajá (Ballajá Barracks or Ballajá Quarters) housed Spanish soldiers and their families in the late 1800s, the building could accommodate up to 1,000 people. The construction began in 1854, the main building was completed in 1863 and the chapel was added in 1881. Originally conceived as a solution to the lodging needs of military personnel stationed in San Juan. The Cuartel de Ballajá is a three-story square building with large gates on two ends, ample balconies, designed with a series of arches and a protected central courtyard that served as a plaza and covers a reservoir. The Cuartel de Ballajá was the last and largest building constructed by the Spaniards in the New World. Facilities included officer quarters, warehouses, kitchens, dining rooms, prison cells and stables. After the Spanish American War, the U.S. Army used Ballajá to house its Infantry division. In 1943, it was converted into a military medical facility, known as the Rodriguez Hospital and it was part of the Fort Brooke structure. Today it houses the Museum of the Americas (inaugurated October 12, 1992), located on its second floor. The museum features changing exhibitions, craft exhibits and an impressive collection of Caribbean and European American art and artifacts, most notably a diverse collection of carved santos (saints). Open Monday-Friday 10am - 4pm, Sat-Sun 11am - 5pm, guided tours available weekdays 10:30am, 11:30am, 12:30pm and 2pm; (787) 724-5052, admission free.

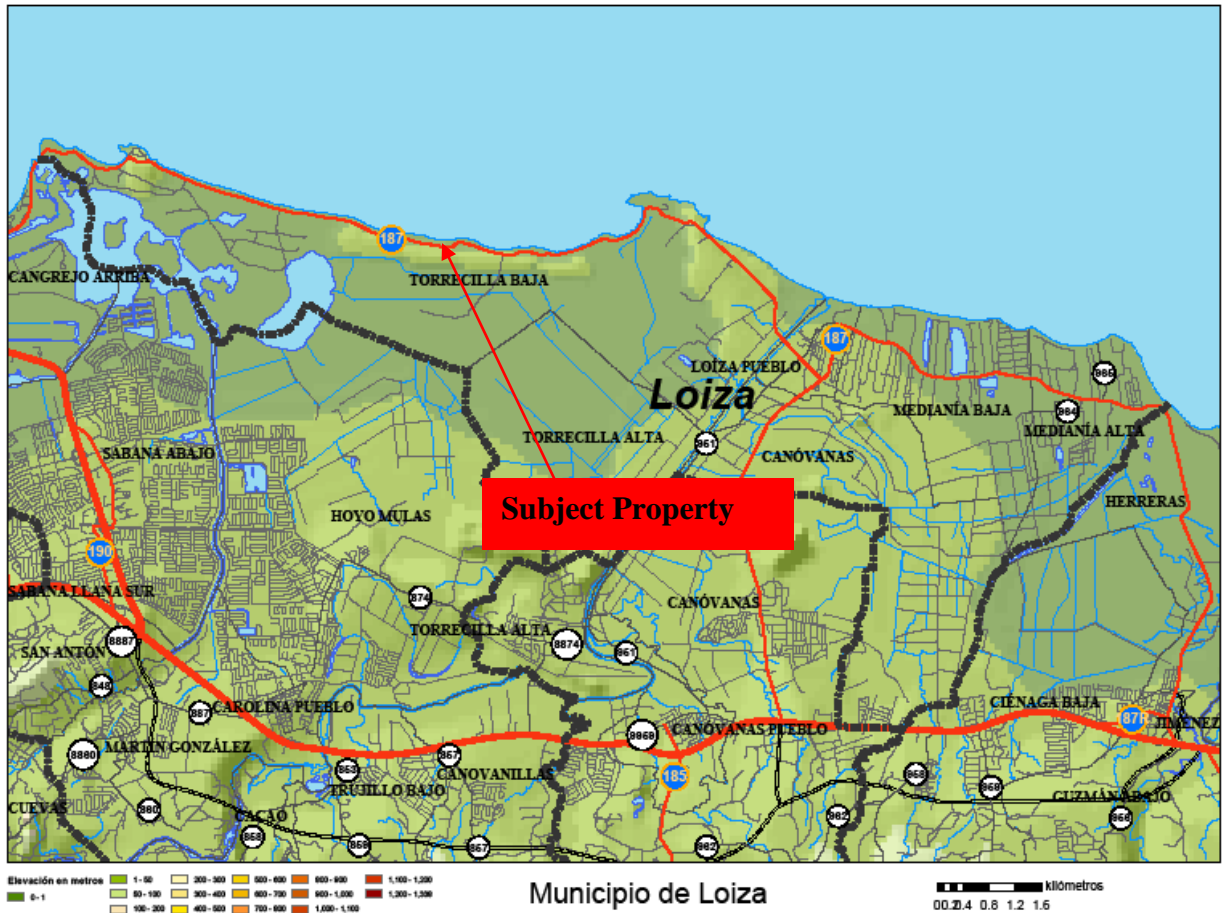
The Museo de Doña Fela (Felisa Rincón de Gautier Museum) is a colonial building that was once the home of Felisa Rincón de Gautier, the dynamic mayor of San Juan from 1946 to 1968. Memorabilia from the mayor's life, such as plaques, correspondence and furniture, are on display. Open Mon-Fri: 9am - 4pm; (787) 723-1897. The Sacred Heart University with the Museum of Contemporary Puerto Rican Art (Tue-Sat 9:00-4:00 p.m., Sun 11am - 5pm, (787) 268-0049.

Others museums include: The Archaeologist Adolfo de Hostos Museum, and the Museum of the Seas.

Other Sights

San Juan Beach & Resort area. This area starts just outside of Old San Juan and includes the areas of Condado, Miramar, Ocean Park and Isla Verde. This is an area of fancy hotels, casinos, nightclubs, restaurants and chic boutiques. Noteworthy to mention are the Carib Hilton San Juan, The Ritz-Carlton, San Juan Hotel, Spa and Casino, San Juan Marriott Resort and Stellaris Casino, Condado Plaza Hotel & Casino and the Embassy Suites Hotel & Casino San Juan. For the residents of San Juan it is not too difficult or too far to go to enjoy an extravagant tropical day at the beach. This resort area is a place where people meet with family and friends, to share their picnic snacks, to read their favorite books and just to soak up the sun. The more adventurous people go parasailing, waterskiing, surfing, body boarding, jet skiing or participate in one of the many water sport and beach sports offered by the hotels and seaside shops. There is no shortage of eateries and entertainments in the vicinity of the San Juan Beach and Resort area, there are numerous restaurants, hotels and seaside shops all along the resort area.

Municipality of Loíza (loo-EE-zah)



Loíza is known as "El Pueblo de la Cacica". Loíza was proclaimed a town officially in 1692 and named in honor of Yuisa or Luisa, one of the women caciques on the island when the Spanish conquerors arrived.

Settled by Nigerian slaves of the Yoruba tribe in the 16th century, Loíza is a center for African-inspired traditions, retaining one of the highest percentages of African descendants of all island towns. Among those traditions Loíza celebrates the "Fiestas Patronales" where salsa dancing, masquerades, colorful parades and rich Puerto Rican food make this festival a classic. The nine days of this carnival pay homage to Loíza's patron saint, St. James.

Loíza is a great place to sample the Puerto Rican variety of Afro-Caribbean cuisine.

Its San Patricio Church (begun in 1645) is the oldest on the island still active as a parish church.

Loíza is located in the northeastern coast, north of Canóvanas; east of Carolina; and west of Río Grande.

The surrounding areas produces sugar cane, fruits, and coconuts.

There are many well-known "loiceños", among them: Ramón Suarez and Belen Zequeria de Cuevas.

Land Area:

65 sq km (25.0 sq mi)

Water Area:

46.27 sq mi

Population:

31,854

Density:

500.5 per sq km (1,301.4 per sq mi)

Housing Units:

10,927

Housing Density:

562.0

Per Capita Income:

\$5,283

Source: 2000 Census

Coordinates:

18° 25' 11.5104" N, 65° 52' 23.1456" W

Wards:

Canóvanas, Medianía Alta, Medianía Baja, Pueblo, Torrecilla Alta and Torrecilla Baja.

Driving Distance:

6.6 miles *

Driving Time:

13 minutes *

* from San Juan

Main Feature: Americas

Summary

This is the most recent report published by the World Tourism Organization (WTO).

The Americas experienced a third successive year of declines in arrivals. However, although the figure in 2003 (-3.1 per cent) was worse than the world average (-1.7 per cent), the level of decline has been gradually diminishing over these years, giving some cause for optimism that the cloud cast by the terrible events of 11th September will eventually disperse.

Moreover, the negative result was entirely due to a poor performance from North America, where arrivals decreased by 7 per cent. The other sub-regions had a good year, with Central America increasing by 4.2 per cent, the Caribbean by 6.2 per cent and South America by a remarkable 8 per cent, the best sub-regional performance in the world after South Asia.

Americas: International Tourist Arrivals (ITA): 113 million
International Tourism Receipts (ITR): US\$ 114 billion



In North America, the largest decline in arrivals was nearly 13 per cent to Canada, which suffered some particular negatives including cases of SARS, forest fires, a strong currency and the power blackout in Ontario. Mexico and the United States of America (USA) fared less badly with decreases of 5.1 per cent and 5.3 per cent respectively.

Performances in the Caribbean were very mixed, ranging from stay-over arrivals increases of 32 per cent in Saint Kitts and Nevis, 23 per cent in Bonaire, 17 per cent in the Dominican Republic, 7 per cent in Antigua and Barbuda, and 12 per cent in Saint Maarten to decreases of 10 per cent in Bermuda and of 13 per cent in Montserrat. The overall tendency was clearly positive. Tourist arrivals in Cuba rose to 1.8 million, corresponding to an increase of 11.5 per cent, but the intensification of the USA's long blockade on Cuba was a major constraint. Cruising performed particularly well – cruise passenger arrivals in Jamaica for example created history by surpassing the million mark, while in Martinique they increased by 33.7 per cent and in Antigua and Barbuda by 24.5 per cent

International and domestic airline capacity increased in most countries, except in the USA where it declined almost 6 per cent as airlines responded to still relatively weak demand for international travel, and in Canada which also saw significant declines in capacity on international routes. Many airports in the region were expanded and improved. A new airport was opened in Cuba close to the islets of Jardines del Rey, and new terminals were inaugurated in the Turks and Caicos Islands and in Saba. Barbados made considerable progress with the redevelopment of the Grantley Adams International Airport. Chile extended its successful system of private concessions for road development to airports, producing a major improvement in domestic services. The Curaçao Government also granted the International Airport concession to a private company, which has committed itself to a significant investment programme over the next two to three years

There were some setbacks to the traditional visa facilitation trend. Changes in entry and exit procedures negatively impacted the selection of the U.S. as a vacation destination mainly because the new requirements were not communicated clearly or in a timely manner.

Arrivals at Mexico's frontiers dropped 15 per cent due to the tighter controls imposed by the USA in response to 11th September and the Iraq situation. Similarly these tighter controls in the USA and its territories, i.e. Puerto Rico and the US Virgin Islands, made access to Saint Maarten more difficult for South American visitors. However, these same measures made it more attractive for Caribbean visitors, especially shoppers, to go to St. Maarten instead of to the USA and Puerto Rico. A negative factor for tourism to Aruba and Curaçao was the introduction of visas from a range of countries, including Colombia, one of their main markets. On the positive side, Cuba made it easier for senior citizens from Canada to make extended stays, immigration and customs facilities were streamlined in Trinidad and Tobago, and a computerised system was introduced in Saint Kitts and Nevis to speed up entry processes. There were some very positive co-operative agreements too, for example visas were abolished in the Comunidad Andina de Naciones (Peru, Ecuador and Colombia); land frontier entry facilities were harmonised between Guatemala, El Salvador and Nicaragua; and an agreement was signed between Honduras and El Salvador to establish shared frontier posts in order to streamline immigration procedures.

Many countries, for example Saint Lucia, US Virgin Islands, Saint Vincent and the Grenadines, Nicaragua, Honduras, Brazil, Ecuador, Paraguay, and Argentina, offered tax breaks, lines of credit or incentives to attract investment in the tourism industry. Puerto Rico created a Tourism Guarantee Fund for investment in small and medium-sized enterprises. Panama improved land-use planning with regulations and laws to promote foreign investment. Colombia offered long-term tax exemptions for hotels and ecotourism services while in Chile the State campaign to attract investment to ecotourism zones made good progress.

Looking forward into 2004, there is general optimism in the Caribbean with most countries predicting stayover arrivals growth in the 5 to 8 per cent range and Cuba expecting 11 per cent, although Bermuda expects static figures in 2004. Most countries expect cruise passenger arrivals to grow faster than stayovers, except Bermuda and especially Dominque which is already experiencing a steep decline in this segment even though leisure traffic in general is increasing.

New product developments in 2004 include the opening of the Ritz Carlton hotel in the Cayman Islands; the Turks and Caicos Islands first cruise port; 1300 additional rooms in Puerto Rico, including the first 5-star all-inclusive resort, the Paradisus Sol Meliá; completion of the upgrade of Saba's harbour facilities; a new three star hotel at the International Trade Centre in Curaçao; and in January 2005 the opening of the airport in Montserrat

The Puerto Rico Convention Bureau (PRCB) compiles information on groups whose events it arranges. It does not have access to aggregate data for all the conventions held on the island, although it is estimated that 60 per cent of the groups that come to Puerto Rico are included in the organisation's statistics. The number of events handled by the PRCB has increased by 695 per cent over the past 10 years. 75 per cent of all the group events carried out in Puerto Rico are related to corporate meetings or association conventions. There has also been an increase in incentive groups. On many occasions, a corporate meeting is enhanced by converting it into an incentive trip for employees. As for exhibitions and fairs, a large number of corporate and association meetings (30 per cent) also hold exhibitions at their events. The MICE industry accounts for an estimated 20 per cent of overall employment in Puerto Rico

Puerto Rico's meetings business has increased to a point at which further development is being constrained by lack of capacity. This will soon change very positively upon completion in late 2005 of the Caribbean's largest Convention Centre, which will attract a far greater number of international exhibitions and fairs.

Tourism Market Trends, 2004 Edition – Annex

International Tourism Receipts by Country of Destination

	International Tourism Receipts (US\$ million)						Market share in the region (%)		Change (%)		Average annual growth (%)	
	1990	1995	2000	2001	2002	2003*	1995	2003*	02/01	03*/02	90-95	95-00
Americas	69,241	98,423	130,974	120,035	113,760	114,374	100	100	-5.2	0.5	7.3	5.9
North America	54,813	77,491	101,472	90,903	86,277	84,545	78.7	73.9	-5.1	-2.0	7.2	5.5
Canada	6,339	7,917	10,778	10,609	10,691	10,579	8.0	9.2	0.8	-1.0	4.5	6.4
Mexico	5,467	6,179	8,294	8,401	8,858	9,457	6.3	8.3	5.4	6.8	2.5	6.1
United States	43,007	63,395	82,400	71,893	66,728	64,509	64.4	56.4	-7.2	-3.3	8.1	5.4
Caribbean	8,716	12,239	17,175	17,108	16,676	17,945	12.4	15.7	-2.5	7.6	7.0	7.0
Anguilla	35	50	56	63	57	62	0.1	0.1	-9.5	8.8	7.4	2.3
Antigua, Barb	298	247	291	272	274	301	0.3	0.3	0.7	9.9	-3.7	3.3
Aruba	350	521	814	824	831	852	0.5	0.7	0.8	2.5	8.3	9.3
Bahamas	1,324	1,346	1,738	1,648	1,762	1,782	1.4	1.6	6.9	1.1	0.3	5.2
Barbados	494	622	723	697	658	758	0.6	0.7	-5.6	15.2	4.7	3.1
Bermuda	490	488	431	351	379	370	0.5	0.3	8.0	-2.4	-0.1	-2.5
Bonaire	18	37	87	75	33	21	0.0	0.0	-56.0	-36.4	15.5	18.6
Br. Virgin Is	132	211	316	337	342	..	0.2	..	1.5	..	9.8	8.4
Cayman Islands	236	394	559	585	607	..	0.4	..	3.8	..	10.8	7.2
Cuba	243	963	1,737	1,692	1,633	1,846	1.0	1.6	-3.5	13.0	31.7	12.5
Curaçao	120	175	227	253	273	284	0.2	0.2	7.9	4.0	7.8	5.3
Dominica	25	42	48	46	46	51	0.0	0.0	0.0	10.9	10.9	2.7
Dominican Rp	900	1,571	2,860	2,798	2,730	3,110	1.6	2.7	-2.4	13.9	11.8	12.7
Grenada	38	76	93	83	91	104	0.1	0.1	9.6	14.3	14.9	4.1
Guadeloupe	197	458	418	..	..	..	0.5	..	..	..	18.4	-1.8
Haiti	46	90	128	105	112	93	0.1	0.1	6.7	-17.0	14.4	7.3
Jamaica	740	1,069	1,333	1,232	1,209	1,355	1.1	1.2	-1.9	12.1	7.6	4.5
Martinique	240	384	302	245	237	247	0.4	0.2	-3.3	4.2	9.9	-4.7
Montserrat	7	17	9	8	9	7	0.0	0.0	12.5	-22.2	19.4	-11.9
Neth. Antilles	..	561	765	751	771	846	0.6	0.7	2.7	9.7	..	6.4
Puerto Rico	1,366	1,828	2,388	2,728	2,486	2,677	1.9	2.3	-8.9	7.7	6.0	5.5
Saint Lucia	154	230	279	237	215	282	0.2	0.2	-9.3	31.2	8.4	3.9
St. Kitts-Nev	58	63	58	62	56	61	0.1	0.1	-9.7	8.9	1.7	-1.6
St. Maarten	316	349	498	493	..	..	0.4	..	..	..	2.0	7.4
St. Vincent, Grenadines	56	53	75	80	83	85	0.1	0.1	3.8	2.4	-1.1	7.2
Trinidad Tbg	95	77	213	201	242	..	0.1	..	20.4	..	-4.1	22.6
Turks, Caicos	37	53	285	311	292	..	0.1	..	-6.1	..	7.5	40.0
US. Virgin Is	697	822	1,206	1,323	1,195	1,271	0.8	1.1	-9.7	6.4	3.4	8.0
Central America	735	1,496	2,970	2,933	3,120	3,369	1.5	2.9	6.4	8.0	15.3	14.7
Belize	44	78	122	120	130	156	0.1	0.1	8.3	20.0	12.1	9.4
Costa Rica	275	681	1,302	1,173	1,161	1,293	0.7	1.1	-1.0	11.4	19.9	13.8
El Salvador	18	85	217	201	245	226	0.1	0.2	21.9	-7.8	36.4	20.6
Guatemala	185	213	482	562	620	621	0.2	0.5	10.3	0.2	2.9	17.7
Honduras	29	80	260	256	301	337	0.1	0.3	17.6	12.0	22.5	26.6
Nicaragua	12	50	129	135	135	151	0.1	0.1	0.0	11.9	33.0	20.9
Panama	172	309	458	486	528	585	0.3	0.5	8.6	10.8	12.4	8.2
South America	4,977	7,197	9,358	9,091	7,687	8,515	7.3	7.4	-15.4	10.8	7.7	5.4
Argentina	1,131	2,222	2,904	2,642	1,535	2,097	2.3	1.8	-41.9	36.6	14.5	5.5
Bolivia	91	55	68	76	100	111	0.1	0.1	31.6	11.0	-9.6	4.3
Brazil	1,492	972	1,810	1,731	1,998	2,479	1.0	2.2	15.5	24.1	-8.2	13.2
Chile	540	911	819	799	898	860	0.9	0.8	12.4	-4.2	11.0	-2.1
Colombia	406	657	1,030	1,217	967	816	0.7	0.7	-20.5	-15.6	10.1	9.4
Ecuador	188	255	402	430	447	406	0.3	0.4	4.0	-9.2	6.3	9.5
French Guiana	..	..	..	42	45	..	..	..	7.1	..	..	..
Guyana	27	33	75	61	49	39	0.0	0.0	-19.7	-20.4	4.1	17.8
Paraguay	128	137	101	65	59	64	0.1	0.1	-9.2	8.5	1.4	-5.9
Peru	217	428	911	788	801	923	0.4	0.8	1.6	15.2	14.6	16.3
Suriname	1	21	16	14	3	4	0.0	0.0	-78.6	33.3	83.8	-5.3
Uruguay	238	611	713	611	351	345	0.6	0.3	-42.6	-1.7	20.8	3.1
Venezuela	496	849	423	615	434	323	0.9	0.3	-29.4	-25.6	11.3	-13.0

Source: World Tourism Organization (WTO) ©

(Data as collected by WTO December 2004)

International Tourist Arrivals by Country of Destination

Series	International Tourist Arrivals (1000)						Market share in the region (%)		Change (%)		Average annual growth (%)		
	1990	1995	2000	2001	2002	2003*	1995	2003*	02/01	03*/02	90-95	95-00	
Americas	92,795	108,994	128,222	122,164	116,611	112,987	100	100	-4.5	-3.1	3.3	3.3	
North America	71,743	80,663	91,487	86,396	83,249	77,411	74.0	68.5	-3.6	-7.0	2.4	2.6	
Canada	TF	15,209	16,932	19,627	19,679	20,057	17,534	15.5	15.5	1.9	-12.6	2.2	3.0
Mexico	TF	17,172	20,241	20,641	19,810	19,667	18,665	18.6	16.5	-0.7	-5.1	3.3	0.4
United States	TF	39,362	43,490	51,219	46,907	43,525	41,212	39.9	36.5	-7.2	-5.3	2.0	3.3
Caribbean	11,384	14,024	17,179	16,885	16,066	17,061	12.9	15.1	-4.8	6.2	4.3	4.1	
Anguilla	TF	31	39	44	48	44	47	0.0	0.0	-8.3	6.7	4.7	2.4
Antigua, Barb	TF	206	220	230	215	218	234	0.2	0.2	1.7	7.3	1.3	0.9
Aruba	TF	433	619	721	691	643	642	0.6	0.6	-7.1	-0.1	7.4	3.1
Bahamas	TF	1,562	1,598	1,544	1,538	1,513	1,510	1.5	1.3	-1.6	-0.2	0.5	-0.7
Barbados	TF	432	442	545	507	498	531	0.4	0.5	-1.8	6.7	0.5	4.3
Bermuda	TF	435	387	332	278	284	257	0.4	0.2	2.1	-9.7	-2.3	-3.0
Bonaire	TF	37	59	51	50	52	64	0.1	0.1	3.4	23.2	9.8	-2.9
Br. Virgin Is	TF	160	219	281	296	285	..	0.2	..	-3.7	..	6.5	5.1
Cayman Islands	TF	253	361	354	334	303	294	0.3	0.3	-9.4	-2.9	7.4	-0.4
Cuba	TF	327	742	1,741	1,736	1,656	1,847	0.7	1.6	-4.6	11.5	17.8	18.6
Curaçao	TF	219	224	191	205	218	221	0.2	0.2	6.5	1.6	0.5	-3.1
Dominica	TF	45	60	70	66	69	73	0.1	0.1	4.2	5.4	5.9	3.1
Dominican Rp	TF	1,305	1,776	2,978	2,882	2,811	3,282	1.6	2.9	-2.5	16.8	6.4	10.9
Grenada	TF	76	108	129	123	132	142	0.1	0.1	7.3	7.5	7.3	3.6
Guadeloupe	TCE	331	640	603	521	..	439	0.6	0.4	..	..	14.1	-1.2
Haiti	TF	144	145	140	142	..	..	0.1	..	..	..	0.1	-0.7
Jamaica	TF	989	1,147	1,323	1,277	1,266	1,350	1.1	1.2	-0.8	6.6	3.0	2.9
Martinique	TF	282	457	526	460	447	453	0.4	0.4	-3.0	1.4	10.1	2.9
Montserrat	TF	13	19	10	10	10	8	0.0	0.0	-1.8	-12.6	7.9	-11.5
Puerto Rico	TF	2,560	3,131	3,341	3,551	3,087	3,238	2.9	2.9	-13.1	4.9	4.1	1.3
Saba	TF	..	10	9	9	11	10	0.0	0.0	22.2	-6.7	..	-1.9
Saint Lucia	TF	141	231	270	250	253	277	0.2	0.2	1.3	9.3	10.4	3.2
St. Eustatius	TF	..	9	9	10	10	11	0.0	0.0	1.0	7.1	..	0.7
St. Kitts-Nev	TF	73	79	73	71	68	89	0.1	0.1	-4.3	31.8	1.6	-1.6
St. Maarten	TF	545	449	432	403	381	428	0.4	0.4	-5.4	12.3	-3.8	-0.8
St. Vincent, Grenadines	TF	54	60	73	71	78	79	0.1	0.1	9.8	1.2	2.1	4.0
Trinidad Tbg	TF	195	260	399	383	384	409	0.2	0.4	0.3	6.5	5.9	8.9
Turks, Caicos	TF	49	79	152	166	155	164	0.1	0.1	-6.6	5.5	10.0	14.0
US. Virgin Is	TF	463	454	607	592	553	538	0.4	0.5	-6.6	-2.7	-0.4	6.0
Central America	1,945	2,611	4,346	4,417	4,703	4,900	2.4	4.3	6.5	4.2	6.1	10.7	
Belize	TF	197	131	196	196	200	221	0.1	0.2	2.0	10.5	-7.8	8.4
Costa Rica	TF	435	785	1,088	1,131	1,113	1,239	0.7	1.1	-1.6	11.3	12.5	6.7
El Salvador	TF	194	235	795	735	951	857	0.2	0.8	29.4	-9.8	3.9	27.6
Guatemala	TF	509	563	826	835	884	880	0.5	0.8	5.8	-0.4	2.0	8.0
Honduras	TF	290	271	471	518	550	611	0.2	0.5	6.1	11.1	-1.3	11.7
Nicaragua	TF	106	281	486	483	472	526	0.3	0.5	-2.3	11.5	21.5	11.6
Panama	TF	214	345	484	519	534	566	0.3	0.5	2.9	6.0	10.0	7.0
South America	7,722	11,696	15,211	14,466	12,593	13,616	10.7	12.1	-13.0	8.1	8.7	5.4	
Argentina	TF	1,930	2,289	2,909	2,620	2,820	2,995	2.1	2.7	7.6	6.2	3.5	4.9
Bolivia	TF	254	284	306	322	334	352	0.3	0.3	3.7	5.4	2.3	1.5
Brazil	TF	1,091	1,991	5,313	4,773	3,783	4,091	1.8	3.6	-20.7	8.1	12.8	21.7
Chile	TF	943	1,540	1,742	1,723	1,412	1,614	1.4	1.4	-18.0	14.3	10.3	2.5
Colombia	TF	813	1,399	557	616	541	624	1.3	0.6	-12.1	15.3	11.5	-16.8
Ecuador	VF	362	440	627	641	683	761	0.4	0.7	6.6	11.4	4.0	7.3
French Guiana	TF	..	..	..	65	65	..	..	..	0.0	..	..	..
Guyana	TF	64	106	105	99	104	101	0.1	0.1	5.1	-3.3	10.6	-0.2
Paraguay	TF	280	438	289	279	250	268	0.4	0.2	-10.1	7.1	9.4	-8.0
Peru	TF	317	444	796	797	862	931	0.4	0.8	8.2	8.0	7.0	12.4
Suriname	TF	46	43	58	..	..	..	0.0	..	..	..	-1.3	6.2
Uruguay	TF	..	2,022	1,968	1,892	1,258	1,420	1.9	1.3	-33.5	12.9	..	-0.5
Venezuela	TF	525	700	469	584	432	337	0.6	0.3	-26.1	-21.9	5.9	-7.7

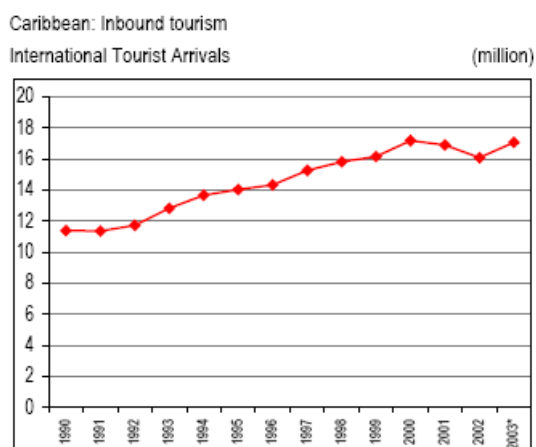
Source: World Tourism Organization (WTO) ©

(Data as collected by WTO December 2004)

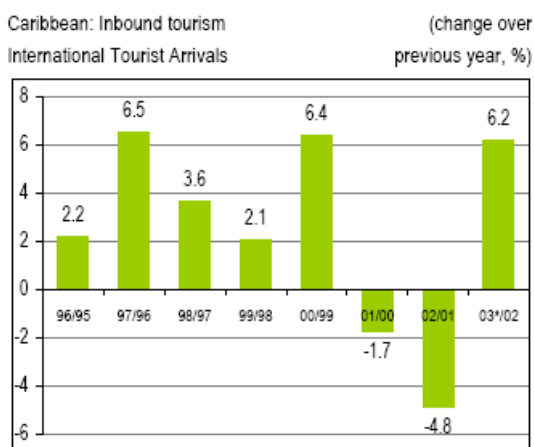
Caribbean

International tourist arrivals

The destinations of the Caribbean received during 2003 an overall volume of 17 million tourist arrivals, which represents an increase of more than 6 per cent against the previous year, and is high above the results recorded in the region (-3%). The Caribbean destinations represent 15 per cent of all arrivals in the Americas, a share that has been reinforced in the past years in view of the decrease registered in arrivals to North America. In 2003, the exchange rate factor favourable to the euro against the US dollar stimulated arrivals in particular from Europe and from the generating markets of North America (USA and Canada), allowing thus destinations in the subregion to recover from the setbacks suffered the two previous years.



Source: World Tourism Organization (WTO) ©



Source: World Tourism Organization (WTO) ©

With the exception of the Bahamas, all major destinations benefited from the return of long haul traffic and report positive results. Arrivals to the Dominican Republic, which is the first destination in the subregion, grew by 17 per cent. In Puerto Rico growth was around 5 per cent, while Cuba and Jamaica reported increases of 12 and 7 per cent respectively. The same positive trend applies to smaller islands such as Antigua, Barbuda (+7%), Bonaire (+23%) or St Kitts and Nevis (+32%). In the overall of the subregion the only negative exceptions were, besides the Bahamas (-0.2%), Aruba (-0.1%), Bermuda (-10%), the Cayman Islands (-3%), Montserrat (-13%) and the US Virgin Islands (-3%).

Caribbean
International Tourist Arrivals and Tourism Receipts by Country of Destination

Series		International Tourist Arrivals (1000)					Market share			Growth rate			Average annual growth	
		1990	1995	2000	2002	2003*	1995	2000	2003*	01/00	02/01	03/02	'90-'95	'95-'00
		%					%			%			%	
Caribbean		11,384	14,024	17,179	16,066	17,061	100	100	100	-1.7	-4.8	6.2	4.3	4.1
Anguilla	TF	31	39	44	44	47	0.3	0.3	0.3	9.0	-8.3	6.7	4.7	2.4
Antigua, Barb	TF	206	220	230	218	234	1.6	1.3	1.4	-6.6	1.7	7.3	1.3	0.9
Aruba	TF	433	619	721	643	642	4.4	4.2	3.8	-4.1	-7.1	-0.1	7.4	3.1
Bahamas	TF	1,562	1,598	1,544	1,513	1,510	11.4	9.0	8.9	-0.4	-1.6	-0.2	0.5	-0.7
Barbados	TF	432	442	545	498	531	3.2	3.2	3.1	-7.0	-1.8	6.7	0.5	4.3
Bermuda	TF	435	387	332	284	257	2.8	1.9	1.5	-16.2	2.1	-9.7	-2.3	-3.0
Bonaire	TF	37	59	51	52	64	0.4	0.3	0.4	-1.2	3.4	23.2	9.8	-2.9
Br. Virgin Is	TF	160	219	281	285	..	1.6	1.6	..	5.3	-3.7	..	6.5	5.1
Cayman Islands	TF	253	361	354	303	294	2.6	2.1	1.7	-5.6	-9.4	-2.9	7.4	-0.4
Cuba	TF	327	742	1,741	1,656	1,847	5.3	10.1	10.8	-0.3	-4.6	11.5	17.8	18.6
Curaçao	TF	219	224	191	218	221	1.6	1.1	1.3	7.1	6.5	1.6	0.5	-3.1
Dominica	TF	45	60	70	69	73	0.4	0.4	0.4	-5.2	4.2	5.4	5.9	3.1
Dominican Rp	TF	1,305	1,776	2,978	2,811	3,282	12.7	17.3	19.2	-3.2	-2.5	16.8	6.4	10.9
Grenada	TF	76	108	129	132	142	0.8	0.8	0.8	-4.4	7.3	7.5	7.3	3.6
Guadeloupe	TC	331	640	603	..	439	4.6	3.5	2.6	-13.6	..	..	14.1	-1.2
Haiti	TF	144	145	140	..	..	1.0	0.8	..	1.4	..	..	0.1	-0.7
Jamaica	TF	989	1,147	1,323	1,266	1,350	8.2	7.7	7.9	-3.5	-0.8	6.6	3.0	2.9
Martinique	TF	282	457	526	447	453	3.3	3.1	2.7	-12.5	-3.0	1.4	10.1	2.9
Montserrat	TF	13	19	10	10	8	0.1	0.1	0.0	-5.2	-1.8	-12.6	7.9	-11.5
Puerto Rico	TF	2,560	3,131	3,341	3,087	3,238	22.3	19.4	19.0	6.3	-13.1	4.9	4.1	1.3
Saba	TF	..	10	9	11	10	0.1	0.1	0.1	-1.1	22.2	-6.7	..	-1.9
Saint Lucia	TF	141	231	270	253	277	1.6	1.6	1.6	-7.4	1.3	9.3	10.4	3.2
St. Eustatius	TF	..	9	9	10	11	0.1	0.1	0.1	6.6	1.0	7.1	..	0.7
St. Kitts-Nevis	TF	73	79	73	68	89	0.6	0.4	0.5	-3.3	-4.3	31.8	1.6	-1.6
St. Maarten	TF	545	449	432	381	428	3.2	2.5	2.5	-6.8	-5.4	12.3	-3.8	-0.8
St. Vincent, Grenadines	TF	54	60	73	78	79	0.4	0.4	0.5	-3.2	9.8	1.2	2.1	4.0
Trinidad Tobago	TF	195	260	399	384	409	1.9	2.3	2.4	-4.0	0.3	6.5	5.9	8.9
Turks, Caicos	TF	49	79	152	155	164	0.6	0.9	1.0	9.2	-6.6	5.5	10.0	14.0
US Virgin Is	TF	463	454	607	553	538	3.2	3.5	3.2	-2.5	-6.6	-2.7	-0.4	6.0

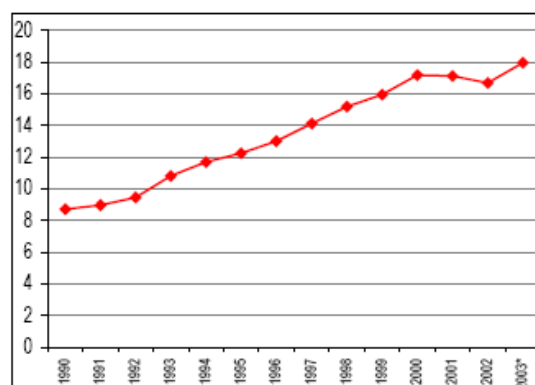
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International tourism receipts

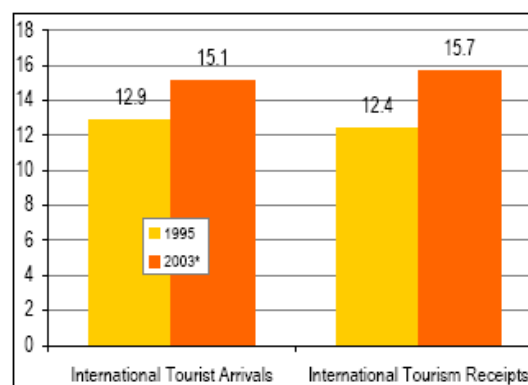
Following the trend of tourist arrivals, also tourism receipts increased in the Caribbean destinations in 2003. Total income amounted to almost US\$ 18 billion, or 12 per cent more than in 2002 (change as expressed in local currencies at constant prices). Particularly good results were obtained in the Dominican Republic (+14%), Cuba (+13%), Jamaica (+12%) and Puerto Rico (+8%). In the Bahamas, though there was a slight drop in arrivals (-0.2%), receipts still grew by 1 per cent. Receipts decreased, however, significantly in some of the other destinations such as Bonaire (-36%) and Montserrat (-22%).

The Caribbean, which has the third highest value of receipt per arrival after Oceania and North America, received US\$ 1,052 on average per tourist in 2003. Many smaller islands received amounts above this figure, such as the US Virgin Islands, Anguilla, Aruba, Bermuda and the Turks and Caicos, among others, while the lowest value is reported by Bonaire (US\$ 327).

Tourism Market Trends, 2004 Edition – Americas

Caribbean: Inbound tourism
International Tourism Receipts (US\$ billion, current prices)

Source: World Tourism Organization (WTO) ©

Caribbean: Inbound tourism
International arrivals & receipts (share in regional total, %)

Source: World Tourism Organization (WTO) ©

Caribbean

International Tourist Arrivals and Tourism Receipts by Country of Destination

	1990	1995	2000	2002	2003	Market share			Growth rate			Average annual growth	
						1995	2000	2003	01/00	02/01	03*/02	'90-'95	'95-'00
	International Tourism Receipts (US\$ million)					%			%			%	
Caribbean	8,716	12,239	17,175	16,676	17,945	100	100	100	-0.4	-2.5	7.6	7.0	7.0
Anguilla	35	50	56	57	62	0.4	0.3	0.3	12.5	-9.5	8.8	7.4	2.3
Antigua, Barb	298	247	291	274	301	2.0	1.7	1.7	-6.5	0.7	9.9	-3.7	3.3
Aruba	350	521	814	831	852	4.3	4.7	4.7	1.2	0.8	2.5	8.3	9.3
Bahamas	1,324	1,346	1,738	1,762	1,762	11.0	10.1	9.9	-5.2	6.9	1.1	0.3	5.2
Barbados	494	622	723	658	758	5.1	4.2	4.2	-3.6	-5.6	15.2	4.7	3.1
Bermuda	490	488	431	379	370	4.0	2.5	2.1	-18.6	8.0	-2.4	-0.1	-2.5
Bonaire	18	37	87	33	21	0.3	0.5	0.1	-13.8	-56.0	-36.4	15.5	18.6
Br. Virgin Is	132	211	316	342	..	1.7	1.8	..	6.6	1.5	..	9.8	8.4
Cayman Islands	236	394	559	607	..	3.2	3.3	..	4.7	3.8	..	10.8	7.2
Cuba	243	963	1,737	1,633	1,846	7.9	10.1	10.3	-2.6	-3.5	13.0	31.7	12.5
Curaçao	120	175	227	273	284	1.4	1.3	1.6	11.5	7.9	4.0	7.8	5.3
Dominica	25	42	48	46	51	0.3	0.3	0.3	-4.2	0.0	10.9	10.9	2.7
Dominican Rp	900	1,571	2,860	2,730	3,110	12.8	16.7	17.3	-2.2	-2.4	13.9	11.8	12.7
Grenada	38	76	93	91	104	0.6	0.5	0.6	-10.8	9.6	14.3	14.9	4.1
Guadeloupe	197	458	418	..	..	3.7	2.4	..	..	..	..	18.4	-1.8
Haiti	46	90	128	112	93	0.7	0.7	0.5	-18.0	6.7	-17.0	14.4	7.3
Jamaica	740	1,069	1,333	1,209	1,355	8.7	7.8	7.6	-7.6	-1.9	12.1	7.6	4.5
Martinique	240	384	302	237	247	3.1	1.8	1.4	-18.9	-3.3	4.2	9.9	-4.7
Montserrat	7	17	9	9	7	0.1	0.1	0.0	-11.1	12.5	-22.2	19.4	-11.9
Puerto Rico	1,366	1,828	2,388	2,486	2,677	14.9	13.9	14.9	14.2	-8.9	7.7	6.0	5.5
Saint Lucia	154	230	279	215	282	1.9	1.6	1.6	-15.1	-9.3	31.2	8.4	3.9
St. Kitts-Nev	58	63	58	56	61	0.5	0.3	0.3	6.9	-9.7	8.9	1.7	-1.6
St. Maarten	316	349	498	..	..	2.9	2.9	..	-1.0	..	..	2.0	7.4
St. Vincent, Grenadines	56	53	75	83	85	0.4	0.4	0.5	6.7	3.8	2.4	-1.1	7.2
Trinidad Tbg	95	77	213	242	..	0.6	1.2	..	-5.6	20.4	..	-4.1	22.6
Turks, Caicos	37	53	285	292	..	0.4	1.7	..	9.1	-6.1	..	7.5	40.0
US Virgin Is	697	822	1,206	1,195	1,271	6.7	7.0	7.1	9.7	-9.7	6.4	3.4	8.0

Continued on the next page.

Caribbean
International Tourist Arrivals and Tourism Receipts by Country of Destination

	1990	1995	2000	2002	2003	Growth rate			Average annual growth	
						01/00	02/01	03*02	'90-'95	'95-'00
	Receipts per Arrival (US\$)					%			%	
Caribbean	766	873	1,000	1,039	1,052	1.4	2.4	1.3	2.7	2.7
Anguilla	1,129	1,282	1,273	1,296	1,322	3.2	-1.3	1.9	2.6	-0.1
Antigua, Barb	1,447	1,123	1,265	1,255	1,285	0.1	-0.9	2.4	-4.9	2.4
Aruba	808	842	1,129	1,293	1,327	5.6	8.5	2.6	0.8	6.0
Bahamas	848	842	1,126	1,165	1,180	-4.8	8.7	1.3	-0.1	6.0
Barbados	1,144	1,407	1,327	1,321	1,427	3.6	-3.9	8.0	4.2	-1.2
Bermuda	1,126	1,261	1,298	1,334	1,442	-2.8	5.7	8.1	2.3	0.6
Bonaire	486	627	1,706	634	327	-12.8	-57.4	-48.4	5.2	22.2
Br. Virgin Is	825	963	1,125	1,200		1.2	5.4		3.2	3.1
Cayman Islands	933	1,091	1,579	2,005		10.9	14.5		3.2	7.7
Cuba	743	1,298	998	986	1,000	-2.3	1.2	1.4	11.8	-5.1
Curaçao	548	781	1,188	1,253	1,283	4.0	1.3	2.4	7.4	8.8
Dominica	556	700	686	665	699	1.0	-4.0	5.2	4.7	-0.4
Dominican Rp	690	885	960	971	948	1.1	0.0	-2.4	5.1	1.7
Grenada	500	704	721	687	731	-6.7	2.1	6.3	7.1	0.5
Guadeloupe	595	716	693						3.8	-0.6
Haiti	319	621	914			-19.1			14.2	8.1
Jamaica	748	932	1,008	955	1,003	-4.2	-1.1	5.1	4.5	1.6
Martinique	851	840	574	531	545	-7.3	-0.3	2.8	-0.3	-7.3
Montserrat	538	895	871	935	832	-6.2	14.6	-11.0	10.7	-0.5
Puerto Rico	534	584	715	805	827	7.5	4.8	2.7	1.8	4.1
Saint Lucia	1,092	996	1,033	848	1,018	-8.3	-10.5	20.0	-1.8	0.7
St. Kitts-Nev	795	797	795	829	685	10.6	-5.6	-17.3	0.1	-0.1
St. Maarten	580	777	1,153			6.2			6.0	8.2
St. Vincent, Grenadines	1,037	883	1,027	1,069	1,082	10.2	-5.5	1.2	-3.2	3.1
Trinidad Tbg	487	296	534	630		-1.7	20.1		-9.5	12.5
Turks, Caicos	755	671	1,875	1,884		-0.1	0.6		-2.3	22.8
US. Virgin Is	1,505	1,811	1,987	2,161	2,362	12.5	-3.3	9.3	3.8	1.9

Source: World Tourism Organization (WTO) ©

(Data as collected by WTO December 2004) er 2004)

Profile

Puerto Rico

Capital	San Juan
Year of entry in WTO	2002
Area (100 km ²)	90
Population (2003, million)	3.9

Americas
Caribbean

	2001	2002	2003*	2002/2001	2003*/2002
International Arrivals					
Visitors (1000)	4,908	4,364	4,402	-11.1	0.9
Tourists (overnight visitors) (1000)	3,551	3,087	3,238	-13.1	4.9
- per 100 of inhabitants	93	80	83		
Same-day visitors (1000)	..	1	..		
Cruise passengers (1000)	1,357	1,276	1,164	-6.0	-8.8
Tourism accommodation					
Number of rooms	12,353	12,768	12,788	3.4	0.2
<i>Nights spent in hotels and similar establishments (1000)</i>					
by non-residents (inbound tourism)	2,628	2,505	2,718	-4.7	8.5
Outbound Tourism					
Trips abroad (1000)	1,331	1,227	1,272	-7.8	3.7
- per 100 of inhabitants	35	32	33		
Receipts and Expenditure for International Tourism					
International Tourism Receipts (US\$ million)	2,728	2,486	2,677	-8.9	7.7
- per Tourist Arrival (US\$)	768	805	827	4.8	2.7
- per Visitor Arrival (US\$)	556	570	608	2.5	6.8
- per capita (US\$)	711	644	690		
International Tourism Expenditure (US\$ million)	1,004	928	985	-7.6	6.1
- per trip (US\$)	754	756	774	0.3	2.4
- per capita (US\$)	262	240	254		
△ International Tourism Balance (US\$ million)	1,724	1,558	1,692		

Source: World Tourism Organization (WTO)

(Data as collected by WTO December 2004)

See annex for methodological notes and reference of external sources used.

Survey

Contributed by *Puerto Rico Compañía de Turismo*
 www.gotopuertorico.com (promotional)
 www.gotopuertorico.com (institutional/corporate)
 En construcción. (research and data)

Tourism development and outlook

Overall evaluation of results	<p>The overall performance of tourism in Puerto Rico was very positive in 2003. Inbound tourism contributed 2.7 billion dolar, 7.6 per cent more than the previous year. Outbound tourism accounted for expenditures amounting to 985 million dolar, which gives a positive balance for our economy.</p> <p>Among the factors that contributed to this performance are the absence of adverse weather, the recovery of the United States economy, the aggressive marketing and public relations campaign, and the geographic location of Puerto Rico as a safe destination for United States and other international visitors in view of the Iraq conflict.</p>
Supply	<p>Tourism supply 2003: 707 new rooms. Diversification of accommodation supply continues, with the addition of hotels of different categories, prices and location. Construction of the largest Convention Centre in the Caribbean continues (completion date: late 2005).</p>
External factors	<p>New security measures at airports have generated the creation of new services aimed at frequent travellers, at both airports and accommodation establishments.</p> <p>The absence of hurricanes on the island has been a positive factor. The climate is one of its main attractions.</p> <p>The holding of United States Major League Baseball games stimulated local and international tourism.</p>
Tourism policy	<p>Creation of the Tourism Guarantee Fund for investment in small and medium-sized enterprises in the industry.</p> <p>The Land Tourism Transport Division was transferred to the Compañía de Turismo de Puerto Rico in order to improve the service offered in this important segment of tourism activity. The financing and development of Condado Trio is public-private cooperation project. All permits required by Puerto Rican law have been obtained, and financing for the project has been secured. Construction began in January 2004.</p>
Marketing & promotion	<p>Focus on the variety of tourism offerings in Puerto Rico.</p> <p>Main market: United States.</p> <p>Development of Internet distribution channel. Puerto Rico launched its first regional promotional campaign, called "Porta de Sol" to attract visitors to the western part of the country.</p>
Outlook 2004	<p>There are plans to open 1,300 additional rooms in 2004, including the first 5-star all-inclusive resort in Puerto Rico, the Paradisus Sol Meliá.</p> <p>Development of promotional programmes for the online distribution channels.</p> <p>2004 is an election year, which affects the number of investments.</p> <p>Significant improvements in airport facilities, especially at the Luis Muñoz Marín International Airport and the Aguadilla Airport.</p> <p>Growth is estimated to be 5 per cent for arrivals and 8 per cent in receipts.</p>

International Meetings Industry (MI)

Characteristics of supply | 75 per cent of the group events carried out in Puerto Rico are related to corporate meetings or conventions of associations. There is an increase in incentive groups as it is a very attractive destination for this purpose. On many occasions, a corporate meeting can be converted into an incentive trip for employees, thus maximizing the activity as such. As for exhibitions and fairs, a large number of corporate and association meetings (30%) also hold exhibitions at their events. This will soon change very positively upon the completion of work on the Puerto Rico convention centre next year, which will attract a much larger number of international exhibitions and fairs, as currently there is not enough space to hold them.

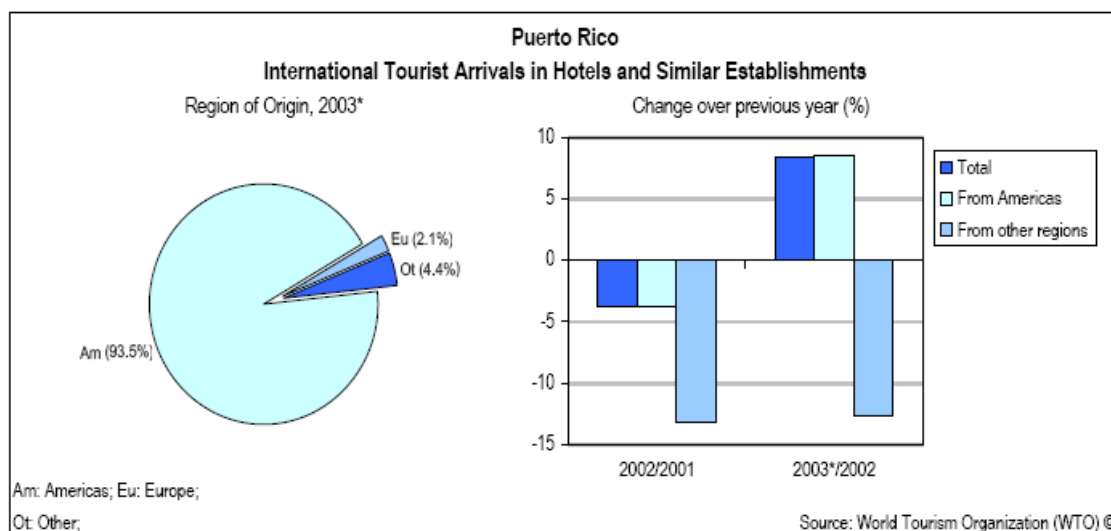
Organisation of promotion | The Puerto Rico Convention Bureau (PRCB) compiles information on groups whose events it arranges. It does not have access to aggregate data for all the conventions held on the island, although it is estimated that 60 per cent of the groups that come to Puerto Rico are included in the organization's statistics.

Collection of statistics on the Meetings Industry?: yes.

Importance / size | 20 per cent of the overall employment of the country.

Evolution MI | The number of groups handled by the Puerto Rico Convention Bureau (PRCB) has increased by 695 per cent in the past 10 years. This volume has grown very fast and will continue to do so for the next 10 years thanks to the opening of the new convention centre.

International Tourism by Origin



Puerto Rico

International Tourist Arrivals in Hotels and Similar Establishments (by residence)

					Market share (%)		Growth rate (%)		Average
	1995	2001	2002	2003*	1995	2003*	2002/01	2003*/02	per year (%)
	1995	2001	2002	2003*	1995	2003*	2002/01	2003*/02	1995-2003*
Total	851,382	1,250,460	1,203,832	1,304,610	100	100	-3.7	8.4	5.5
<i>From Americas</i>	730,095	1,167,991	1,123,499	1,219,366	85.8	93.5	-3.8	8.5	6.6
United States	661,109	1,066,732	1,033,164	1,131,949	77.7	86.8	-3.1	9.6	7.0
Canada	8,451	15,063	12,530	12,238	1.0	0.9	-16.8	-2.3	4.7
Mexico	7,840	13,740	12,049	12,113	0.9	0.9	-12.3	0.5	5.6
Dominican Rp	6,265	6,459	6,490	7,631	0.7	0.6	0.5	17.6	2.5
US Virgin Is	15,615	3,609	5,601	5,580	1.8	0.4	55.2	-0.4	-12.1
Venezuela	4,465	6,088	5,785	4,568	0.5	0.4	-5.0	-21.0	0.3
Colombia	2,007	2,658	2,645	3,230	0.2	0.2	-0.5	22.1	6.1
Argentina	2,351	4,013	2,470	2,444	0.3	0.2	-38.5	-1.1	0.5
Brazil	1,726	1,851	1,671	1,662	0.2	0.1	-9.7	-0.5	-0.5
Chile	454	701	920	1,525	0.1	0.1	31.2	65.8	16.4
Costa Rica	697	4,323	1,079	1,326	0.1	0.1	-75.0	22.9	8.4
Panama	609	683	774	755	0.1	0.1	13.3	-2.5	2.7
Peru	377	635	760	594	0.0	0.0	19.7	-21.8	5.8
Guatemala	363	300	323	361	0.0	0.0	7.7	11.8	-0.1
Ecuador	136	161	276	341	0.0	0.0	71.4	23.6	12.2
Bolivia	74	112	183	271	0.0	0.0	63.4	48.1	17.6
Uruguay	152	237	115	243	0.0	0.0	-51.5	111.3	6.0
Cuba	29	195	124	231	0.0	0.0	-36.4	86.3	29.6
El Salvador	143	103	214	183	0.0	0.0	107.8	-14.5	3.1
Other intraregional	17,232	40,328	36,326	32,121	2.0	2.5	-9.9	-11.6	8.1
<i>From other regions</i>	29,367	42,164	36,603	31,946	3.4	2.4	-13.2	-12.7	1.1
Spain	5,026	5,335	6,816	7,696	0.6	0.6	27.8	12.9	5.5
United Kingdom	4,316	6,123	5,521	5,703	0.5	0.4	-9.8	3.3	3.5
Germany	5,939	2,946	3,371	2,858	0.7	0.2	14.4	-15.2	-8.7
Italy	3,113	1,713	1,679	1,827	0.4	0.1	-2.0	8.8	-6.4
France	1,832	1,551	1,957	1,775	0.2	0.1	26.2	-9.3	-0.4
Australia	..	834	894	1,493		0.1	7.2	67.0	
Netherlands	432	1,429	1,152	916	0.1	0.1	-19.4	-20.5	9.9
Switzerland	1,195	795	693	717	0.1	0.1	-12.8	3.5	-6.2
Japan	936	961	875	697	0.1	0.1	-8.9	-20.3	-3.6
All Africa	..	2,345	1,393	669		0.1	-40.6	-52.0	
Sweden	339	523	478	640	0.0	0.0	-8.6	33.9	8.3
Austria	252	418	515	546	0.0	0.0	23.2	6.0	10.1
Belgium	518	484	453	486	0.1	0.0	-6.4	7.3	-0.8
Finland	94	117	112	291	0.0	0.0	-4.3	159.8	15.2
China	40	252	193	278	0.0	0.0	-23.4	44.0	27.4
Portugal	131	277	233	268	0.0	0.0	-15.9	15.0	9.4
Israel	..	337	241	242		0.0	-28.5	0.4	
Philippines	36	260	269	232	0.0	0.0	3.5	-13.8	26.2
Norway	205	400	272	225	0.0	0.0	-32.0	-17.3	1.2
Denmark	140	272	840	211	0.0	0.0	208.8	-74.9	5.3
Ireland	120	180	205	171	0.0	0.0	13.9	-16.6	4.5
Other interregional	4,703	14,612	8,441	4,005	0.6	0.3	-42.2	-52.6	-2.0
<i>Nationals residing abroad</i>	..	22,515	20,487	20,418		1.6	-9.0	-0.3	
<i>Other World/Not specified</i>	91,920	17,790	23,243	32,880	10.8	2.5	30.7	41.5	-12.1

Source: World Tourism Organization (WTO) ©

(Data as collected by WTO December 2004)

Baby Boomer Survey Shows Big Appetite For Real Estate

WASHINGTON, May 18, 2006 -

Baby boomers have a higher rate of homeownership than the national average and one out of four own more than one property, according to a new study of the largest generation in U.S. history commissioned by the National Association of Realtors®. Initial results were released here today at NAR's Midyear Legislative Meetings & Trade Expo.

The comprehensive study of nearly 2,000 Americans born between 1946 and 1964, conducted for NAR by Harris Interactive, also shows boomers are optimistic about the future, but many are not adequately prepared for retirement.

David Lereah, NAR's chief economist, said marketing to this generation has been and can be a challenge. "As a group, boomers are in their peak earning years and continue to wield great influence in the U.S. economy, but they are not homogeneous - there are significant variances in needs, behavior, attitudes and resources," he said. "On one hand is an almost insatiable desire for real estate, with some owning multiple properties, and on the other, many have not adequately planned for retirement. What should not be overlooked are the discretionary spending interests of this generation, and their appreciation of housing as a great investment."

Nearly eight in ten boomers own their own homes and almost nine out of ten have owned at some point in their lives; 96 percent believe owning a home is a good financial investment - evidenced by their actions. According to the U.S. Census Bureau, the overall rate of home ownership is 69 percent.

For the portion of baby boomers who have never owned a home, 85 percent cited financial reasons but 38 percent simply didn't want the responsibility of homeownership.

One-quarter of respondents own one or more other kinds of real estate in addition to a primary residence: 13 percent own land, 8 percent own rental property, 7 percent a vacation home or seasonally occupied property, 2 percent commercial real estate and 3 percent some other kind of real estate.

In addition to a higher rate of homeownership, analysis by NAR shows baby boomers are proportionately more active in the second home market, owning 57 percent of all vacation/seasonal homes and 58 percent of rental property.

For the segment of boomers who own rental investment property, 34 percent own multiple properties: 14 percent own two rentals, 5 percent own three and a small number own four properties; however, 14 percent own five or more rental units.

Of the portion who own vacation homes or seasonally occupied property, 13 percent said they own two or more vacation or seasonal homes.

Four out of ten respondents who own a vacation home or seasonal property intend to eventually make that property a primary residence. Historically, other NAR survey data shows only one in five vacation-home buyers had such intentions when they first purchased the property.

Lereah said this has emerged as an investment strategy. "Some boomers will take advantage of generous capital gains exclusions from their taxes when they sell their primary residence, and then place themselves in the position of being able to convert a vacation home into their new primary residence which would later become eligible for the same tax treatment," he said. "Then, if their needs change in the future, they'll be able to take the capital gains tax break after they have lived in that home as their primary residence for two out the five previous years. It becomes a great way to build and protect a nest egg."

For the portion of respondents who own land, the median holding was 5 acres. Half of those with commercial property had an ownership interest in only one property and 29 percent have two holdings.



NAR President Thomas M. Stevens from Vienna, Va., said the survey shows one-quarter of all boomers are not satisfied with their present homes. "That means a good portion of baby boomers may be considering a move, so it's important for the industry to understand their preferences and needs," said Stevens, senior vice president of NRT Inc.

Ten percent of all boomers said they are likely to buy additional real estate in the next 12 months; two-thirds of those respondents said they were considering a primary residence but 26 percent were interested in land, 19 percent rental property, 15 percent a vacation or seasonal home and 14 commercial property.

Eight out of ten boomers used a real estate agent the last time they sold a home. The things they value most in a real estate agent when they buy a home are representation of interests and coordinating with other parties in the process; explaining all contracts, forms and agreements; and management of the closing process from start to finish.

In selling a home, they also want agents to establish the right asking price, show the home and negotiate all offers received on their behalf.

"This tells us the Internet is great for information, but baby boomers want real estate agents to provide services, whether they're buying or selling," Stevens said.

Typical boomers have lived in their present home for a median of nine years, and plan to stay there for another five years. Two-thirds think it's important to pay off a mortgage quickly, but at the same time 58 percent are comfortable in purchasing with a small downpayment.

In deciding whether to buy a primary residence in the future, nearly half of the respondents that were considering a purchase said having sufficient wealth or favorable mortgage financing were factors.

In terms of their current financial condition, 43 percent say they are financially comfortable but 37 percent say they have just enough to make ends meet. Only 4 percent said they were well-off, and 17 percent said they are having financial difficulty. "That clouds the retirement options for many baby boomers," Stevens said.

Nearly two-thirds say it costs too much today to truly retire and never work again, and four out of ten expect they will pay for at least some college expenses for children or grandchildren; 38 percent said current financial needs mean they give little attention to financial planning for retirement.

"Many baby boomers are simply too busy to give much thought to planning for retirement, but they really need to develop strategies now," Stevens said. "Many just see themselves 'going' for as long as they can." Only 14 percent expect to receive a sizeable inheritance that will be a critical help during retirement. Half of all boomers believe it is important to diversify savings for retirement into different types of investments.

In describing how they would like to retire, many boomers might be described as "dreamers." One in ten said they already are retired but only 26 percent said they would never want to work for pay again. A third see themselves as going back and forth between periods of work and leisure, 17 percent would work part time, 11 percent would start a business and 7 percent would work full time. Even so, 59 percent said it was not likely that they'd work beyond the time they become eligible for full Social Security benefits. The average respondent expects to stop working at age 65.

Three out of five say their idea of the perfect location to retire is in a rural area or small town, with only 12 percent saying an urban or city setting, and nearly half would consider living in an age-restricted community; 38 percent want to be close to family. If money were no object, access to quality health care is important to more boomers than being on a golf course (38 percent vs. 4 percent). Ideally, they would like to live in a rural area with access to quality health care. "One question is how many areas actually offer those kinds of amenities in that kind of environment," Stevens said.

Half said they have a 401(k) or similar retirement plan, 39 percent a pension, 39 percent an IRA or Roth IRA, 11 percent a SEP (Simplified Employee Pension Plan), and 6 percent have investments in a REIT (real estate investment trust).

Most, 83 percent, do not plan to withdraw funds from an eligible retirement account starting at age 59. For those who are very likely to withdraw, 75 percent said they'd use the funds for personal living expenses, and 51 percent said they'd travel; 39 percent would consider investment in some form of real estate.

The 2006 National Association of Realtors® study, *BABY BOOMERS AND REAL ESTATE: Today and Tomorrow*, was conducted online by Harris Interactive between March 31 and April 6, 2006, among a nationwide cross section of 1,969 U.S. adults born between 1946 and 1964. Figures for age, sex, race, education, region and household income were weighted where necessary to bring them into line with their actual proportions in the population. Propensity score weighting was also used to adjust for respondents' inclination to be online. With 95 percent certainty, overall results have a sampling error of plus or minus 2.2 percentage points; the sampling error for various sub-sample results is higher and varies.

The study, expected to be ready for publication in late June, can be ordered in advance by calling 800/874-6500. The cost is \$50 for NAR members and \$125 for non-members.

Harris Interactive Inc. (<http://www.harrisinteractive.com/>), based in Rochester, N.Y., is the 13th largest and the fastest-growing market research firm in the world, most widely known for The Harris Poll and for its pioneering leadership in the online market research industry.

The National Association of Realtors®, "The Voice for Real Estate," is America's largest trade association, representing more than 1.2 million members involved in all aspects of the residential and commercial real estate industries.

Part Four - Analysis of the Data and Conclusions

Highest and Best Use Analysis
Valuation Process
Land Valuation
Parameters of Value Conclusions
Marketing Time
Exposure Time



I HIGHEST AND BEST USE ANALYSIS

The economic principles of supply and demand, substitution, balance, and conformity are basic tools for analyzing the relationships between economic behavior and appraisal. The interdependent factors that influence value, i.e. utility, scarcity, desire, and effective purchasing power, are also economic in origin because modern value and appraisal theory has evolved from neoclassical economic thought.

The relationships between economic behavior and appraisal are clearly evident in real estate markets. In these markets where buyers and sellers of property rights interact, market value has great significance to debt and equity capital investors. In all types of property transactions, market value estimates based on careful analyses of market behavior are needed to shape financial decisions that affect individuals, neighborhoods, businesses, and governments.

An understanding of market behavior is essential to the concept of highest and best use. Market forces create market value, so the interaction between market forces and highest and best use is of crucial importance. When the purpose of an appraisal is to estimate market value, highest and best use analysis identifies the most profitable, competitive use to which the property can be put. Therefore, highest and best use is a market-driven concept.

Definition: Highest and best use may be defined as the reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value.

The highest and best use of a specific parcel of land is shaped by the competitive forces within the market where the property is located. Therefore, analysis and interpretations of highest and best use is an economic study of market forces focused on the subject property.

Market forces also shape market value. The general data that are collected and analyzed to estimate property value are also used to formulate an opinion of the property's highest and best use as of the appraisal date. In all valuation assignments, value estimates are based on use. The highest and best use of a property to be appraised provides the foundation for a thorough investigation of the competitive positions of market participants. Consequently, highest and best use can be described as the foundation on which market value rests.

Appraisal theory holds that as long as the value of a property as improved is greater than the site as unimproved, the highest and best use is use of the property as improved. Once the value of the land exceeds the value of the improved property, the highest and best use becomes use of the land as though vacant. Each parcel of real estate may have a highest and best use of the land or site as though vacant and a different highest and best use of the property as improved.

The highest and best use of both land as though vacant and property as improved must meet four criteria. The highest and best use must be legally permissible, physically possible, financially feasible, and maximally productive.

Highest and Best Use as Vacant

The Highest and Best Use as Vacant analysis assumes a parcel of land as vacant or that it can be made vacant through a demolition of any improvements. The four criteria are then applied to the subject site as though vacant.

Legally Permissible

The use must be legal. The use must be probable, not speculative or conjectural. There must be a profitable demand for such a use and it must return to the land the highest net return for the longest period of time. The subject property has antique zoning rights which permits a wide variety of commercial developments including

a destination resort hotel, residences and amenities. A Destination Resort Community is legally permitted on the subject property.

Physically Possible

The first constraint imposed on the possible use of the property is that dictated by the physical aspects of the site itself. Size, shape and terrain of the parcel of land affect the uses to which it can be developed. The utility of the parcel may depend on its frontage and depth. Also considered is the capacity and availability of public utilities. In general, the larger the site, the greater the potential for achieving economies of scale or flexibility in development. The subject site is irregular in shape and contains a total area of approximately 413-acres. Approximately 500 residential units are planned for this property or only 1.2 units per acre. A Destination Resort Community as described in this report is physically possible on the subject property.

Financially Feasible

After determining which uses are physically possible and legally permissible, we have eliminated many uses from consideration. Then the uses that meet the first two criteria are analyzed further to determine which are likely to produce an income, or return, equal to or greater than the amount needed to satisfy operating expenses, financial obligations and capital amortization. All uses that are expected to produce a positive return are regarded as financially feasible. A Destination Resort Community as described in this report is financially feasible on the property (See Subdivision Development Approach).

Maximally Productive

While in most valuation/analysis cases, the legality of use and physical adaptability of a site or improvement to a use is readily ascertainable, rarely is the most profitable-marketable use apparent. The maximally productive use in this case is a Destination Resort Community.

Conclusion

A Destination Resort Community is legally permissible, physically possible, financially feasible and maximally productive. Based upon all of this market data, information and analysis, it is our opinion that the highest and best use of the subject property as vacant is to develop a Destination Resort Community.

II THE VALUATION PROCESS

The valuation process is a systematic procedure employed to provide the answers to a client's questions about market value. It is accomplished through specific steps; the number of steps followed depends on the nature of the appraisal assignment and the data available.

In assignments to estimate market value, the ultimate goal of the valuation process is a well-supported value conclusion that reflects all the factors that influence the market value of the property being appraised. To complete the valuation process the appraiser integrates the information drawn from market research, data analysis and from the application of approaches to form a value conclusion.

The valuation process is a methodology used to solve a client's specific question about property value. This process begins with identification of the specific problem to be solved and ends when a solution is reported to the client. It is applicable in valuing the subject property. The analytical structure will be specifically applied to the property addressing its unique characteristics.

There are six internationally accepted procedures or methods utilized by professional appraisers to estimate the value of vacant land; these are the Sales Comparison Approach, Allocation, Extraction, Subdivision Development, Land Residual and Ground Rent Capitalization. All of these procedures/techniques were considered, for the purpose of this analysis, the Subdivision Development will be utilized

The Subdivision Development Approach is appropriate when comparable vacant land sales do not exist, mixed-use development for the vacant land is planned and highest and best use is for mixed-uses including hotels, commercial facilities, residential and resort amenities.

A valuation process summary chart follows:

VALUATION SUMMARY CHART

Definition of the Problem						
Identification of Client / Intended Users	Intended Use of the Appraisal	Purpose of appraisal (Inc. definition of value)	Date of opinion of value	Identification of characteristics of property (inc. location and property rights to be valued)	Extraordinary assumptions	Hypothetical conditions
Scope of Work						
Data Collection and Property Description						
Market Area Data General characteristics of region, city and market area		Subject Property Data Specific characteristics of land and improvements, personal property, business assets, etc.		Comparable Property Data Sales, listings, offerings, vacancies, cost and depreciation, income and expenses, capitalization rates, etc.		
Data Analysis						
Market Analysis Demand studies Supply studies Marketability studies			Highest and Best Use Analysis Site as though vacant Ideal improvement Property as improved			
Land Value Opinion						
Application of the Approaches to Value						
Subdivision Development Approach						
Report of Defined Value						

III LAND VALUATION

If land has utility for a specific use and there is demand for that use, the land has value to a particular category of users. There are many principles and factors that must be considered for land valuation and the valuation of land requires careful analysis of a complex variety of factors.

Anticipation, change, supply and demand, substitution and balance are appraisal principles that influence land value. Anticipation means that value is created by the expectation of benefits to be derived in the future.

The supply and demand for land in a particular location tends toward equilibrium. If supply declines and demand remains stable or increases, prices rise. Conversely, if the supply of sites for a particular use increases and demand remains stable or declines, prices fall.

Land value is substantially affected by the interplay of supply and demand, but it is the economic use of a site that determines its value in a particular market.

The appraisal of land focuses on valuing the property rights attached to the land. These include the rights to develop the land within certain limits, to lease it to others, to alter its topography, to subdivide it and to assemble it. Because the supply of land cannot keep pace with the demand for it, governments regulate how land can be used and developed.

The physical characteristics of land, the available utilities, and site improvements affect land use and value. The physical characteristics of a parcel of land that are considered are size and shape, frontage, topography, location and view.

The availability of utilities such as water, sewers, electricity, natural gas and telephone service also influences the use and development potential of a parcel of land. Utilities may be provided by off-site facilities such as public water mains, sewers, and power lines or by on-site facilities such as public water mains, sewers, and power lines or by on-site facilities such as spring basins, drilled domestic wells, and septic tanks.

Land Valuation Techniques

The six internationally accepted procedures / techniques used to value land are:

1. Sales Comparison Approach
2. Allocation
3. Extraction
4. Subdivision Development
5. Land Residual
6. Ground Rent Capitalization

All six procedures are derived from the three basic approaches to value. Sales comparison and income capitalization (i.e. ground rent capitalization) can be directly applied to land valuation. Allocation and extraction procedures reflect the influence of the sales comparison and cost approaches. Subdivision development draws on elements of all three approaches. All of these procedures/techniques were considered, for the purpose of this analysis, the Subdivision Development Approach will be utilized.

Subdivision Development Approach

The Subdivision Development Approach is designed to simulate the behavior of typical market participants, who are keenly interested in the timing of cash receipts and disbursements and in quantifying the risks associated with a subdivision development.

The subdivision development is a method of estimating land value when subdivision and development are the



highest and best use, such as for the subject property. All direct and indirect costs and entrepreneurial profit are deducted from an estimate of the anticipated gross sales price of the finished units. The resultant net sales proceeds are then discounted to present value at a market derived rate over the development and absorption period to indicate the value of the land "AS IS".

A subdivision is much more than a group of physical components. It is composed of a variety of tangible and intangible elements, which contribute to the project's ultimate value and utility. A subdivision's economic components include land, labor, capital and entrepreneurial rewards.

Land

Land is one of the most fundamental components of a subdivision property. The key contribution of the land is its relationship to the surrounding competitive market. The importance of location to the success of a subdivision cannot be overstated. A subdivision's ability to compete with other properties in the marketplace depends on its location attributes. The subject property has an excellent location just 10 miles east of Metropolitan San Juan with over one-half mile of Atlantic Ocean frontage.

Labor

In subdivision properties, the labor component is reflected in site improvements, development plans, marketing efforts, legal fees and project overhead. The labor expended on the development is one of the most significant factors of production. In assessing labor costs, it is important to identify specific expenditures that are anticipated and also their timing. Expenditures include all hard and soft costs associated with completing the development plans.

Capital

The roll of capital is a primary agent of production. Capital, in combination with land and labor, is a necessary ingredient of a productive good or service. Capital is an important agent of production since it serves as a bridge between expenditures for land and labor and capital subsequent receipt of income, once a product is sold. In most subdivision developments, capital is derived from two (2) sources, borrowed capital and equity capital.

Entrepreneurial Profit

A market-derived figure that represents the amount a developer expects to receive for his or her contribution to a project; the difference between the total cost of a property (cost of development) and its market value (property value after completion), which represents the developer's compensation for the risk and expertise associated with development. In economics, the actual return on successful management practices often identified with coordination, the fourth factor of production following land, labor and capital; also called entrepreneurial return or entrepreneurial reward. In this case, entrepreneurial profit or developer's profit is implicit in the yield rate (IRR) (see PriceWaterhouseCoopers survey in this part of the report).

Development Plan

The subject property is briefly described as a 413-acre vacant parcel of oceanfront land located between Kilometer marker 10.3 and 11.3, State Road 187, Municipality of Loiza, and Commonwealth of Puerto Rico USA. The property has antique zoning rights that dates back to 1883 and supersedes all current zoning. This has a tremendous positive affect on the market value and marketability of the subject property because the owners are allowed to develop a wide variety of commercial projects including a Resort Hotel and Casino. The property features over one-half mile of Atlantic Ocean frontage and wide white sandy beach. All public utilities (except sewer) are at the property and it has an excellent location just 10 miles east of Metropolitan San Juan. The property is easily accessible via State Road 187 which runs through the property.

Planned is the One World Resort and Casino, a World-Class Five Star destination resort community with hotel, residences, casino, beach club, spa and an 18 – hole championship golf course and club. The overall density is 500 units or only 1.2 units per acre.

Development Approach

The first step in estimating land value using the Subdivision Development Approach is to prepare a complete cash flow forecast of the income expected to be received and the cost/expenses to be paid by the owner of the land, during both the construction phases and the sellout period of the subdivision. The income forecast represents the proceeds from the sale of homes over the anticipated sellout period. The cost/expense of development includes all Direct (Hard) construction costs and all Indirect(Soft) construction costs.

“ARV AS COMPLETED”

The One World Resort and Casino will consist of a 5 Star hotel and residences; casino; beach club; 18-hole signature golf course and club.

In order to estimate the “ARV AS COMPLETED” of the 500 planned units, Global Valuation, Inc. has gathered, verified and analyzed over two hundred (200) individual unit sales in four (4) comparable World-Class, 5 Star Destination Resort Communities in the Caribbean Basin, namely Emerald Bay; One and Only Ocean Club, St. Regis Anguilla and West Caico Reserve.

Details of the comparable 5 Star Destination Resort Communities, analysis and conclusion of the “ARV AS COMPLETED” begin on the next page.

Comparable Five-Star Master Planned Resort Community No. 1
Emerald Bay
Great Exuma, Bahamas
www.emeraldbayresort.com

Emeralds Bay consists of a (Four Seasons) 5 Star Hotel and Residences; 5,000 SF Casino; 23 acre Marina with 190 wet slips and 160 dry slips capable of handling 230 foot yachts; Spa; Beach Club; 18-hole signature (Greg Norman) golf course and club. The residential components consist of single-family homes; condominiums; villas and townhomes. Overall, approximately 1,000-units are being developed on a 470 acre parcel of oceanfront land or a density of (1,000/470ac) 2.13 units per acre. Over 300 units have been sold in the last three (3) years or an absorption rate of 100 units per year.

5 Star Hotel and Residences

The Four Seasons Resort consists of 219-guest rooms and suites and 18 residences (Phase-I). Amenities include a 16,000 SF full-service spa; 12,500 SF of meeting space; restaurants; bars; lighted tennis courts and a beautiful wide white sandy beach. Four Seasons Resort Residences provide the “resort lifestyle” everyday. The Residences offer owners a private vacation retreat with access to all of the services of the Four Seasons Resort. The two and three bedroom condominiums are designed and furnished by Four Seasons and provide maintenance free island living.

Resort Residences	Sale Price	Size (SF)	Sale Price/SF
Beach Villas	\$3,950,000	2,600	\$1,519
Bayhouse Villas	\$1,750,000	1,720	\$1,134

The Four Seasons Residences (Phase I – 18 Residences) are sold out.

Single Family Lots

There are three separate single-family home enclaves. Marina Beach Estates consists of 19-oceanfront lots with private docking. Ocean Ridge consists of 45 oceanview/golf lots and Golf Estates consists of 148 golf lots.

19 – Marina Beach Estates \$2,000,000 - \$4,000,000

45 – Ocean Ridge Estates \$900,000 - \$1,400,000

148 – Golf Estates Future Development

Marina Beach Estates and Ocean Ridge Estate are sold out.

Grand Isle Villas

Grand Isle Villas is an intimate gated community with some of the best panoramic views of the Resort and bay. These West Indies style one, two, three and four bedroom townhomes and apartments offer residents a one-of-a-kind pool pavilion overlooking the golf course, beach and Atlantic Ocean. Sixty two (62) of the seventy two (72) units are sold.

Unit Type	Size (SF)	Sale Price	Sale Price/SF
1 Bedroom	1,040	\$735,000 – 795,000	\$707 – 764
2 Bedroom	1,906	\$1,250,000 – 1,950,000	\$656 – 1,023
3 Bedroom	2,127	\$1,250,000 – 2,300,000	\$588 – 1,081
2 Bedroom PH	2,023	\$2,500,000	\$1,236
4 Bedroom PH	4,088	\$4,900,000	\$1,199



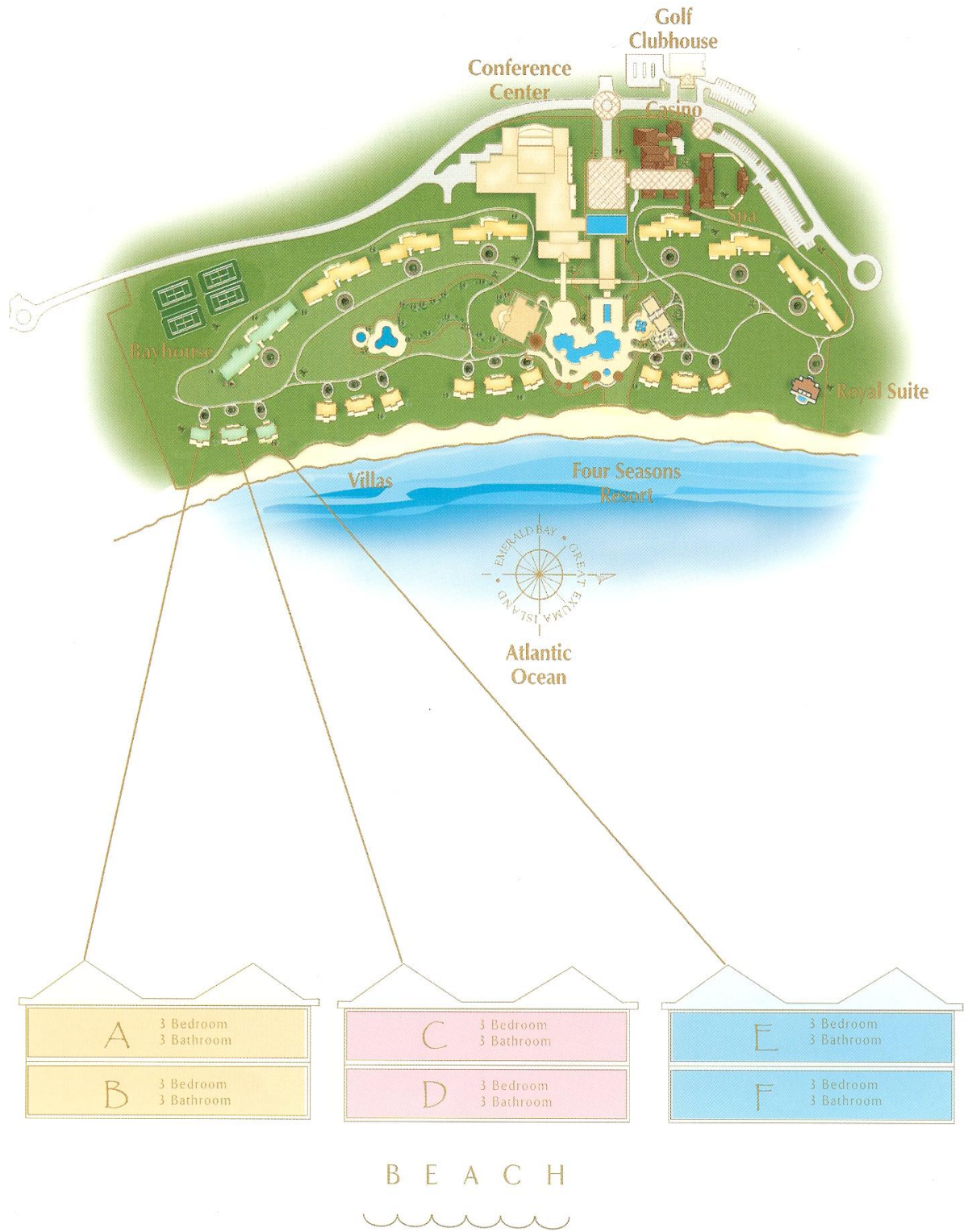
Future Developments

Future developments include a Marina Village, Ocean Village, Fairway Villas and future phases of the Four Seasons Resort Residences. It is important to note that Emerald Bay has been sold and no further details are available at this time. We expect the new owners will launch their future development plans in the foreseeable future.

A Master Site Plan, floor plans of the Four Seasons Resort Residences and Grand Isle Villas begin on the next page.



MASTER SITE PLAN

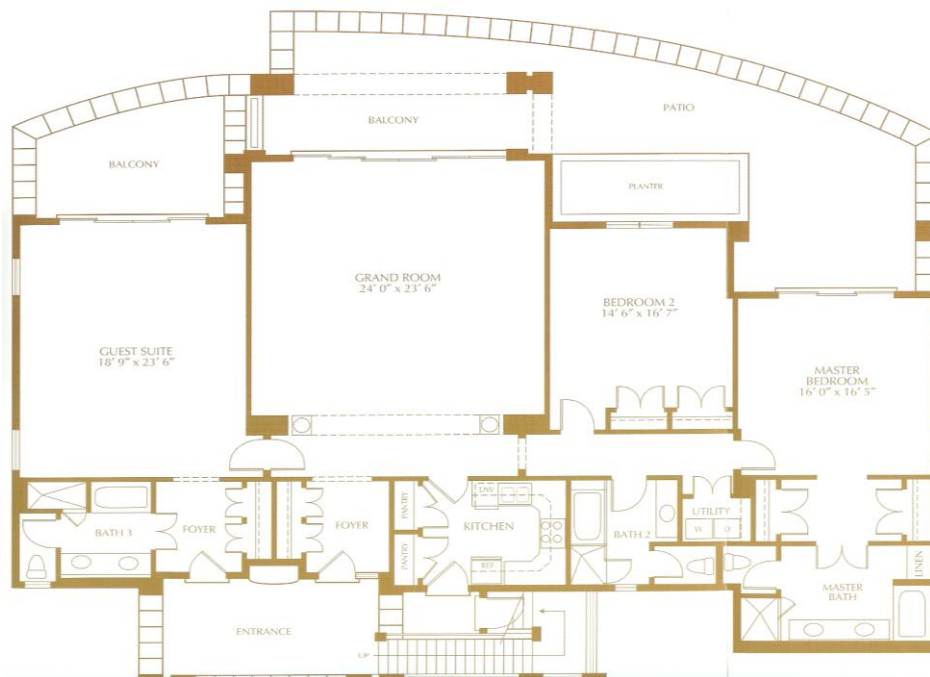


BEACH VILLAS

3 BEDROOMS, 3 BATHROOMS




FOUR SEASONS
RESORT RESIDENCES
Great Exuma at Emerald Bay





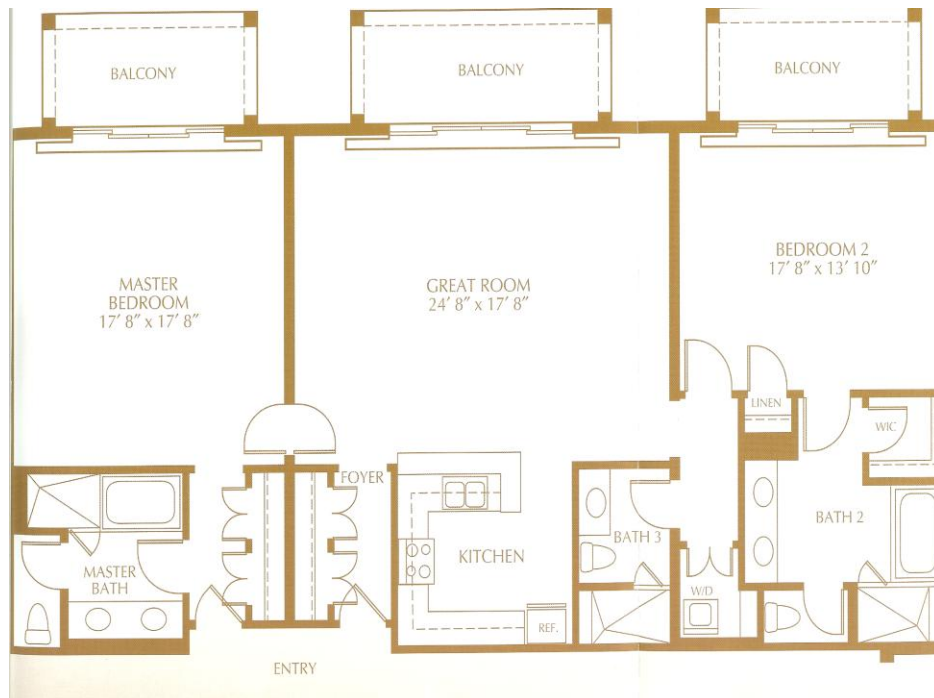
<u>3rd Floor</u>	O-319 3 Bedroom 3 Bathroom	P-318 2 Bedroom 3 Bathroom	Q-317 2 Bedroom 3 Bathroom	R-316 3 Bedroom 3 Bathroom
<u>2nd Floor</u>	K-219 3 Bedroom 3 Bathroom	L-218 2 Bedroom 3 Bathroom	M-217 2 Bedroom 3 Bathroom	N-216 3 Bedroom 3 Bathroom
<u>1st Floor</u>	G-119 3 Bedroom 3 Bathroom	H-118 2 Bedroom 3 Bathroom	I-117 2 Bedroom 3 Bathroom	J-116 3 Bedroom 3 Bathroom

BAYHOUSE

2 BEDROOMS, 3 BATHROOMS




FOUR SEASONS
RESORT RESIDENCES
Great Exuma at Emerald Bay



BAYHOUSE

3 BEDROOMS, 3 BATHROOMS



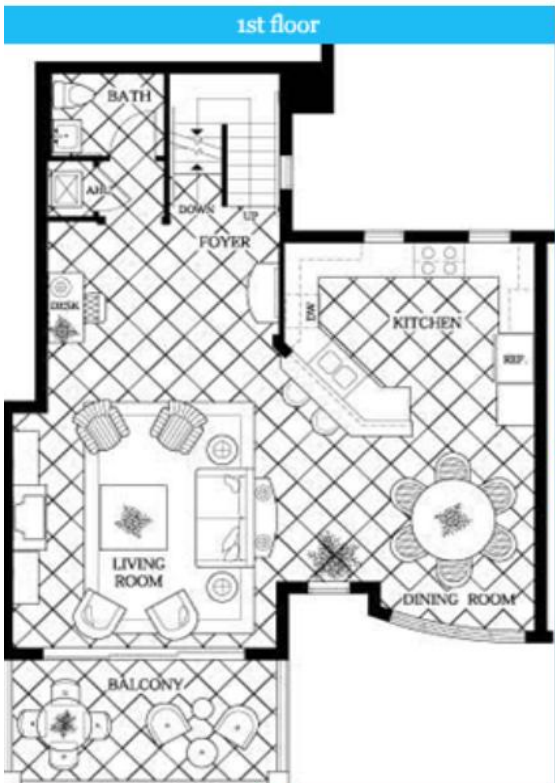

FOUR SEASONS
RESORT RESIDENCES
Great Escapes at Emerald Bay



Grand Isles Villas Site Plan



**Grand Isles Villas
Bahia Mar
Townhome**



Artist's Rendering

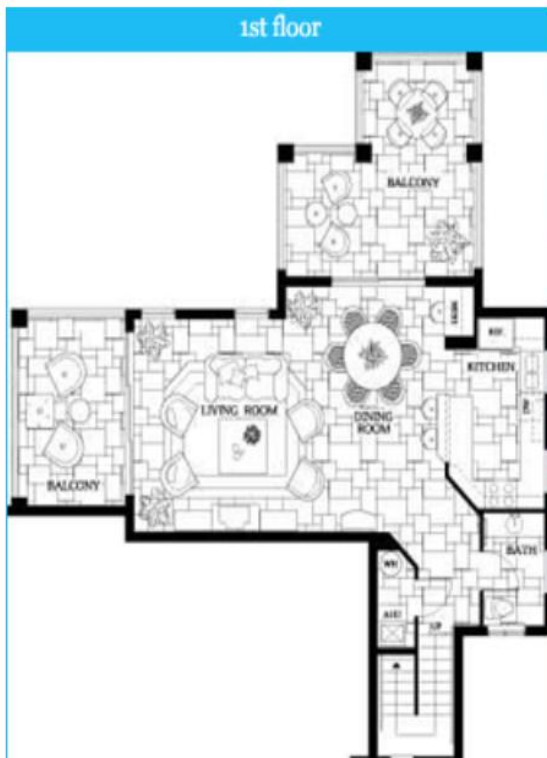


BAHIA MAR

2 BEDROOMS, 2-1/2 BATHS

TOTAL A/C LIVING AREA	1,906 SQ. FT.
TOTAL TERRACES	294 SQ. FT.
CART STORAGE	85 SQ. FT.
GRAND TOTAL	2,285 SQ. FT.

Grand Isles Villas 2 Bedroom Lucayan Townhome



Artist's Rendering



LUCAYAN

2 BEDROOMS, 2-1/2 BATHS

TOTAL A/C LIVING AREA	1,865 SQ. FT.
TOTAL TERRACES	534 SQ. FT.
CART STORAGE	85 SQ. FT.
GRAND TOTAL	2,484 SQ. FT.

**Grand Isles Villas
3 Bedroom Lucayan
Townhome**



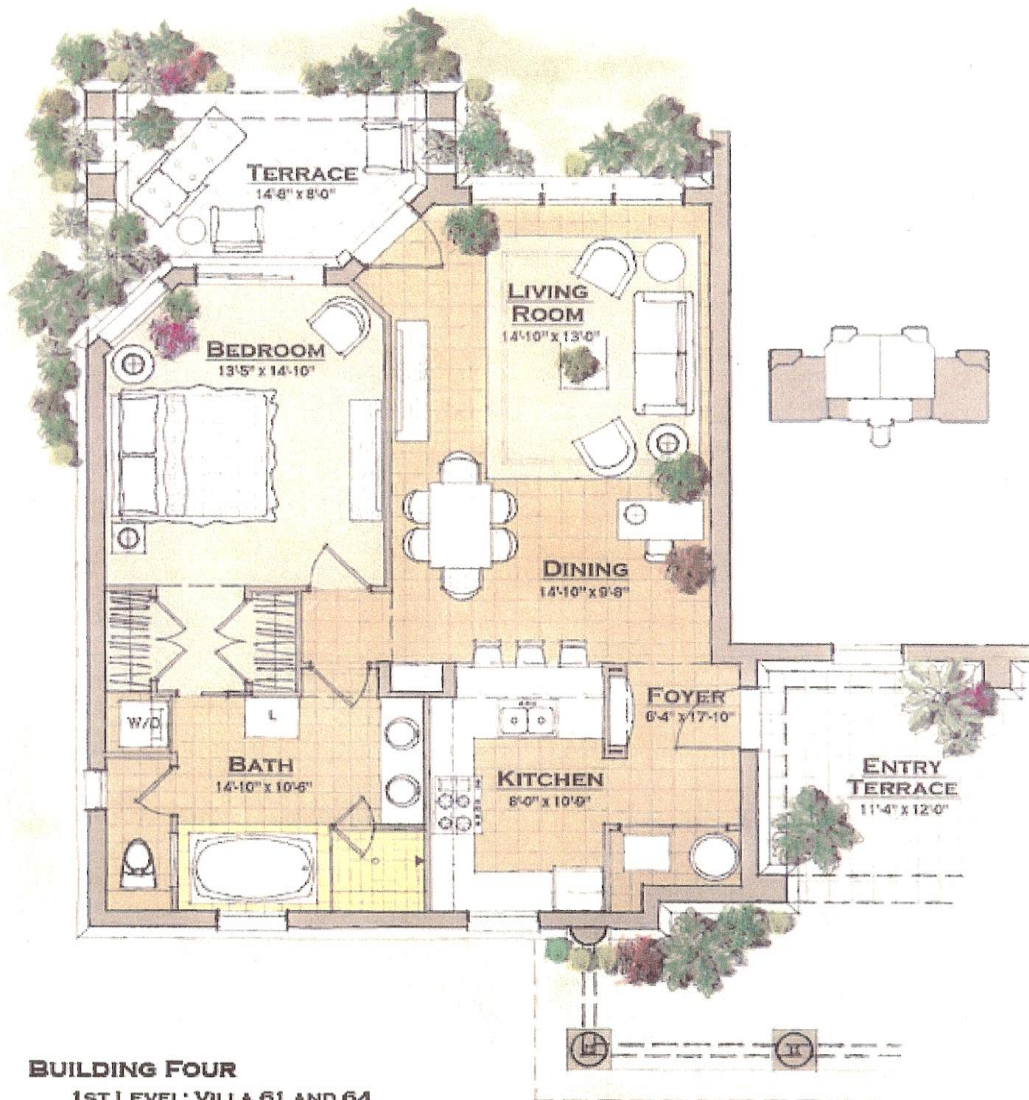
LUCAYAN

3 BEDROOMS, 3 BATHS

TOTAL A/C LIVING AREA	2,127 SQ. FT.
TOTAL TERRACES	421 SQ. FT.
CART STORAGE	85 SQ. FT.
GRAND TOTAL	2,633 SQ. FT.



**Grand Isles Villas
Luxury One Bedroom Flat**

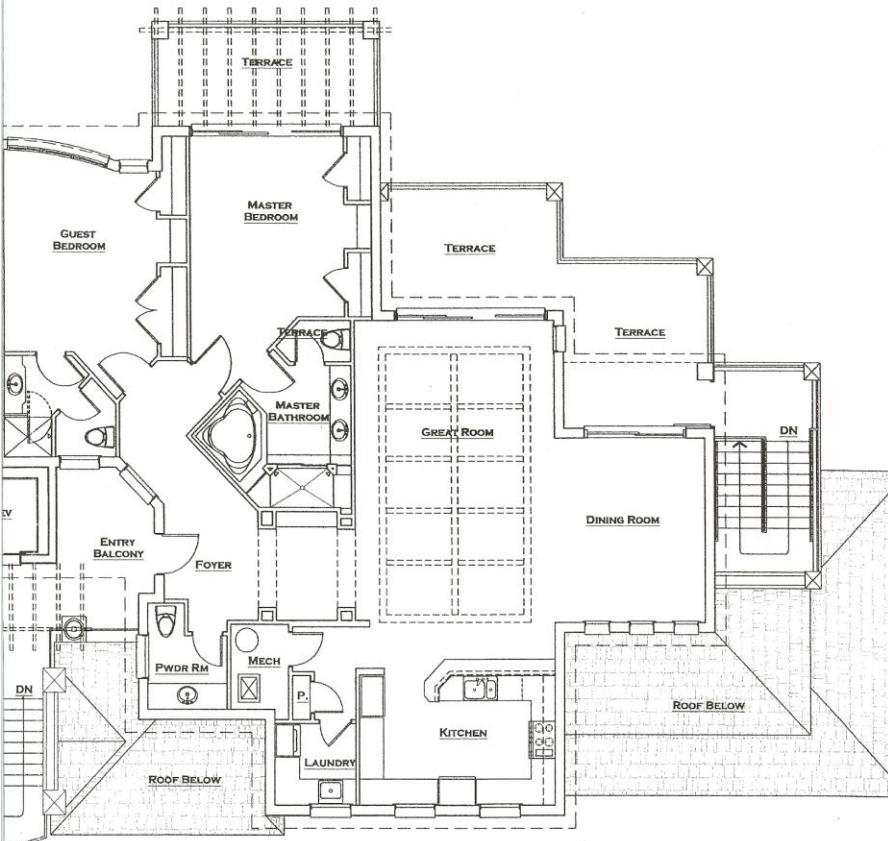
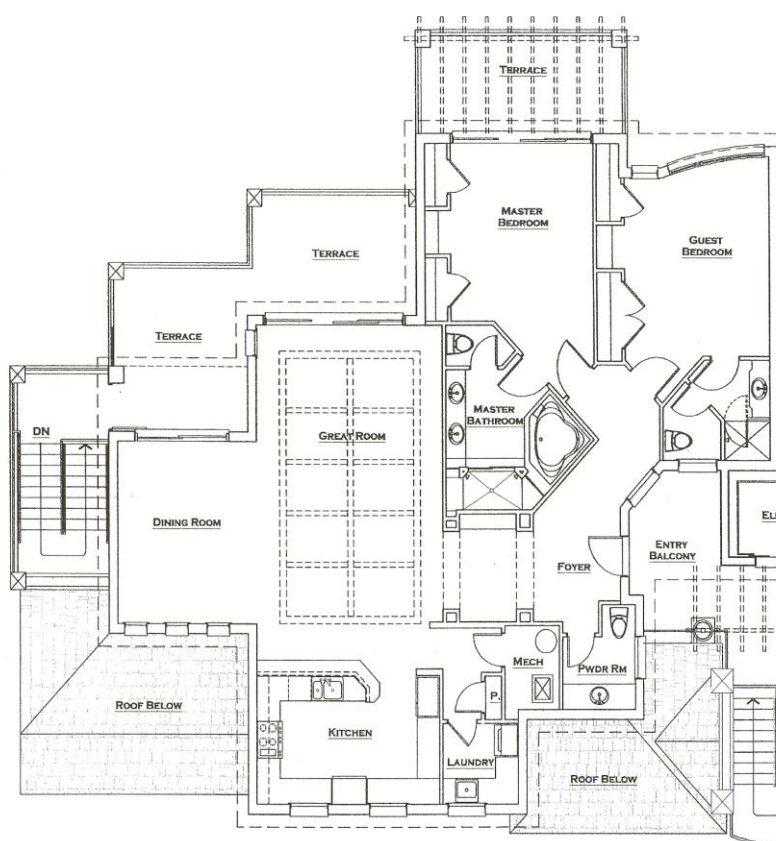


BUILDING FOUR

1ST LEVEL: VILLA 61 AND 64
2ND LEVEL: VILLA 65 AND 68

LUXURY ONE BEDROOM FLAT
AIR CONDITIONED SPACE: 1040 SF
TERRACES: 281 SF
TOTAL SF: 1321 SF

Grand Isles Villas 2 Bedroom Penthouse



PENTHOUSE #1

2 BEDROOMS/ 2 1/2 BATHS

PENTHOUSE #1 AREA SUMMARY

AIR CONDITIONED SPACE	2023 SF
TERRACE(S)	583 SF
CART STORAGE	75 SF
TOTAL GROSS SF	2681 SF

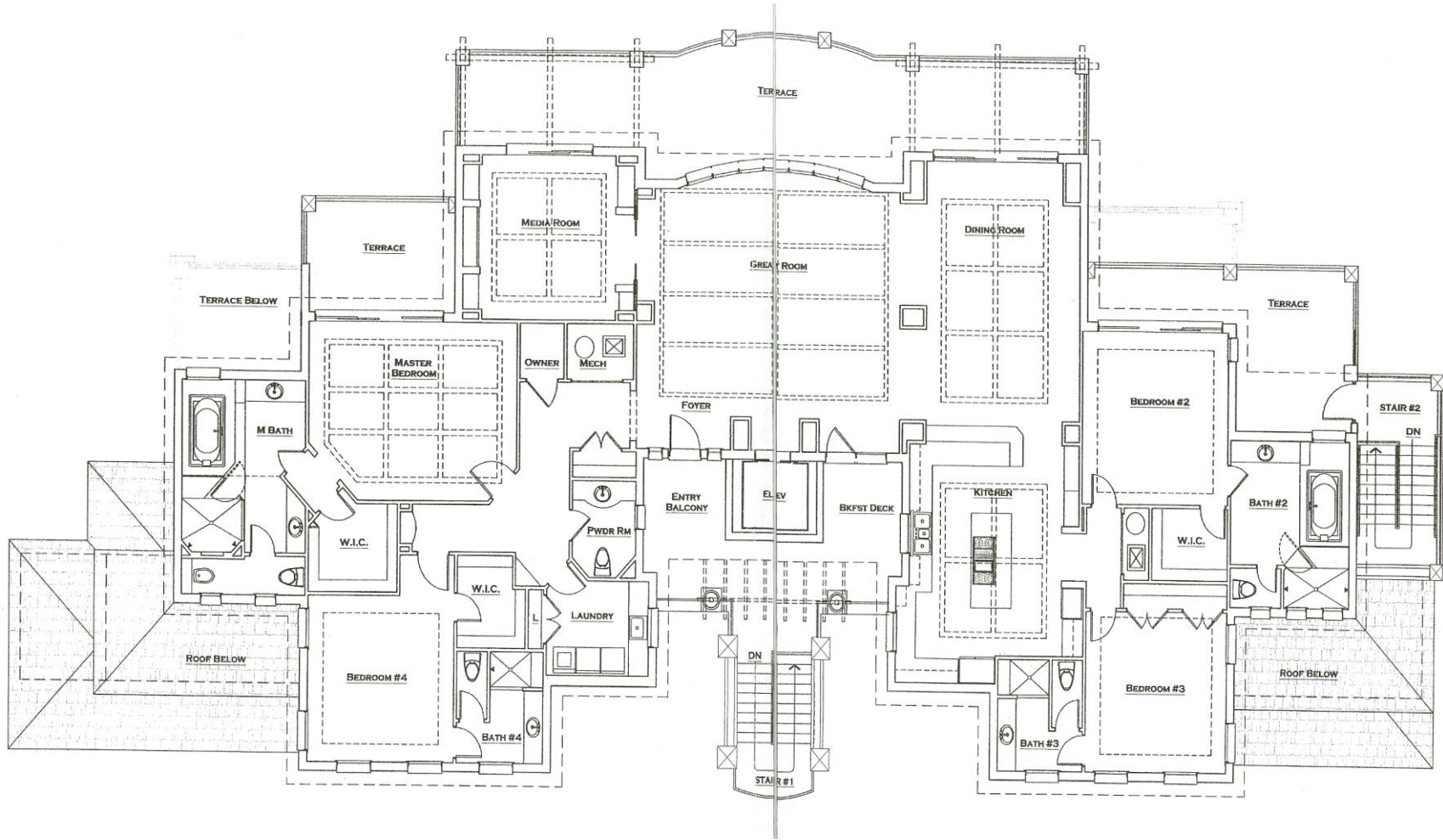
PENTHOUSE #2

2 BEDROOMS/ 2 1/2 BATHS

PENTHOUSE #2 AREA SUMMARY

AIR CONDITIONED SPACE	2023 SF
TERRACE(S)	583 SF
CART STORAGE	75 SF
TOTAL GROSS SF	2681 SF

**Grand Isles Villas
Grand Penthouse**



**GRAND PENTHOUSE
BUILDING # 8
4 BEDROOMS/4 1/2 BATH
AIR CONDITIONED SPACE 4088 SF
TERRACE(S) 1227 SF
CART STORAGE 75 SF
TOTAL GROSS 5390 SF**

**Comparable Five-Star Master Planned Resort Community No. 1
Emerald Bay
Sample of Recent Sales
Four Seasons Residences
(Unadjusted)**

Villa Type	View	# BR/BA	Sale Price	Enclosed Area(SF)	Sale Price/SF
Villa - A	Oceanfront	3bed/3bath	\$3,950,000	2,600	\$1,519
Villa - B	Oceanfront	3bed/3bath	\$3,950,000	2,600	\$1,519
Villa - C	Oceanfront	3bed/3bath	\$3,950,000	2,600	\$1,519
Villa - D	Oceanfront	3bed/3bath	\$3,950,000	2,600	\$1,519
Villa - E	Oceanfront	3bed/3bath	\$3,950,000	2,600	\$1,519
Villa - F	Oceanfront	3bed/3bath	\$3,950,000	2,600	\$1,519
Bayhouse G	Oceanview/Golf	2bed/2.5bath	\$1,950,000	1,720	\$1,134
Bayhouse H	Oceanview/Golf	2bed/2.5bath	\$1,950,000	1,720	\$1,134
Bayhouse I	Oceanview/Golf	2bed/2.5bath	\$1,950,000	1,720	\$1,134
Bayhouse J	Oceanview/Golf	2bed/2.5bath	\$1,950,000	1,720	\$1,134
Bayhouse K	Oceanview/Golf	2bed/2.5bath	\$1,950,000	1,720	\$1,134
Bayhouse L	Oceanview/Golf	2bed/2.5bath	\$1,750,000	1,720	\$1,017
Bayhouse M	Oceanview/Golf	2bed/2.5bath	\$1,750,000	1,720	\$1,017
Bayhouse N	Oceanview/Golf	2bed/2.5bath	\$1,750,000	1,720	\$1,017
Bayhouse O	Oceanview/Golf	2bed/2.5bath	\$1,750,000	1,720	\$1,017
Bayhouse P	Oceanview/Golf	2bed/2.5bath	\$1,750,000	1,720	\$1,017
Bayhouse Q	Oceanview/Golf	2bed/2.5bath	\$1,750,000	1,720	\$1,017
Bayhouse R	Oceanview/Golf	2bed/2.5bath	\$1,750,000	1,720	\$1,017
Indicates the high, low and weighted avg Sales Price		High	\$3,950,000		
		Low	\$1,750,000		
		Weighted Average	\$2,538,889		
Indicates the high, low and weighted avg Enclosed Area (SF)		High		2,600	
		Low		1,720	
		Weighted Average		2,013	
Indicates the high, low and weighted avg Sale Price/SF		High			\$1,519
		Low			\$1,017
		Weighted Average			\$1,217

**Comparable Five-Star Master Planned Resort Community No. 1
Emerald Bay
Sample of Recent Sales
Grand Bay Villas
(Unadjusted)**

Villa Type	View	# BR/BA	Sale Price	Enclosed Area(SF)	Sale Price/SF
Bahia Mar - Bldg 2 Villa 2103	Oceanview/Golf	2bed/2.5bath	\$1,350,000	1,906	\$708
Bahia Mar - Bldg 2 Villa 2102	Oceanview/Golf	2bed/2.5bath	\$1,350,000	1,906	\$708
Bahia Mar - Bldg 3 Villa 3102	Oceanview/Golf	2bed/2.5bath	\$1,495,000	1,906	\$784
Bahia Mar - Bldg 4 Villa 4103	Oceanview/Golf	2bed/2.5bath	\$1,350,000	1,906	\$708
Bahia Mar - Bldg 4 Villa 4102	Oceanview/Golf	2bed/2.5bath	\$1,350,000	1,906	\$708
Bahia Mar - Bldg 5 Villa 5102	Oceanview/Golf	2bed/2.5bath	\$1,495,000	1,906	\$784
Bahia Mar - Bldg 5 Villa 5103	Oceanview/Golf	2bed/2.5bath	\$1,595,000	1,906	\$837
Bahia Mar - Bldg 7 Villa 7102	Oceanview/Golf	2bed/2.5bath	\$1,595,000	1,906	\$837
Bahia Mar - Bldg 7 Villa 7103	Oceanview/Golf	2bed/2.5bath	\$1,495,000	1,906	\$784
Bahia Mar - Bldg 10 Villa 1012	Oceanview/Golf	2bed/2.5bath	\$1,925,000	1,906	\$1,010
Bahia Mar - Bldg 11 Villa 1113	Oceanview/Golf	2bed/2.5bath	\$2,295,000	1,906	\$1,204
Lucayan - Bldg 3 Villa 3101	Oceanview/Golf	2bed/2.5bath	\$1,695,000	1,865	\$909
Lucayan - Bldg 5 Villa 5104	Oceanview/Golf	2bed/2.5bath	\$1,750,000	1,865	\$938
Lucayan - Bldg 5 Villa 5101	Oceanview/Golf	2bed/2.5bath	\$1,750,000	1,865	\$938
Lucayan - Bldg 7 Villa 7101	Oceanview/Golf	2bed/2.5bath	\$1,795,000	1,865	\$962
Lucayan - Bldg 7 Villa 7104	Oceanview/Golf	2bed/2.5bath	\$1,750,000	1,865	\$938
Lucayan - Bldg 12 Villa 1211	Oceanview/Golf	2bed/2.5bath	\$2,600,000	1,865	\$1,394
Penthouse - Bldg 5 PH 5302	Oceanview/Golf	2bed/2.5bath	\$2,500,000	2,023	\$1,236
Penthouse - Bldg 5 PH 5301	Oceanview/Golf	2bed/2.5bath	\$2,500,000	2,023	\$1,236
Penthouse - Bldg 7 PH 7301	Oceanview/Golf	2bed/2.5bath	\$2,500,000	2,023	\$1,236
Penthouse - Bldg 7 PH 7302	Oceanview/Golf	2bed/2.5bath	\$2,500,000	2,023	\$1,236
Penthouse - Bldg 9 PH 9301	Oceanview/Golf	4bed/4.5bath	\$5,600,000	4,088	\$1,370
Luxury Flat - Bldg 15 Villa 1521	Oceanview/Golf	1bed/1bath	\$935,000	1,040	\$899
Luxury Flat - Bldg 15 Villa 1522	Oceanview/Golf	1bed/1bath	\$925,000	1,040	\$889
Luxury Flat - Bldg 15 Villa 1523	Oceanview/Golf	1bed/1bath	\$925,000	1,040	\$889
Luxury Flat - Bldg 15 Villa 1524	Oceanview/Golf	1bed/1bath	\$935,000	1,040	\$899
Indicates the high, low and weighted avg Sales Price		High	\$5,600,000		
		Low	\$925,000		
		Weighted Average	\$1,844,423		
Indicates the high, low and weighted avg Enclosed Area (SF)		High		4,088	
		Low		1,040	
		Weighted Average		1,865	
Indicates the high, low and weighted avg Sale Price/SF		High			\$1,394
		Low			\$708
		Weighted Average			\$963

Comparable Five-Star Master Planned Resort Community No. 2 One&Only Ocean Club Resort

www.oneandonlyresorts.com

The One&Only Ocean Club Resort consists of a (Ocean Club) 5 Star Hotel and Residences; Marina; Spa; Beach and Tennis Club; 18-hole signature (Tom Weiskopf) golf course and club. The Ocean Club is part of the Atlantis Paradise Island master planned resort community which consists of 4,085 units developed on a 826 acre parcel of land or an overall density of (4,085/826ac.) 4.95 units per acre. Ocean Club guests can enjoy the adjacent Atlantis resort amenities which include a 50,000 SF Casino, Marina, Spa, Marine Habitat, commercial village and 25 plus restaurants. The Ocean Club residential components consist of single-family (homes) lots and condominiums. During the past two years, over 200 units have been sold or an average absorption rate of 100 units per year.

5 Star Hotel and Residences

The One&Only Resort hotel consists of 101-guest rooms suites and 5 cottages. Amenities include a full-service spa consisting of 8 private treatment villas; a 20 seat executive board room meeting space; restaurants; bars; lighted tennis courts beach club and gardens and a beautiful wide white sandy beach. One&Only Resort receive 24-hour personal butler service, nightly turndown, maid service three times daily and champagne and strawberries delivered every afternoon.

Ocean Club Estates

There are 121 estate lots which were sold in one year. The lots feature ocean front, harbor front and golf front views, golf lots sold for an average of \$1,000,000 each. Ocean lots sold for over \$2,000,000.

Ocean Club Residences and Marina

Under construction (occupancy 2007, Phase I) are 88 condominium units and a 51- wet slip marina developed on a 9 acre parcel of Nassau Harbor front land. The overall density is 88/9ac.) 9.78 units per acre. Sales started in May 2005 and (Phase I) 44 units were sold without any advertising. The last 44-units (Phase II) were released in October 2005 and in 3 months another 22 units were under contract. Overall, 66 units were sold in 8 months or an average of 8.25 units per month, a pace of 99 units per year. As of the date of this appraisal, all 88 units are sold. The last seven sales are as follows:

Planned are 88 Ocean Club Residences, condominiums, Phase I of the residences (44 units) were sold in 5 months or an average absorption of 8.8 units per month, 106 units per year. Seven of the most recent sales are as follows.

Unit Type	Size (SF)	Adj. Sale Price	Sale Price/SF
D1.2 3 Bedroom	2,651	\$1,635,000	\$617
C1.2 3 Bedroom	2,651	\$1,675,500	\$632
C1.3 3 Bedroom	2,651	\$1,675,500	\$632
D2.4 3 Bedroom	2,465	\$1,990,500	\$808
D3.4 3 Bedroom	2,465	\$2,260,500	\$917
D4.3 3 Bedroom	2,847	\$2,485,500	\$873
D4.4 3 Bedroom	2,465	\$2,530,500	\$1,027

All 88 Ocean Club Residences have been sold.



Marina

The 51-wet slip marina accommodating yachts 45' – 120' has been sold out in 5 months for prices ranging \$264,000 To \$792,000.

A Master Site Plan and floor plans of the Ocean Club Residences begin on the next page.

Master Site Plan



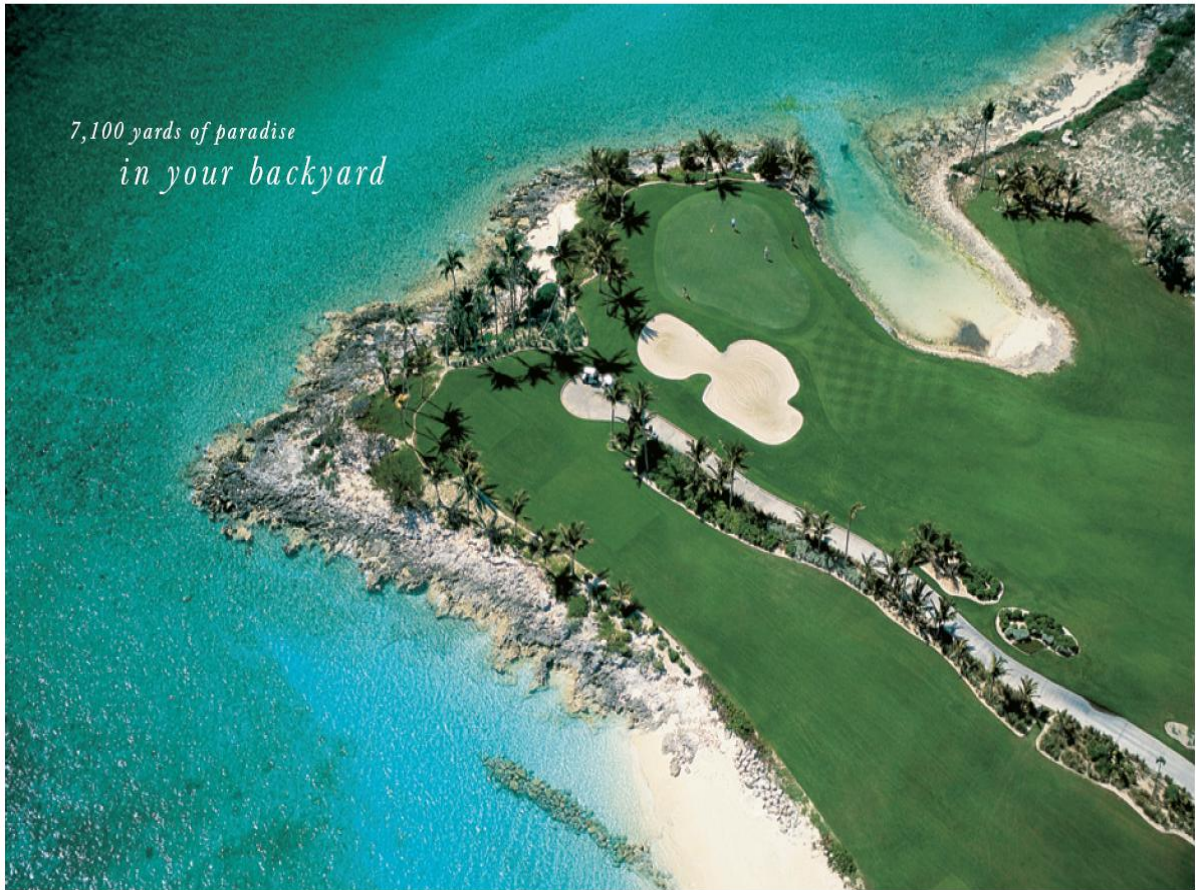


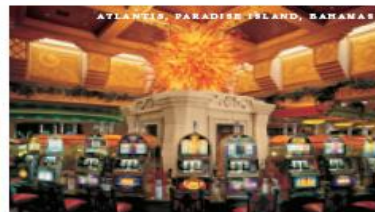
Ocean Club Lifestyle— driven by spontaneity, not schedule



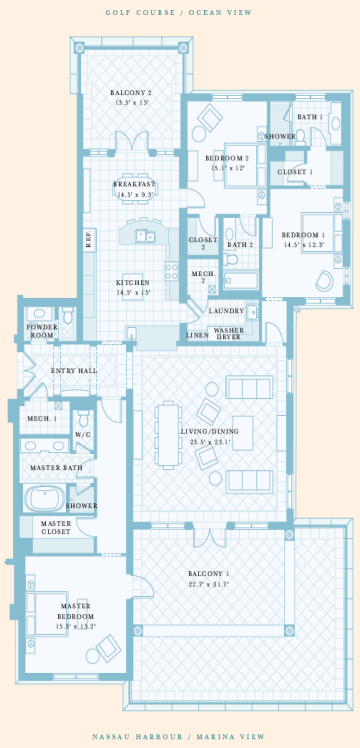


The diagram is for conceptual purposes only and is subject to change.





Floor Plans



1
RESIDENCE PLAN 1 EAST

3 BEDROOMS, 3 1/2 BATHS		RESIDENCE LOCATOR	
RESIDENCES	D1.1 C1.1 B1.1 A1.1		
INTERIOR (UNDER AIR)	2,392.6 sq ft		
BALCONY	922.1 sq ft		
TOTAL	3,314.7 sq ft		
GROSS FLOOR AREA	2,568.1 sq ft		
BALCONY	922.1 sq ft		
TOTAL	3,490.2 sq ft		



Gross Floor Area includes the area of all exterior walls and half the area of all interior perimeter walls shared with either the common area or another suite. "Under Air" is the perimeter of the suite to the inside face of drywall. This diagram is for conceptual purposes only and is subject to change.

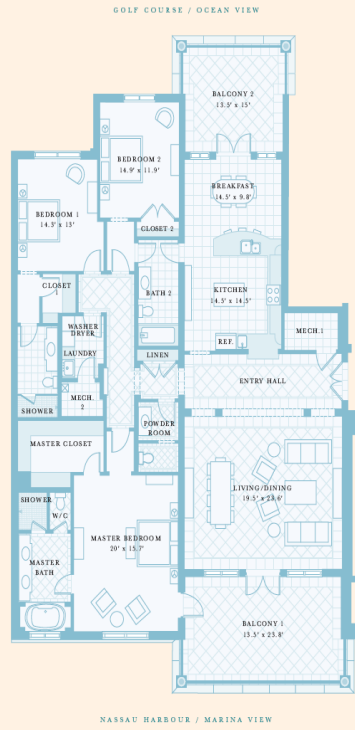


1
RESIDENCE PLAN 1 WEST

3 BEDROOMS, 3 1/2 BATHS		RESIDENCE LOCATOR	
RESIDENCES	D1.4 C1.4 B1.4 A1.4		
INTERIOR (UNDER AIR)	2,392.6 sq ft		
BALCONY	922.1 sq ft		
TOTAL	3,314.7 sq ft		
GROSS FLOOR AREA	2,568.1 sq ft		
BALCONY	922.1 sq ft		
TOTAL	3,490.2 sq ft		



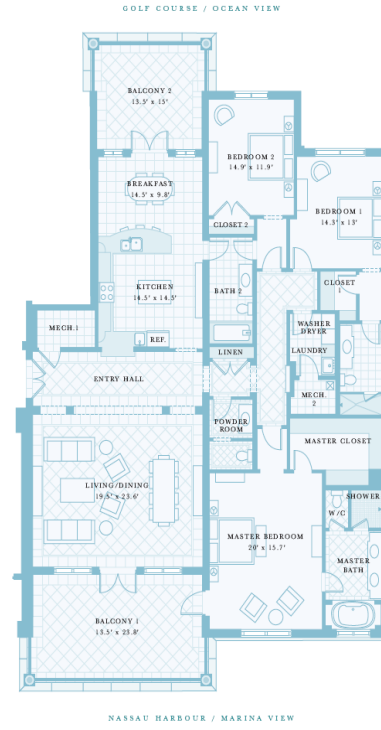
Gross Floor Area includes the area of all exterior walls and half the area of all interior perimeter walls shared with either the common area or another suite. "Under Air" is the perimeter of the suite to the inside face of drywall. This diagram is for conceptual purposes only and is subject to change.



RESIDENCE PLAN 2 EAST

3 BEDROOMS, 3 1/2 BATHS		RESIDENCE LOCATOR	
RESIDENCES	D1.2 C1.2 B1.2 A1.2		
INTERIOR (UNDER AIR)	2,650.9 sq ft		
BALCONY	523.8 sq ft		
TOTAL	3,174.7 sq ft		
GROSS FLOOR AREA	2,815.7 sq ft		
BALCONY	523.8 sq ft		
TOTAL	3,339.5 sq ft		

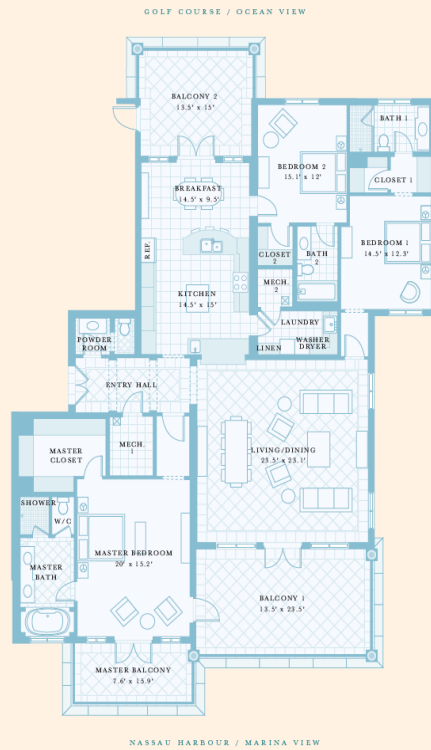
Gross Floor Area includes the area of all exterior walls and half the area of all interior perimeter walls shared with either the common area or another suite. "Under Air" is the perimeter of the suite to the inside face of drywall. This diagram is for conceptual purposes only and is subject to change.



RESIDENCE PLAN 2 WEST

3 BEDROOMS, 3 1/2 BATHS		RESIDENCE LOCATOR	
RESIDENCES	D1.3 C1.3 B1.3 A1.3		
INTERIOR (UNDER AIR)	2,650.9 sq ft		
BALCONY	523.8 sq ft		
TOTAL	3,174.7 sq ft		
GROSS FLOOR AREA	2,815.7 sq ft		
BALCONY	523.8 sq ft		
TOTAL	3,339.5 sq ft		

Gross Floor Area includes the area of all exterior walls and half the area of all interior perimeter walls shared with either the common area or another suite. "Under Air" is the perimeter of the suite to the inside face of drywall. This diagram is for conceptual purposes only and is subject to change.



RESIDENCE PLAN 3 EAST

3 BEDROOMS, 3 1/2 BATHS		RESIDENCE LOCATOR	
RESIDENCES	D2.1 C2.1 B2.1 A2.1		
INTERIOR (UNDER AIR)	2,464.9 SQ FT		
BALCONY	640.6 SQ FT		
TOTAL	3,105.5 SQ FT		
<hr/>			
GROSS FLOOR AREA	2,636.5 SQ FT		
BALCONY	640.6 SQ FT		
TOTAL	3,277.1 SQ FT		

Gross Floor Area includes the area of all exterior walls and half the area of all interior perimeter walls shared with either the common area or another suite. "Under Air" is the perimeter of the suite to the inside face of drywall. This diagram is for conceptual purposes only and is subject to change.

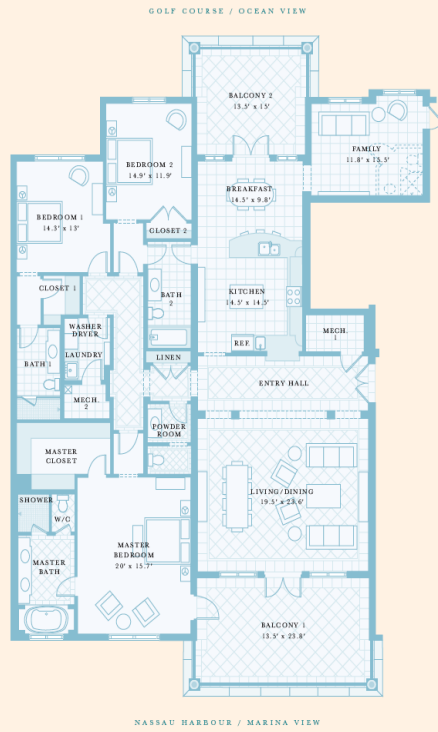


RESIDENCE PLAN 3 WEST

3 BEDROOMS, 3 1/2 BATHS		RESIDENCE LOCATOR	
RESIDENCES	D2.4 C2.4 B2.4 A2.4		
INTERIOR (UNDER AIR)	2,464.9 SQ FT		
BALCONY	640.6 SQ FT		
TOTAL	3,105.5 SQ FT		
<hr/>			
GROSS FLOOR AREA	2,636.5 SQ FT		
BALCONY	640.6 SQ FT		
TOTAL	3,277.1 SQ FT		

Gross Floor Area includes the area of all exterior walls and half the area of all interior perimeter walls shared with either the common area or another suite. "Under Air" is the perimeter of the suite to the inside face of drywall. This diagram is for conceptual purposes only and is subject to change.

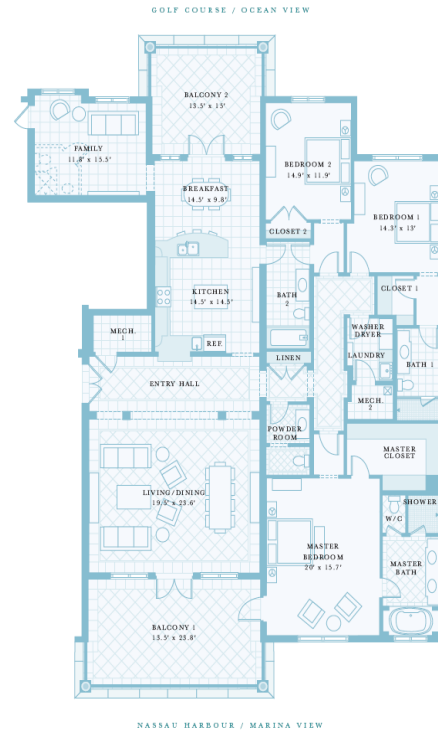




RESIDENCE PLAN 4 EAST

3 BEDROOMS, FAMILY ROOM, 3½ BATHS		RESIDENCE LOCATOR	
RESIDENCES	D5.2 C5.2 B5.2 A5.2 D4.2 C4.2 B4.2 A4.2 D3.2 C3.2 B3.2 A3.2 D2.2 C2.2 B2.2 A2.2		
INTERIOR (UNDER AIR)	2,847.6 SQ FT		
BALCONY	523.8 SQ FT	<p style="text-align: center;">D C B A</p> <p style="text-align: center;">BUILDINGS</p>	
TOTAL	3,371.4 SQ FT		
GROSS FLOOR AREA	3,044.5 SQ FT		
BALCONY	523.8 SQ FT		
TOTAL	3,568.3 SQ FT		

Gross Floor Area includes the area of all exterior walls and half the area of all interior perimeter walls shared with either the common area or another suite. "Under Air" is the perimeter of the suite to the inside face of drywall. This diagram is for conceptual purposes only and is subject to change.

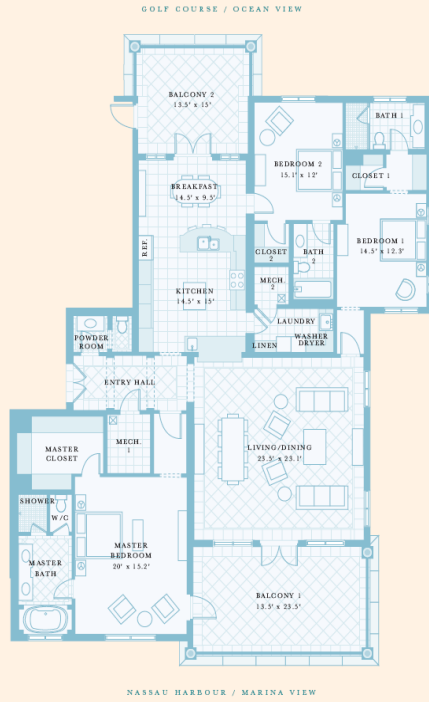


RESIDENCE PLAN 4 WEST

3 BEDROOMS, FAMILY ROOM, 3½ BATHS		RESIDENCE LOCATOR	
RESIDENCES	D5.3 C5.3 B5.3 A5.3 D4.3 C4.3 B4.3 A4.3 D3.3 C3.3 B3.3 A3.3 D2.3 C2.3 B2.3 A2.3		
INTERIOR (UNDER AIR)	2,847.6 SQ FT		
BALCONY	523.8 SQ FT	<p style="text-align: center;">D C B A</p> <p style="text-align: center;">BUILDINGS</p>	
TOTAL	3,371.4 SQ FT		
GROSS FLOOR AREA	3,044.5 SQ FT		
BALCONY	523.8 SQ FT		
TOTAL	3,568.3 SQ FT		

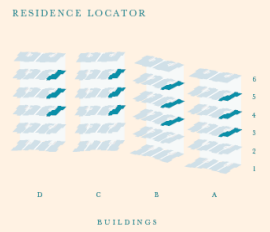
Gross Floor Area includes the area of all exterior walls and half the area of all interior perimeter walls shared with either the common area or another suite. "Under Air" is the perimeter of the suite to the inside face of drywall. This diagram is for conceptual purposes only and is subject to change.





RESIDENCE PLAN 5 EAST

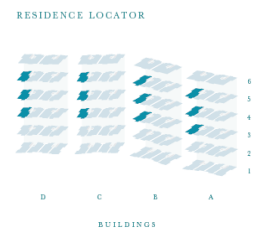
3 BEDROOMS, 3 1/2 BATHS	
RESIDENCES	D5.1 C5.1 B5.1 A5.1 D4.1 C4.1 B4.1 A4.1 D3.1 C3.1 B3.1 A3.1
INTERIOR (UNDER AIR)	2,464.9 SQ FT
BALCONY	519.8 SQ FT
TOTAL	2,984.7 SQ FT
GROSS FLOOR AREA	2,636.5 SQ FT
BALCONY	519.8 SQ FT
TOTAL	3,156.3 SQ FT



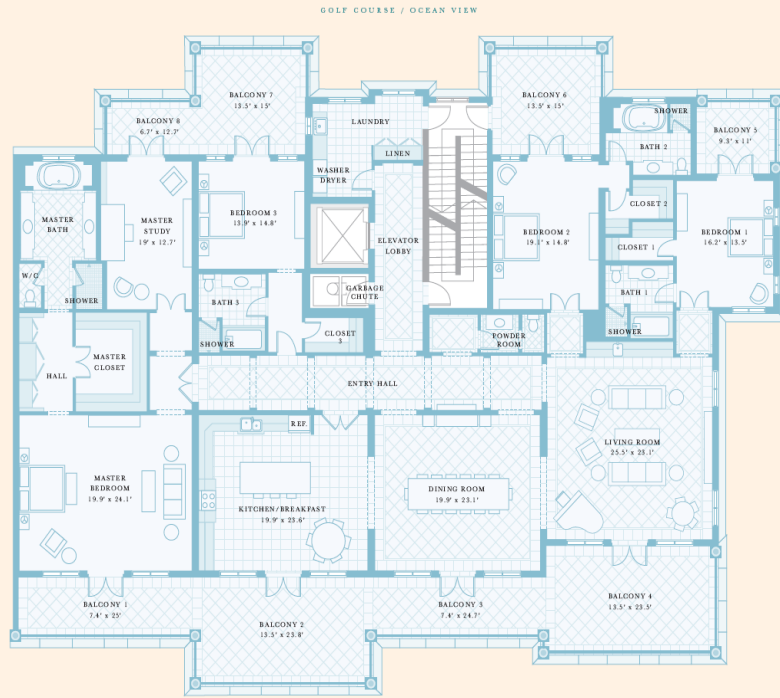
Gross Floor Area includes the area of all exterior walls and half the area of all interior perimeter walls shared with either the common area or another suite. "Under Air" is the perimeter of the suite to the inside face of drywall. This diagram is for conceptual purposes only and is subject to change.

RESIDENCE PLAN 5 WEST

3 BEDROOMS, 3 1/2 BATHS	
RESIDENCES	D5.4 C5.4 B5.4 A5.4 D4.4 C4.4 B4.4 A4.4 D3.4 C3.4 B3.4 A3.4
INTERIOR (UNDER AIR)	2,464.9 SQ FT
BALCONY	519.8 SQ FT
TOTAL	2,984.7 SQ FT
GROSS FLOOR AREA	2,636.5 SQ FT
BALCONY	519.8 SQ FT
TOTAL	3,156.3 SQ FT



Gross Floor Area includes the area of all exterior walls and half the area of all interior perimeter walls shared with either the common area or another suite. "Under Air" is the perimeter of the suite to the inside face of drywall. This diagram is for conceptual purposes only and is subject to change.



NASSAU HARBOUR / MARINA VIEW

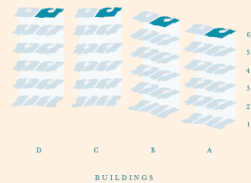
P

PENTHOUSE RESIDENCE PLAN EAST

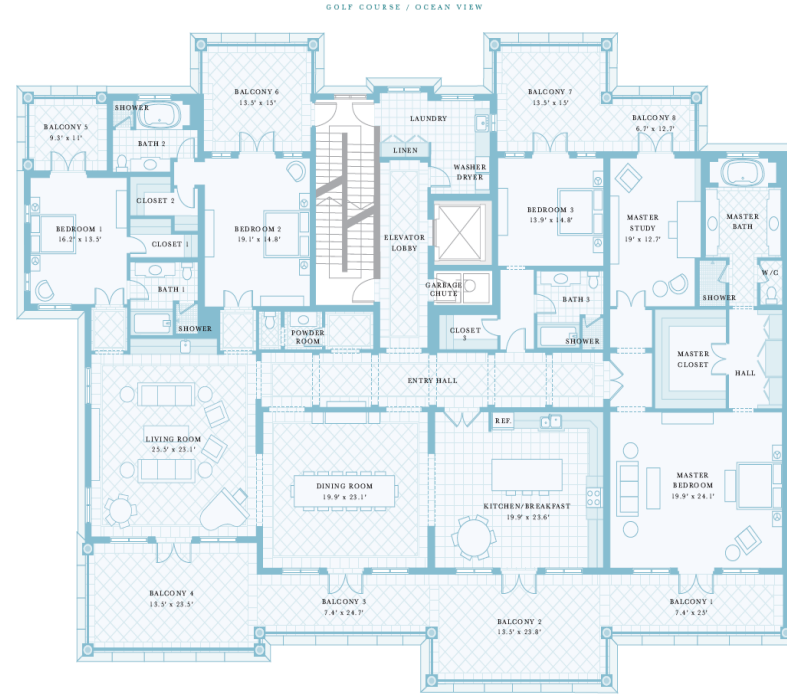
4 BEDROOMS WITH MASTER STUDY
OR 5 BEDROOMS, 4½ BATHS

RESIDENCES	D6.1	C6.1	B6.1	A6.1
INTERIOR (UNDER AIR)	4,969.3 SQ FT			
BALCONY	1,598.7 SQ FT			
TOTAL	6,568.0 SQ FT			
GROSS FLOOR AREA	5,263.7 SQ FT			
BALCONY	1,598.7 SQ FT			
TOTAL	6,861.7 SQ FT			

RESIDENCE LOCATOR



Gross Floor Area includes the area of all exterior walls and half the area of all interior perimeter walls shared with either the common area or another suite. "Under Air" is the perimeter of the suite to the inside face of drywall. This diagram is for conceptual purposes only and is subject to change.



NASSAU HARBOUR / MARINA VIEW

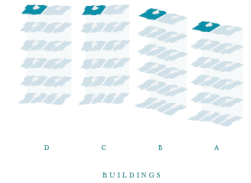
P

PENTHOUSE RESIDENCE PLAN WEST

4 BEDROOMS WITH MASTER STUDY
OR 5 BEDROOMS, 4½ BATHS

RESIDENCES	D6.2	C6.2	B6.2	A6.2
INTERIOR (UNDER AIR)	4,969.3 SQ FT			
BALCONY	1,598.7 SQ FT			
TOTAL	6,568.0 SQ FT			
GROSS FLOOR AREA	5,263.7 SQ FT			
BALCONY	1,598.7 SQ FT			
TOTAL	6,861.7 SQ FT			

RESIDENCE LOCATOR



Gross Floor Area includes the area of all exterior walls and half the area of all interior perimeter walls shared with either the common area or another suite. "Under Air" is the perimeter of the suite to the inside face of drywall. This diagram is for conceptual purposes only and is subject to change.

**Comparable Five-Star Master Planned Resort Community No. 2
Ocean Club Residences
Sample of Recent Sales
(Unadjusted)**

Villa Type	View	# BR/BA	Sale Price	Enclosed Area(SF)	Sale Price/SF
D1.2 3 Bedroom	Harborfront	3bed/3bath	\$1,635,000	2,651	\$617
C1.2 3 Bedroom	Harborfront	3bed/3bath	\$1,675,500	2,651	\$632
C1.3 3 Bedroom	Harborfront	3bed/3bath	\$1,675,500	2,651	\$632
D2.4 3 Bedroom	Harborfront	3bed/3bath	\$1,990,500	2,465	\$808
D3.4 3 Bedroom	Harborfront	3bed/3bath	\$2,260,500	2,465	\$917
D4.3 3 Bedroom	Harborfront	3bed/3bath	\$2,485,500	2,847	\$873
D4.4 3 Bedroom	Harborfront	3bed/3bath	\$2,530,500	2,465	\$1,027
Indicates the high, low and weighted avg. Sale Price		High	\$2,530,500		
		Low	\$1,635,000		
		Weighted Average	\$2,036,143		
Indicates the high, low and weighted avg. Enclosed Area (SF)		High		2,847	
		Low		2,465	
		Weighted Average		2,599	
Indicates the high, low and weighted avg. Sale Price/SF		High			\$1,027
		Low			\$617
		Weighted Average			\$786

Comparable Five-Star Master Planned Resort Community No. 3
St. Regis Resort
Anguilla
www.temenosanguilla.com

The St. Regis Resort consists of a (St. Regis) 5 Star Hotel and Residences; Spa; an 18-hole signature (Greg Norman) golf course and club and a 4,400 foot long private beach. The residential component consists of estate homes, villas, and condominiums. Overall, 212-units are being developed on a 277 acre parcel of oceanfront land or a density of (277/212ac.) 1.31 units per acre. During the past three months, 25 units have been sold or an absorption rate of 8 units per month or 96 units per year.

5 Star Hotel and Residences

The St. Regis Resort consists of 120-keys and 64 residences. Amenities include the world-class Remede full-service spa, Tennis Club with lighted tennis courts, state-of-the-art fitness center, quaint board-room meeting space; restaurants for fine and casual dining; bars; and beach club on a beautiful wide white sandy beach. St. Regis Butler service is always on call to create perfect experiences.

Temeno Residences

There are 64 St. Regis Temenos Residences, 52 oceanfront and 12 with oceanview and golfviews.

Type	# Units	Size (SF)	Base Price	Base Price/SF
Condo	64	1,100 – 2,400	\$1,400,000–4,750,000	\$1,273 - \$1,979

Temeno Estates

There are 18 Estate Homes, 12 of which are oceanfront and 6 are golf-front views.

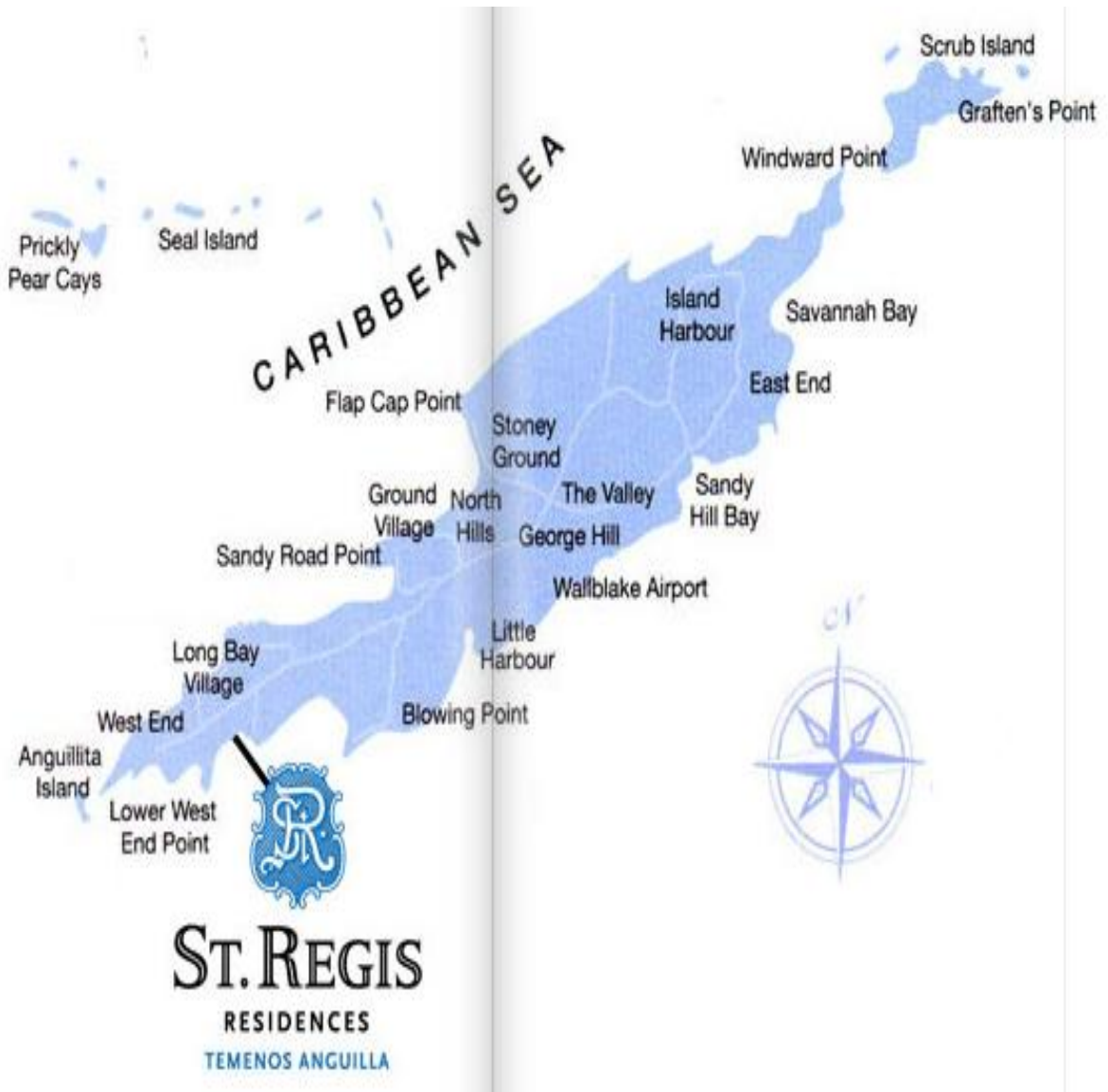
Type	Size (SF)	Sale Price	Sale Price/SF
4 – Bedroom	4,850	\$7,300,000	\$1,505
5 – Bedroom	5,033	\$12,500,000	\$2,484

Temeno Villas

There are 10 Villas all with ocean views and views of the golf course.

Type	# Units	Size (SF)	Base Price	Base Price/SF
Villa	10	3,600	\$5,200,000	\$1,444





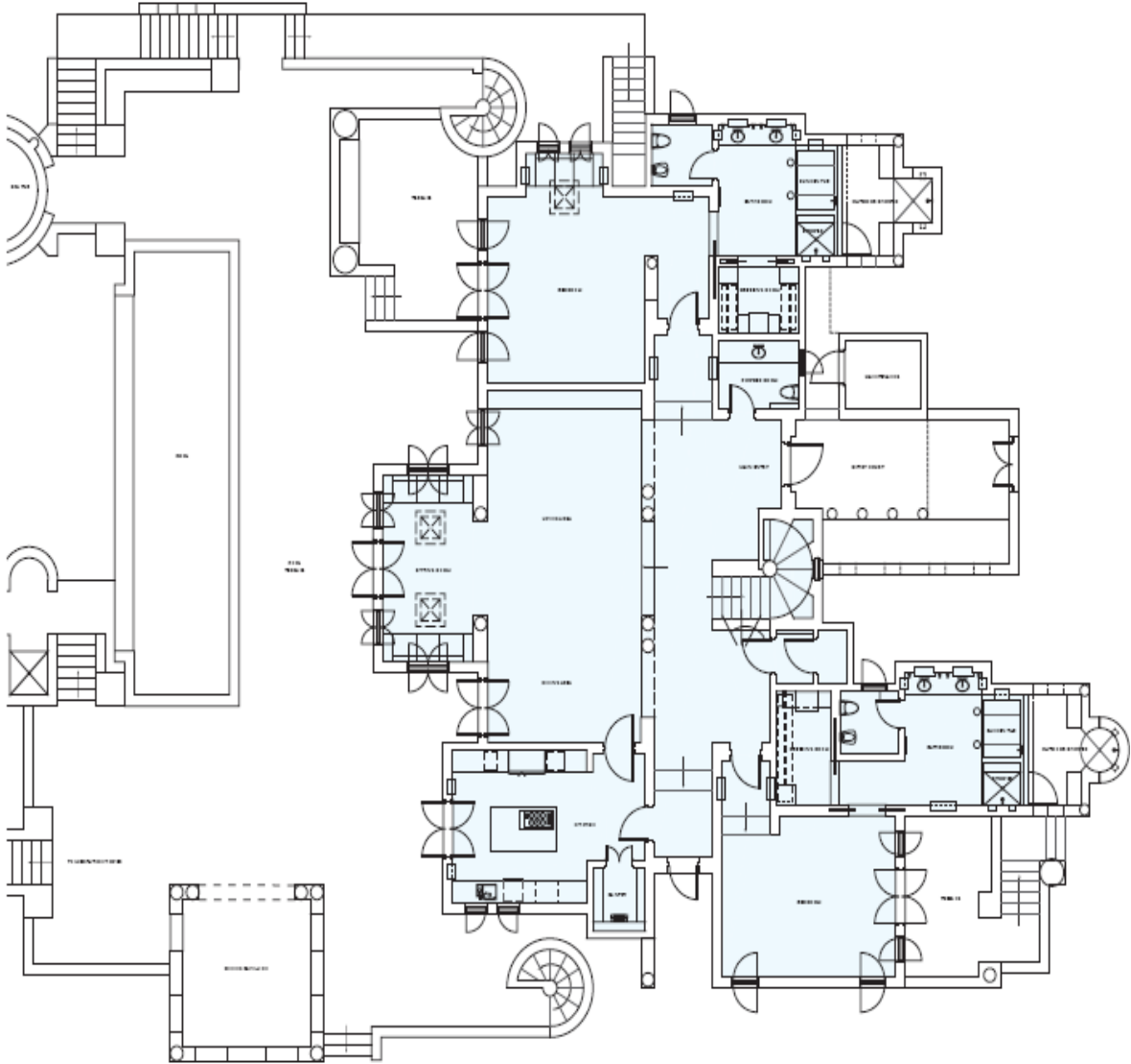


TEMENOS ESTATES

Majestically expansive, Temenos Estates offer privacy and elegance on a grand scale. Look out over a beach you call your own, daydream in the Jacuzzi beside an infinity-edge swimming pool, let the trade breezes fan you while dining outdoors.

- 4 or 5 Master Bedroom suites within 4,000 to 4,850 square feet of climate-controlled space.

ESTATES 4 Bedroom

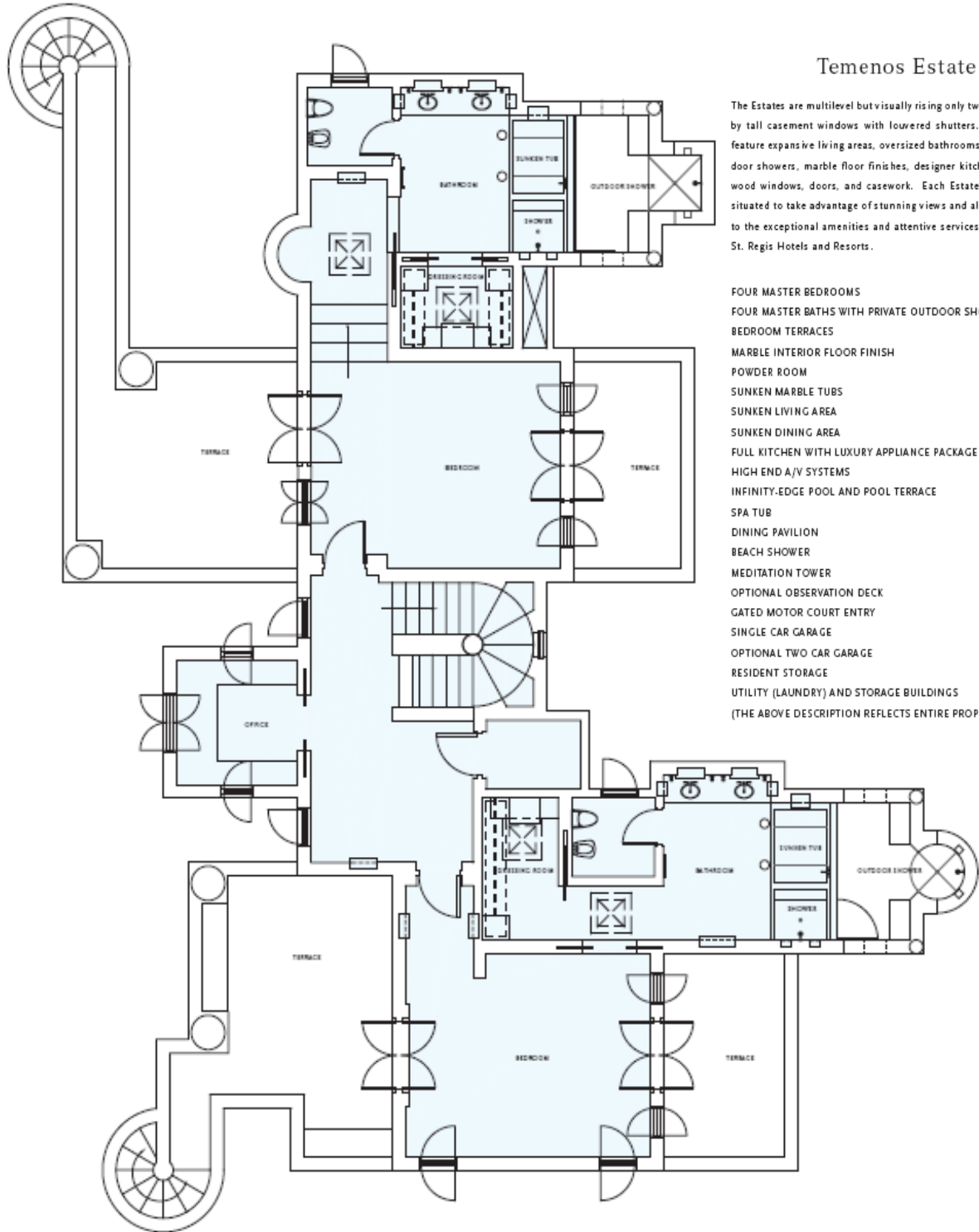


MAIN LEVEL

Temenos Estate

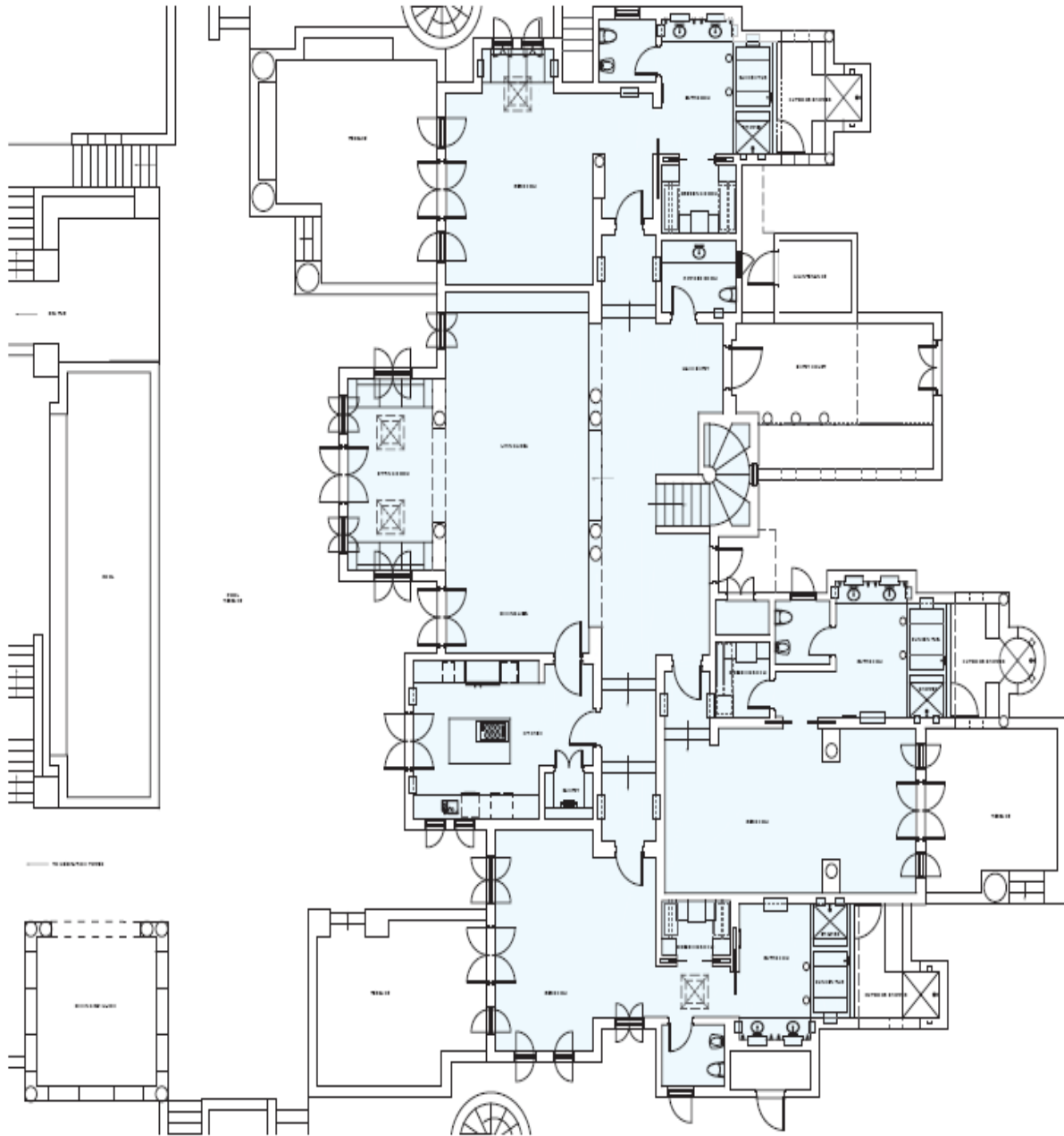
The Estates are multilevel but visually rising only two stories, pierced by tall casement windows with louvered shutters. All the Estates feature expansive living areas, oversized bathrooms with private outdoor showers, marble floor finishes, designer kitchens and painted wood windows, doors, and casework. Each Estate will be perfectly situated to take advantage of stunning views and all will have access to the exceptional amenities and attentive services of the renowned St. Regis Hotels and Resorts.

- FOUR MASTER BEDROOMS
- FOUR MASTER BATHS WITH PRIVATE OUTDOOR SHOWERS
- BEDROOM TERRACES
- MARBLE INTERIOR FLOOR FINISH
- POWDER ROOM
- SUNKEN MARBLE TUBS
- SUNKEN LIVING AREA
- SUNKEN DINING AREA
- FULL KITCHEN WITH LUXURY APPLIANCE PACKAGE
- HIGH END A/V SYSTEMS
- INFINITY-EDGE POOL AND POOL TERRACE
- SPA TUB
- DINING PAVILION
- BEACH SHOWER
- MEDITATION TOWER
- OPTIONAL OBSERVATION DECK
- GATED MOTOR COURT ENTRY
- SINGLE CAR GARAGE
- OPTIONAL TWO CAR GARAGE
- RESIDENTIAL STORAGE
- UTILITY (LAUNDRY) AND STORAGE BUILDINGS
- (THE ABOVE DESCRIPTION REFLECTS ENTIRE PROPERTY)



UPPER LEVEL

ESTATES 5 Bedroom

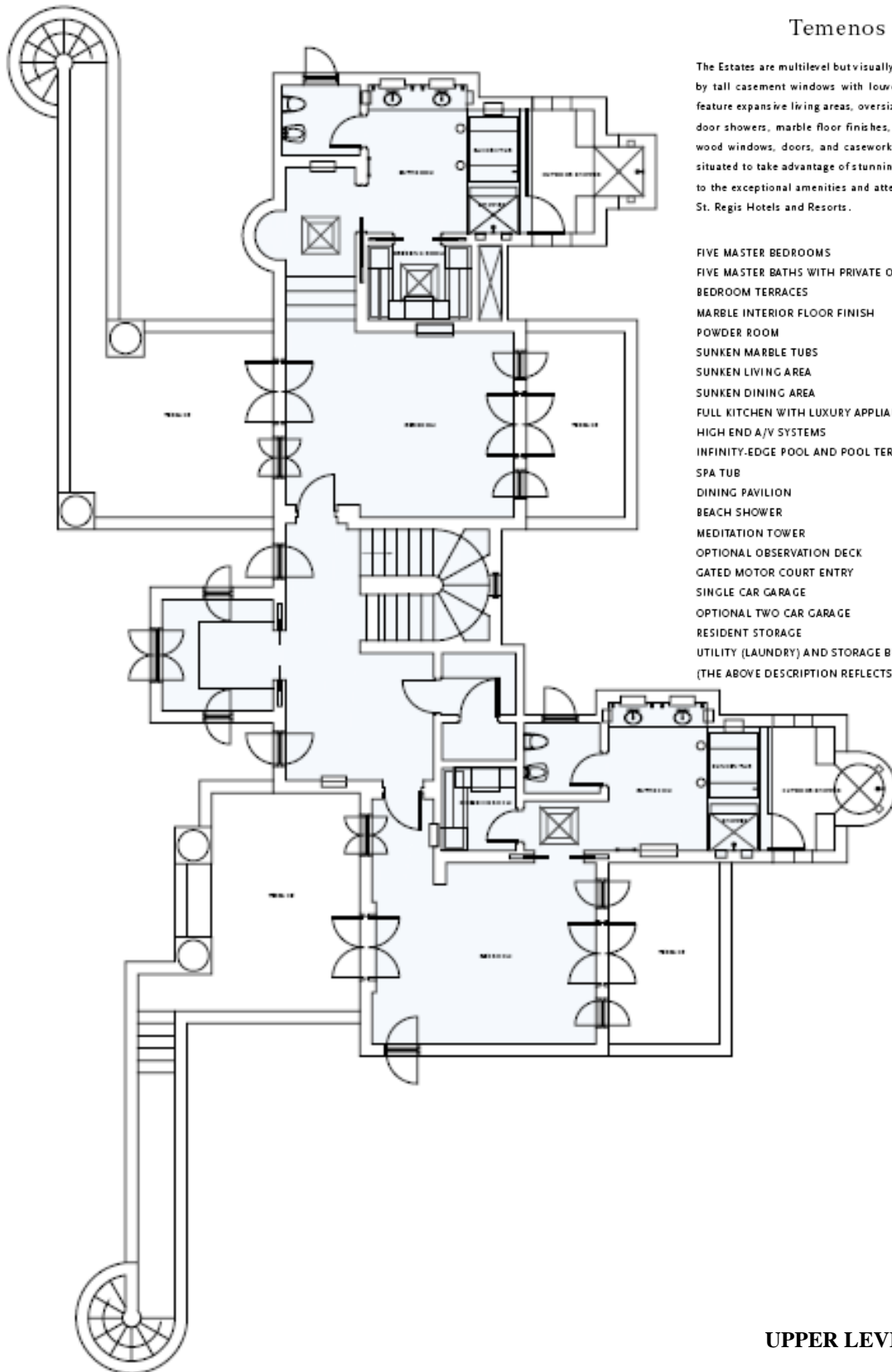


MAIN LEVEL

Temenos Estate

The Estates are multilevel but visually rising only two stories, pierced by tall casement windows with lowered shutters. All the Estates feature expansive living areas, oversized bathrooms with private outdoor showers, marble floor finishes, designer kitchens and painted wood windows, doors, and casework. Each Estate will be perfectly situated to take advantage of stunning views and all will have access to the exceptional amenities and attentive services of the renowned St. Regis Hotels and Resorts.

- FIVE MASTER BEDROOMS
 - FIVE MASTER BATHS WITH PRIVATE OUTDOOR SHOWERS
 - BEDROOM TERRACES
 - MARBLE INTERIOR FLOOR FINISH
 - POWDER ROOM
 - SUNKEN MARBLE TUBS
 - SUNKEN LIVING AREA
 - SUNKEN DINING AREA
 - FULL KITCHEN WITH LUXURY APPLIANCE PACKAGE
 - HIGH END A/V SYSTEMS
 - INFINITY-EDGE POOL AND POOL TERRACE
 - SPA TUB
 - DINING PAVILION
 - BEACH SHOWER
 - MEDITATION TOWER
 - OPTIONAL OBSERVATION DECK
 - GATED MOTOR COURT ENTRY
 - SINGLE CAR GARAGE
 - OPTIONAL TWO CAR GARAGE
 - RESIDENT STORAGE
 - UTILITY (LAUNDRY) AND STORAGE BUILDINGS
- (THE ABOVE DESCRIPTION REFLECTS ENTIRE PROPERTY)

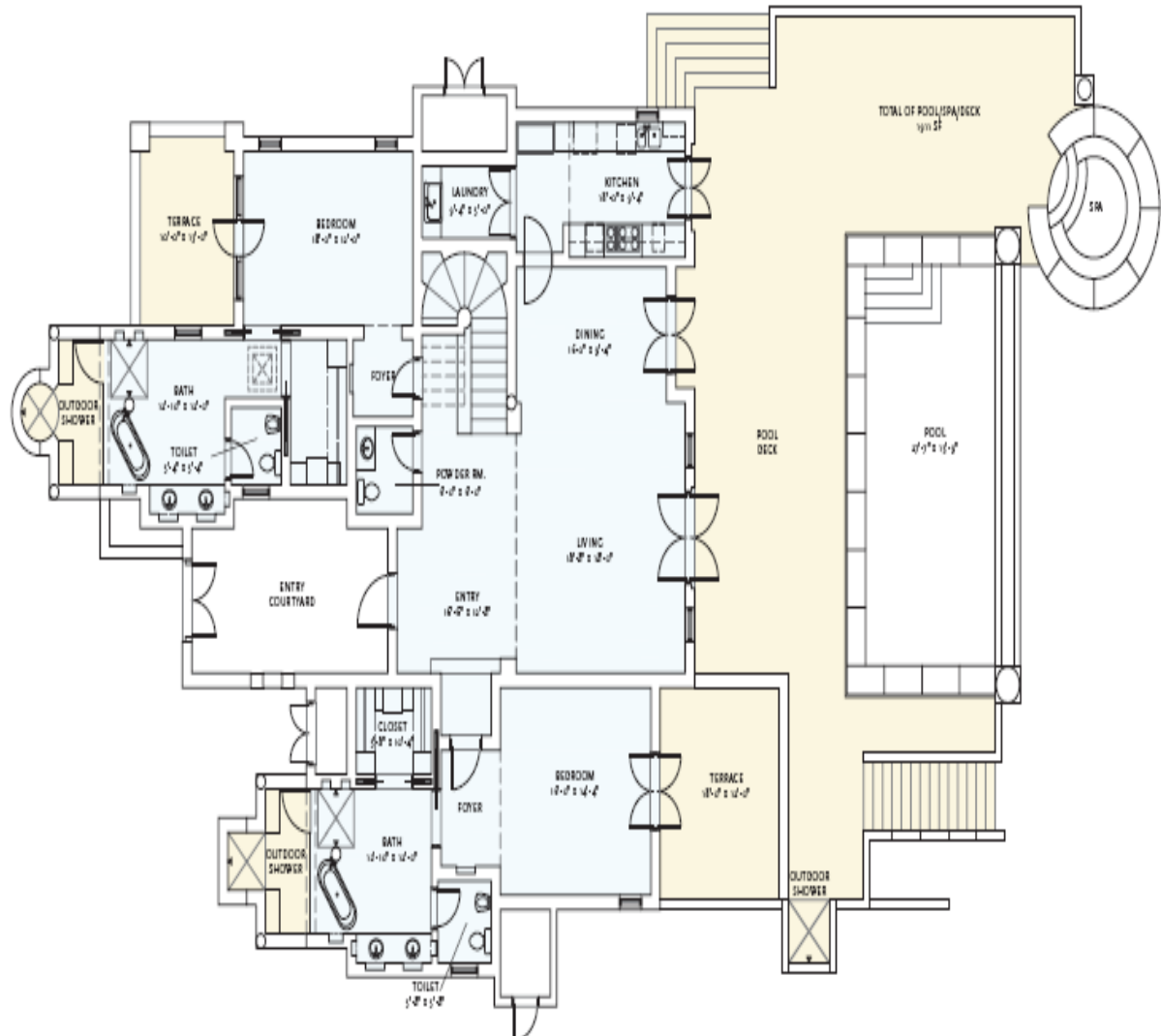


UPPER LEVEL

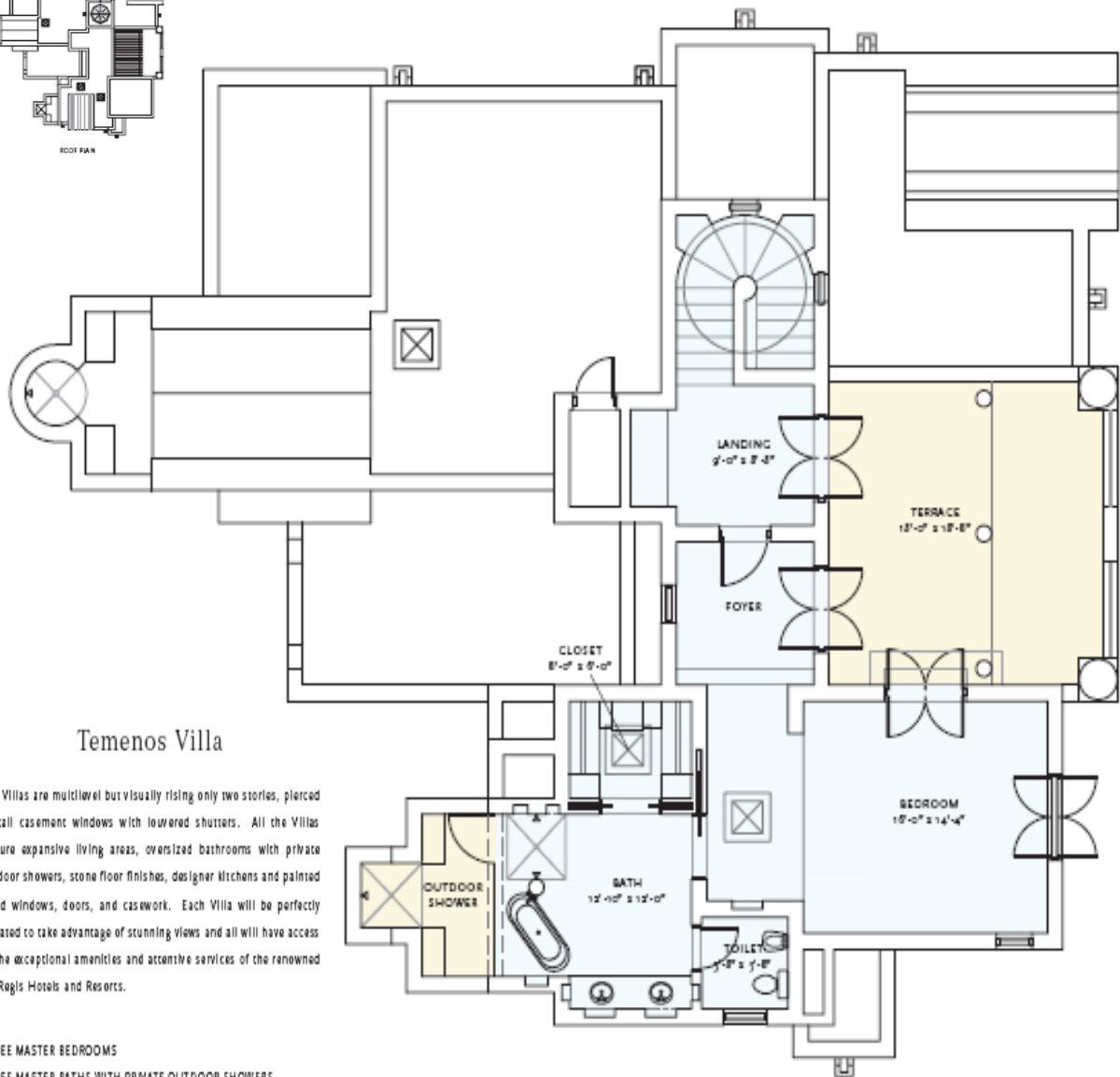
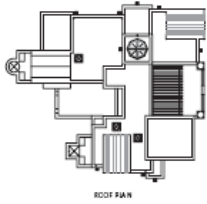
TEMENOS VILLAS

Surrounded by the sweep of a lagoon-laced fairway or set before a view of the sea's expanse, each of the Temenos Villas balances elegance and Caribbean chic nestled on a sumptuous beach.

- 3 or 4 Mater Bedroom suites within approximately 3,600 square feet of climate-controlled space.



MAIN LEVEL



Temenos Villa

The Villas are multilevel but visually rising only two stories, pierced by tall casement windows with louvered shutters. All the Villas feature expansive living areas, oversized bathrooms with private outdoor showers, stone floor finishes, designer kitchens and painted wood windows, doors, and casework. Each Villa will be perfectly situated to take advantage of stunning views and all will have access to the exceptional amenities and attentive services of the renowned St. Regis Hotels and Resorts.

- THREE MASTER BEDROOMS
- THREE MASTER BATHS WITH PRIVATE OUTDOOR SHOWERS
- BEDROOM TERRACES
- STONE FLOOR FINISH
- FINE HAND MOLDED PLASTER
- POWDER ROOM
- LIVING AREA
- DINING AREA
- FULL KITCHEN
- UTILITY (LAUNDRY)
- INFINITY-EDGE POOL AND POOL TERRACE
- POOL DECK SHOWER AND SPA TUB
- COVERED UPPER LEVEL TERRACE
- GOLF CART PARKING/CHARGING PAVILION
- (THE ABOVE DESCRIPTION REFLECTS ENTIRE PROPERTY)

AIR CONDITIONED SPACE	3,540 SF
OUTDOOR / TERRACE SPACE	4,075 SF

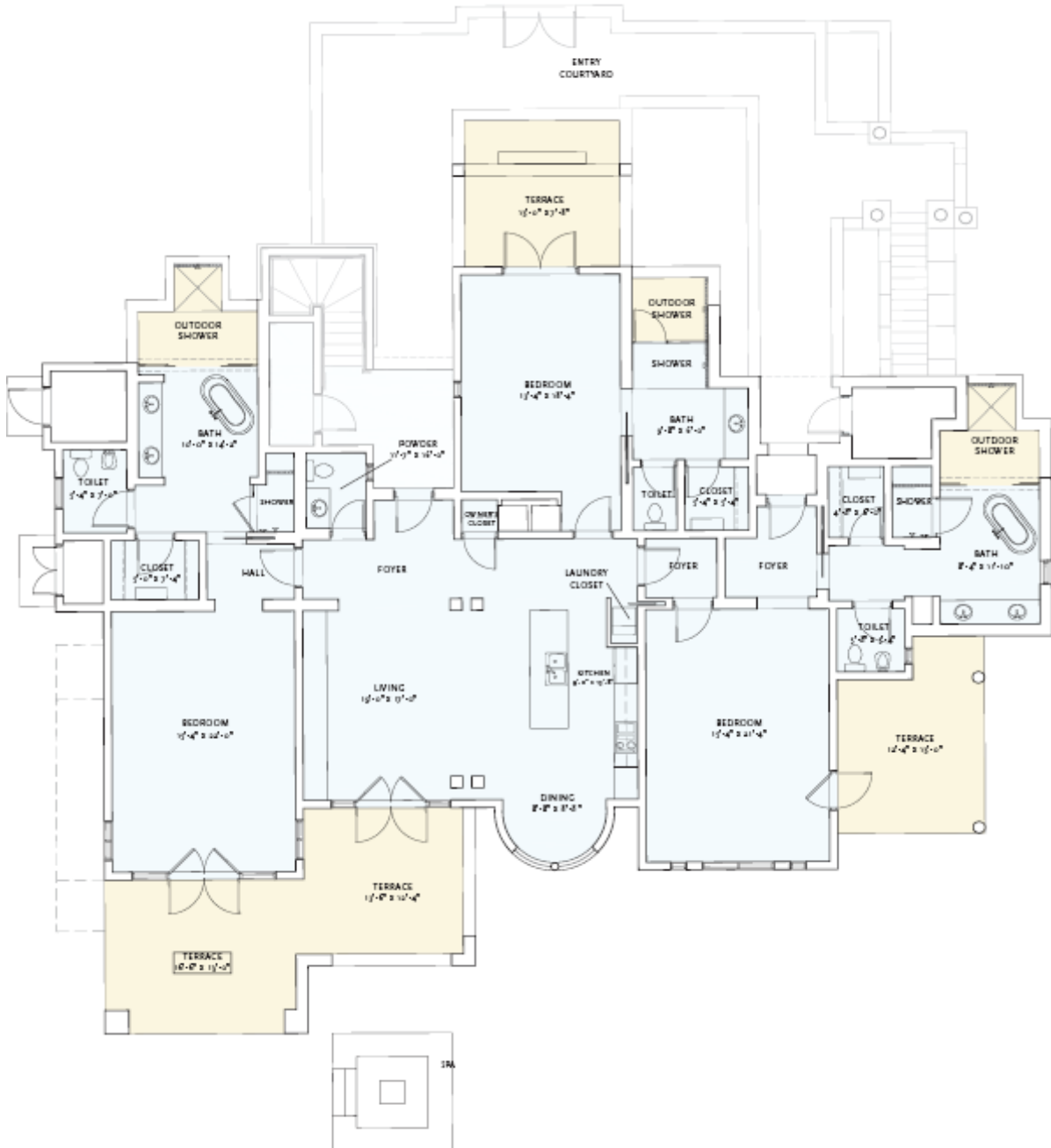
UPPER LEVEL



TEMENOS RESIDENCES

In the safe harbor of the surrounding landscape, the St. Regis Oceanfront Residences are superbly positioned to communicate with Cove Bay, one of Anguilla’s natural treasures. St. Regis Oceanfront Residence owners enjoy the advantage of discretionary leasing of their property as an extension of the St. Regis Resort’s reservation system.

- 1, 2 or 3 Master Bedroom suites within 1,100 – 2,400 square feet of climate controlled space.

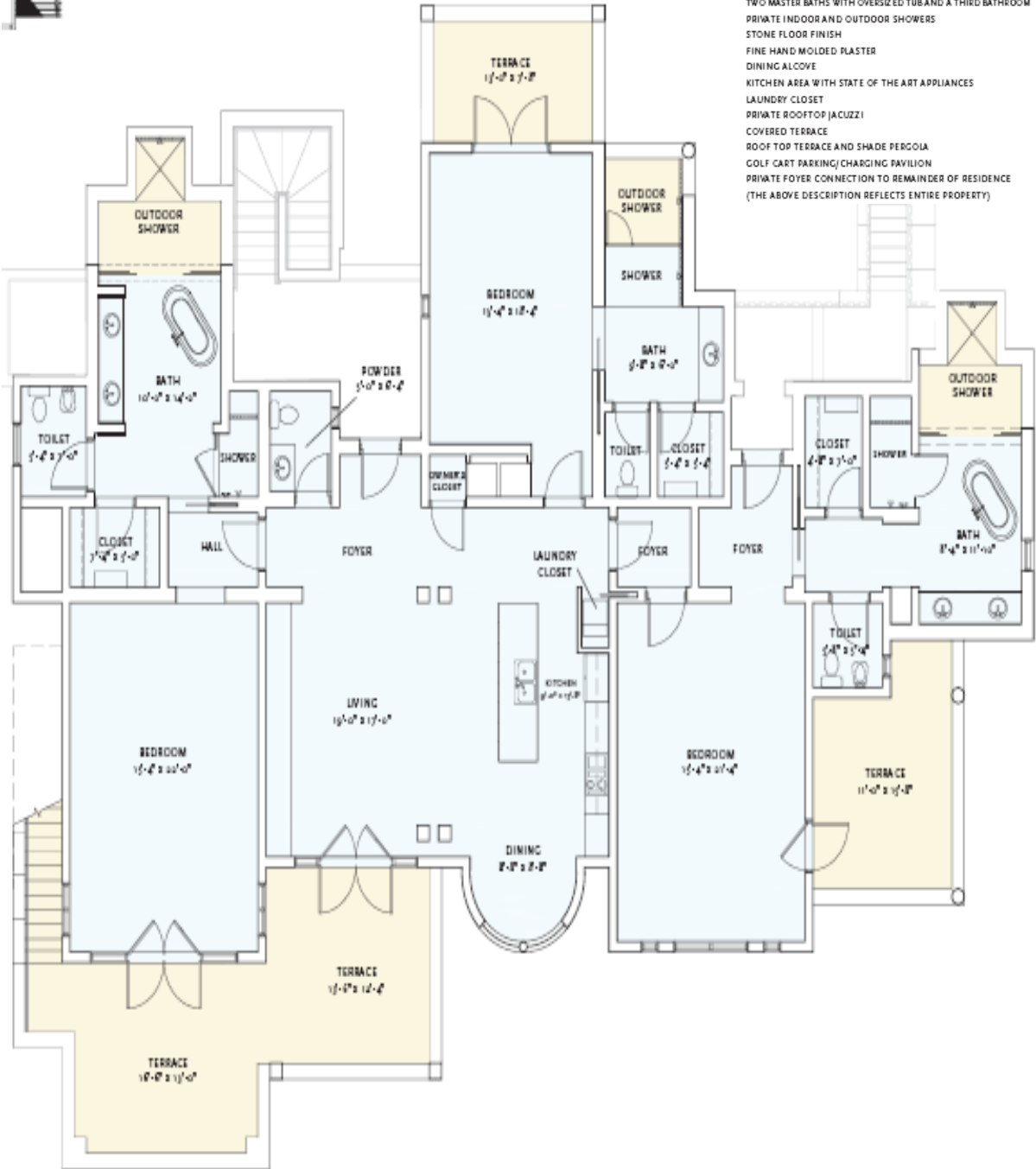
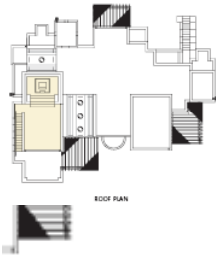


MAIN LEVEL

St. Regis Oceanfront Residence

The Residences are multilevel but visually rising only two stories, pierced by tall casement windows with lowered shutters. All the Residences feature oversized bathrooms with private outdoor showers, stone floor finishes, designer kitchens and painted wood windows, doors, and casework. Each Residence will be perfectly situated to take advantage of stunning views and all will have access to the exceptional amenities and attentive services of the renowned St. Regis Hotels and Resorts.

- TWO MASTER BEDROOMS AND A THIRD BEDROOM
- ONE MASTER BEDROOM AND BATHROOM DESIGNED AS LOCK-OFF UNIT
- TWO MASTER BATHS WITH OVERSIZED TUB AND A THIRD BATHROOM
- PRIVATE INDOOR AND OUTDOOR SHOWERS
- STONE FLOOR FINISH
- FINE HAND MOLDED PLASTER
- DINING ALCOVE
- KITCHEN AREA WITH STATE OF THE ART APPLIANCES
- LAUNDRY CLOSET
- PRIVATE ROOFTOP (JACUZZI)
- COVERED TERRACE
- ROOF TOP TERRACE AND SHADE PERGOLA
- GOLF CART PARKING/CHARGING PAVILION
- PRIVATE FOYER CONNECTION TO REMAINDER OF RESIDENCE
- (THE ABOVE DESCRIPTION REFLECTS ENTIRE PROPERTY)



UPPER LEVEL



**Comparable Five-Star Master Planned Resort Community No. 3
St. Regis Anguilla
Sample of Recent Sales
(Unadjusted)**

Villa Type	View	# BR/BA	Sale Price	Enclosed Area(SF)	Sale Price/SF
St Regis Residence	Oceanview/Golfview	1 bedroom	\$1,400,000	1,100	\$1,273
St Regis Residence	Oceanfront	3bed/4bath	\$4,750,000	2,400	\$1,979
Villa	Ocean/Golfview	4bed/4bath	\$5,200,000	3,600	\$1,444
Estate	Oceanfront	4bedroom	\$7,300,000	4,850	\$1,505
Indicates the high, low and weighted avg. Sales Price		High	\$7,300,000		
		Low	\$1,400,000		
		Weighted Average	\$4,662,500		
Indicates the high, low and weighted avg. Enclosed Area (SF)		High		4,850	
		Low		1,100	
		Weighted Average		2,988	
Indicates the high, low and weighted avg. Sale Price/SF		High			\$1,979
		Low			\$1,273
		Weighted Average			\$1,550

Comparable Five-Star Master Planned Resort Community No. 4
West Caicos Reserve
Turks and Caicos/Anguilla
www.westcaicosreserve.com

The West Caicos Reserve is a 6,000 acre island, of which 90% is being preserved and only 10% or 600 acres are being developed. Developments include a centerpiece 5 Star (Ritz-Carlton) hotel and residences; 150-slip marina, marina village, airstrip, and five separate residential enclaves.

5 Star Hotel and Residences

The Ritz-Carlton Reserve Resort is the centerpiece of the West Caicos Reserve and consists of 125-key guest suites and 75 villa residences developed on a 4,250 foot white sandy beach. Amenities include the world-class full-service spa, restaurants, bars, tennis club, fitness center and beach club. The Ritz-Carlton Concierges provide guests and villa owners with exemplary personal service and give the utmost attention to every detail.

As of the date of this appraisal, the hotel is approximately 50% completed and Phase I (30-Villas) of the residences have sold 25 Villas.

Island Villas at Molasses Reef Residences

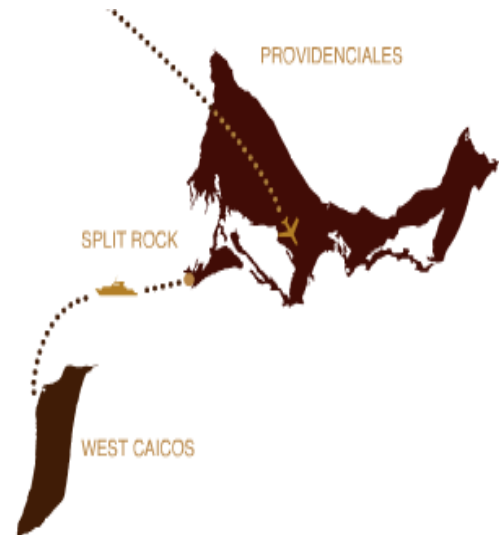
There are 75 oceanfront Island Villa spread graciously over 1,650 feet (500m) of beachfront alongside the Molasses Reef hotel, and just two miles from the West Caicos Marina.

Type	Size (SF)	Sale Price	Sale Price/SF
2 – Bedroom	2,355	\$2,600,000	\$1,104
3 – Bedroom(Lock off Bdrm)	2,792	\$3,100,000	\$1,110
3 – Bedroom PH	3,544	\$5,000,000	\$1,411



Comprised of more than 40 serene islands and small cays, The Turks & Caicos Islands are located 575 miles southeast of Miami, a short 75 minute flight.

West Caicos Reserve is accessible via small aircraft or a 20-minute boat ride from the private launch dock at Split Rock – located only minutes away from the international airport on Providenciales. With its tax benefits, stable government, and year-round sunshine, The Turks & Caicos Islands are recognized internationally for having real estate investment opportunities with outstanding growth potential.



THE ISLAND VILLAS AT MOLASSES REEF

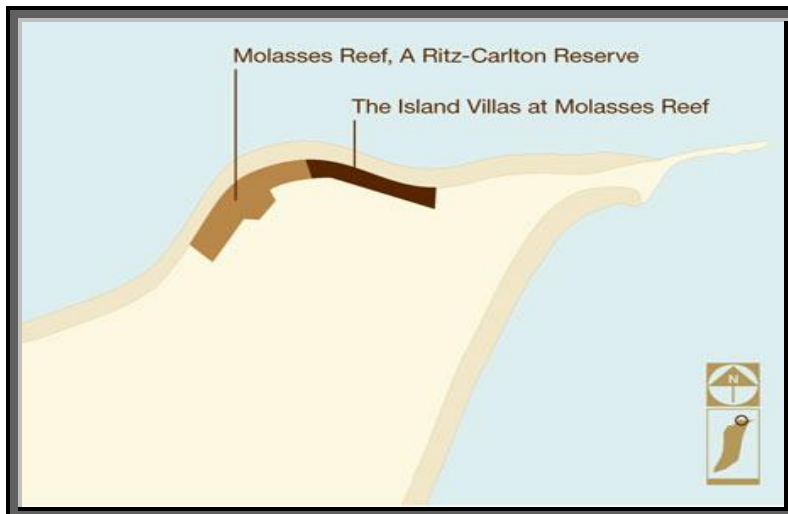
As the centerpiece of the community, West Caicos Reserve will provide a unique home ownership opportunity. The Island Villas at Molasses Reef, 75 intimate residences managed and serviced by The Ritz-Carlton®. Spread graciously over 1,650 feet of beachfront alongside the Molasses Reef hotel and just two miles from the West Caicos Reserve Marina, The Island Villas offer owners total seclusion and privacy with easy access to everything the island has to offer.

Owners and guests will be provided with distinct and personalized services right on premises, including an owner's lounge area with on-site concierge, beachfront dining and a casual bar located adjacent to the main pool.

Molasses Reef
ISLAND VILLAS



A Ritz-Carlton
Managed Residence



Molasses Reef

ISLAND VILLAS

UNIT PLAN
Penthouse A / Unit BPH

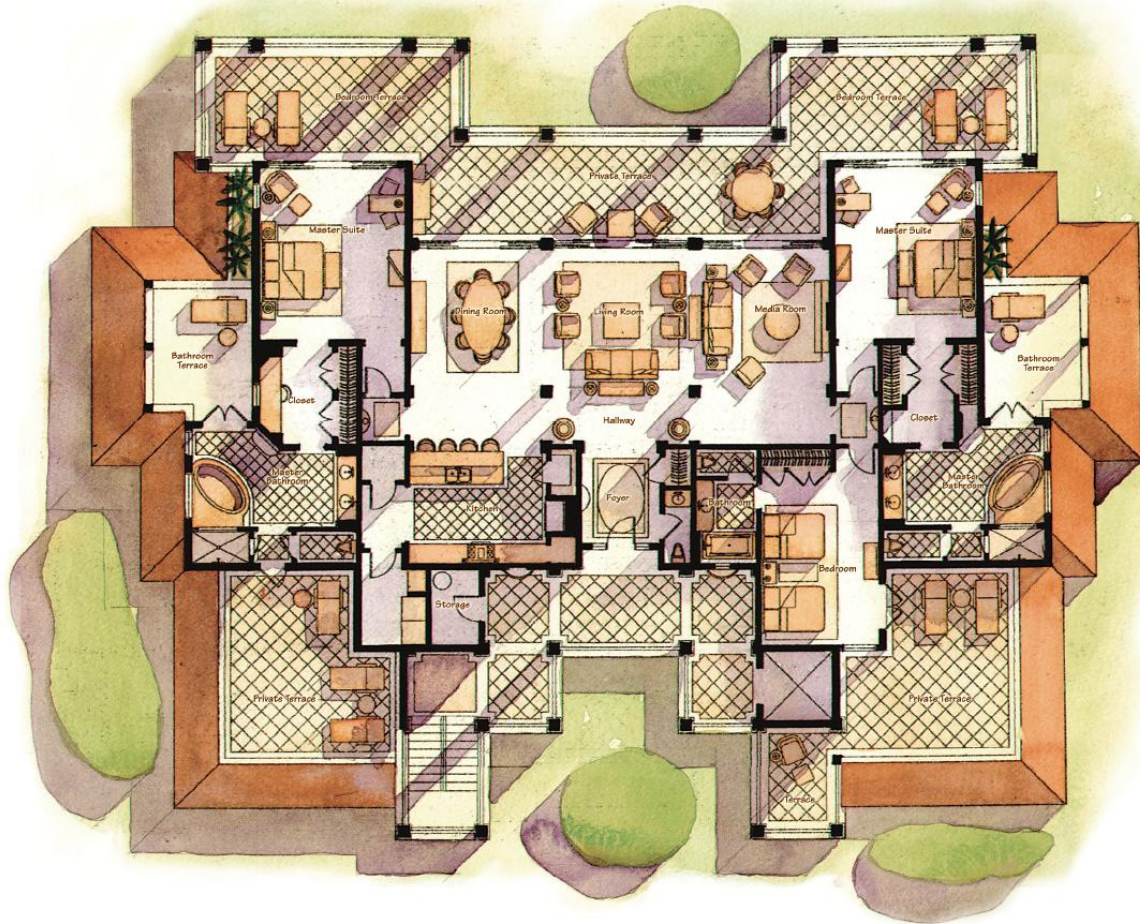
Interior: 3,544 sq.ft	LOCATION The Island Villas at Molasses Reef ARCHITECTS SG Architects LANDSCAPE ARCHITECTS ED&A INTERIOR DESIGNER Wilson Associates
Terrace: 2,016 sq.ft	
Total: 5,560 sq.ft	

PHASE I - Buildings A - F



The site map shown is preliminary and subject to change without notice. The floorplans and furniture layouts shown are preliminary and conceptual in nature and subject to change without notice.

The Island Villas at Molasses Reef are not owned, developed or sold by The Ritz-Carlton Hotel Company, L.L.C. Logwood Hotel Development Co. Ltd. uses The Ritz-Carlton mark under license from The Ritz-Carlton Hotel Company, L.L.C.



Molasses Reef

ISLAND VILLAS

UNIT PLAN

3-Bedroom Villa / Unit D1W

2-Bedroom: 2,156 sq.ft.	LOCATION: The Island Villas at Molasses Reef
Lock-Off BR: 636 sq.ft.	ARCHITECTS: SG Architects
Terrace: 479 sq.ft.	LANDSCAPE ARCHITECTS: EDSA
Total: 3,271 sq.ft.	INTERIOR DESIGNER: Wilson Associates

PHASE I - Buildings A - F



Second Floor – East



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Ground Floor – West



Molasses Reef

ISLAND VILLAGES

UNIT PLAN
2-Bedroom Villa / Unit C1W

Interior: 2,355 sq.ft.	LOCATION The Island Villas at Molasses Reef
Terrace: 348 sq.ft.	ARCHITECTS GB Architects
Total: 2,703 sq.ft.	LANDSCAPE ARCHITECTS EDSA
	INTERIOR DESIGNER Wilson Associates

PHASE I - Buildings A - F



Second Floor – East



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Ground Floor – West



**Comparable Five-Star Master Planned Resort Community No. 4
 West Caicos Reserve
 The Island Villas at Molasses Reef
 Ritz-Carlton Residences
 Sample of Recent Sales
 (Unadjusted)**

Villa Type	View	# BR/BA	Sale Price	Enclosed Area(SF)	Sale Price/SF
Island Villas	Oceanfront	2bedroom	\$2,600,000	2,355	\$1,104
Island Villas	Oceanfront	3bedroom	\$3,100,000	2,792	\$1,110
Island Villas - PH	Oceanfront	3bedroom - PH	\$5,000,000	3,544	\$1,411
Indicates the high, low and weighted avg. Sale Price		High	\$5,000,000		
		Low	\$2,600,000		
		Weighted Average	\$3,566,667		
Indicates the high, low and weighted avg. Enclosed Area (SF)		High		3,544	
		Low		2,355	
		Weighted Average		2,897	
Indicates the high, low and weighted avg. Sale Price/SF		High			\$1,411
		Low			\$1,104
		Weighted Average			\$1,208

Phase –I has 30-Villas of which 25 are sold
 Phase – II has 45 villas

Location of comparable master-planned resort communities



**Comparable Five-Star Master Planned Resort Community
Resort Residences
Summary Chart
(Unadjusted)**

Comparable No. - Resort	Property Type	View		Sale Price*		Enclosed Area(SF)*		Sale Price/SF*
1. Emerald Bay - Four Seasons	Condo/Villa	Oceanfront	High	\$3,950,000	High	2,600	High	\$1,519
1. Emerald Bay - Four Seasons	Condo/Villa	Oceanfront	Low	\$1,750,000	Low	1,720	Low	\$1,017
1. Emerald Bay - Four Seasons	Condo/Villa	Oceanfront	Mean	\$2,538,889	Mean	2,013	Mean	\$1,217
2. Ocean Club - One&Only Club	Condo/Villa	Harborfront	High	\$2,530,500	High	2,847	High	\$1,027
2. Ocean Club - One&Only Club	Condo/Villa	Harborfront	Low	\$1,635,000	Low	2,465	Low	\$617
2. Ocean Club - One&Only Club	Condo/Villa	Harborfront	Mean	\$2,036,143	Mean	2,599	Mean	\$786
3. St. Regis Anguilla	Condo/Villa	Oceanfront	High	\$7,300,000	High	4,850	High	\$1,979
3. St. Regis Anguilla	Condo/Villa	Oceanfront	Low	\$1,400,000	Low	1,100	Low	\$1,273
3. St. Regis Anguilla	Condo/Villa	Oceanfront	Mean	\$4,662,500	Mean	2,988	Mean	\$1,550
4. West Caicos Reserve - Ritz Carlton	Condo/Villa	Oceanfront	High	\$5,000,000	High	3,544	High	\$1,411
4. West Caicos Reserve - Ritz Carlton	Condo/Villa	Oceanfront	Low	\$2,600,000	Low	2,355	Low	\$1,104
4. West Caicos Reserve - Ritz Carlton	Condo/Villa	Oceanfront	Mean	\$3,566,667	Mean	2,897	Mean	\$1,208
			High	\$7,300,000	High	4,850	High	\$1,979
			Low	\$1,400,000	Low	1,100	Low	\$617
			Mean	\$3,201,050	Mean	2,624	Mean	\$1,191

St Regis Bahia Beach – Puerto Rico

A new resort development in Puerto Rico is scheduled to open in 2008, the St. Regis Resort and Golf Club at Bahia Beach. St. Regis Resort will feature a total of 150 luxurious accommodations. Resort amenities will include the new Robert Trent Jones Jr. oceanfront golf course, the world-class Remede Spa and Fitness Center casual and fine dining restaurants, oceanfront swimming pool and concierge located on 483 acre of oceanfront property.

The St. Regis Residences, Bahia Beach will include a luxury condominium-hotel and 26 magnificent estate homes with a sale price of \$3,900,000; the Bahia Beach and Golf resort will include 19 deluxe private villas with 1,600 SF to 3,500 SF and a sale price of \$655,000 to \$1,800,000; 10 luxury town-homes with 3,800 SF and 24 one, two, and three bedroom luxury villas with 1,700 SF to 3,400 SF. This is a new resort, Global Valuation, Inc. was not able to confirm and verify the residential unit sales information at this resort. It is mentioned in this appraisal report as an example of the caliber of new destination resort communities being built in Puerto Rico and the Caribbean Basin.

Analysis and Conclusion

In order to estimate an average unit size and sale price for the subject units, Global Valuation, Inc. has inspected, gathered, verified and analyzed over two hundred (200) comparable unit sales in four (4) Destination Resort Communities in the Caribbean Basin.

The comparable sales indicate a unit size range from 1,100 to 4,850 square feet with an overall average unit size of 2,624 square feet. The units suggest an unadjusted sale price range of \$1,400,000 to \$7,300,000 with an average overall sale price of \$3,201,050/unit and a sale price per square foot range from \$617 to \$1,979 with a mean sale price per square foot of \$1,191.

Based upon all of the market data and analysis and considering that about 50% of the planned units are hotel suites, we have estimated an average unit size of 1,500 square feet (A/C area) and an average sale price of \$1,500,000 per unit (\$1,000/SF) unfurnished.

Aggregate of Retail Values (ARV) “AS COMPLETED”

The Aggregate of Retail Values (ARV) is the sum of the appraised values of the individual units in a subdivision as if all of the units were completed and available for retail sale, as of the date of the appraisal. The sum of the retail sales includes allowances for premiums such as view, (all of the subject units are designed to take advantage of the magnificent view, all view premiums are implicit in the sale price per square foot estimate), but excludes all allowances for carrying costs. Also called Gross-Sellout.

The One World Resort and Casino has an estimated Aggregate of Retail Value “AS COMPLETED” of (\$1,500,000 X 500 units) \$750,000,000.

SEVEN HUNDRED FIFTY MILLION DOLLARS
\$750,000,000

Absorption



Demand for luxury units in Puerto Rico is tremendous and supply is nearly none. We have estimated an absorption period of five (5) years or 100 unit sales per year.

Demand for luxury units in beachfront destination resort communities in the Caribbean Basin is tremendous from North America, South America and from Europe. The supply is extremely limited. Every comparable subdivision utilized for this analysis is very low on available product for sales. Almost all reported that they had no product available and as soon as new phases are released for marketing, the units are sold prior to completion. A sample of absorption rates in Caribbean Basin: The Bahamas up to 150 units/year, Costa Rica up to 200/year, Panama up to 120 units/year.

Comp No.	Name	Absorption Rate/Yr
1.	Emerald Bay, Bahamas	100
2.	Ocean Club, Bahamas	100
3.	St Regis, Anguilla, BVI	100
4.	West Caicos Reserve, BVI	100

Expenses

Expenses included Hard Construction Costs (Direct Costs) and Soft Development Costs (Indirect Costs).

Hard Construction Costs (Direct Costs)

These include expenditures for the labor and materials used in the construction of improvements. The labor, material, subcontractor, and heavy equipment costs are directly incorporated into the construction of physical improvements.

Infrastructure includes building interior roads, expanding the existing utilities, offices (Security and Information), irrigation system, gated entrances, property fencing, landscaping and contingency. Global Valuation, Inc has estimated infrastructure costs at \$50,000 per unit.

Vertical Construction for high-end, five-star, luxury residential unit are estimated at \$250 per square foot including a contingency of 10.5%. These costs are estimated by Cavalier Construction Company (excluding infrastructure, landscaping, etc). Cavalier Construction Company suggested a contingency add on of 5%, however, in order to cover all contingencies and other override costs, Global Valuation, Inc has estimated contingency at 10.5 %.

Golf Courses and Country Clubs Construction for a planned 18-hole signature championship golf courses and clubhouse. The golf course and clubhouse will be built for an estimated cost of \$10,000,000.

Soft Development Costs (Indirect Costs)

These expenditures or allowable allowances are for items other than labor and materials that are necessary for construction, but are not typically part of the construction contract. These costs may include administrative costs; professional fees; financing costs and the interest paid on construction loans; taxes and the builder's or developer's all-risk insurance during construction; and marketing, sales and lease-up costs incurred to achieve occupancy or sale.

Sales and Marketing are estimated at 12% of gross revenue. A world-class marketing program will be launched with offices in Puerto Rico the Caribbean Basin and the U.S. mainland. Global Valuation, Inc has estimated marketing expenses at 12% of gross revenue; more than enough to launch a worldwide marketing program.

General & Administrative are estimated at about \$1,000,000 per year or \$5,000,000 for the whole project, more than enough to operate a first class office. Administrative expenses include office personnel and office related expenses for operating a headquarters office.

Indirect Cost included: insurance, permit fees, legal, bonds, registrations, professional fees, on-site management, and contingencies are estimated at \$65,000 per unit.

The entrepreneurial profit or developer's profit, is implicit in the yield rate (IRR) (see PriceWaterhouseCoopers survey in this part of the report).

Comparable Resort	Parcel Size (acres)	# of Res. Units	Average Size (SF)	Infrastructure Costs Per Unit	Vertical Costs Per SF	Hard Costs	Hard Cost Per Unit	Soft Costs	Soft Costs Per Unit	Total Cost Per Unit	Total Costs	
Barbary Beach - Grand Bahama	1,000	1,500	2,000	\$70,000	\$232.05	\$801,150,000	\$534,100	\$137,493,995	\$91,663	\$625,763	\$938,643,995	
Aguazul de Tambor Bay - Costa Rica	1,614	1,405	2,500	\$36,299	\$150.00	\$577,875,095	\$411,299	\$98,880,000	\$70,377	\$481,676	\$676,755,095	
Annaly Bay & Solitude Valley - St Croix USVI	2,388	2,465	2,000	\$47,424	\$250.00	\$1,349,400,160	\$547,424	\$12,750,000	\$5,172	\$552,596	\$1,362,150,160	
Hassell Island Resort, St. Thoma, USVI	10	40	2,750	\$150,000	\$387.00	\$48,570,000	\$1,214,250	\$14,649,000	\$366,225	\$1,580,475	\$63,219,000	
				High	\$150,000	\$387.00	\$1,349,400,160	\$1,214,250	\$137,493,995	\$366,225	\$1,580,475	\$1,362,150,160
				Low	\$36,299	\$150.00	\$48,570,000	\$411,299	\$12,750,000	\$5,172	\$481,676	\$63,219,000
				Mean	\$75,931	\$254.76	\$694,248,814	\$676,768	\$65,943,249	\$133,359	\$810,128	\$760,192,063

Total development cost for the project are estimated at \$700,000 per unit.

Discounted Cash Flow Analysis

The concept of discounted cash flow analysis, or yield capitalization, serves as the most comprehensive form of real estate analysis and valuation, which is available in the industry. The methods associated with this concept have been used for years in the capital budgeting function of financial management. The accounting profession and others have also used discounted cash flow methods of evaluating investments and for performing cost-benefit analyses. Moreover, professional real estate appraisers and analysts are using the concept in their practices as a result of market demands for more sophisticated valuation work.

The discounted cash flow analysis is essentially a process of evaluating the return on invested cash equity. The income to be processed in the application of the discounted cash flow methods is therefore the annual amounts of cash flow, which are expected to be generated by the investment during the income projection period, or investment-holding period.

In summary, this concept is exceptionally fundamental in its application and, moreover, it most reflects the time-value relationship of money. Incomes and expenditures are not always received or incurred in equal amounts.

Revenue patterns of income properties are the best illustration of this circumstance, even on a pre-tax basis. Thus, when net receivables from the operation of real estate have a variable or fluctuating pattern, it is necessary to employ a method of evaluating such investments, which recognizes these periodic changes. Only



this method can properly accomplish this task.

Inherent in the utilization of this technique is the selection of a proper and appropriate discount rate; a rate equivalent to a yield commanded on alternative investments.

The main criteria in the selection of discount rates are based on comparison of real estate with other forms of investments. The basic parameter is a comparison with the equivalent yield for long-term bonds. Secondly, a comparison with mortgage interest rates is important, being another alternative avenue of investment.

An important parameter for institutions, other than pension funds, is a comparison of internal rates of return on an after tax basis with after tax income from other investments. Again, such comparisons take account of many of the advantages from a tax point of view of real estate investments such as depreciation of fixed capital assets, capital cost allowance and, in some cases, investment tax credits.



Korpacz Real Estate Investor Survey

Global Valuation has reviewed the Korpacz Real Estate Investor Survey™ - published by *PriceWaterhouseCoopers* a quarterly publication of market information on equity investment in institutional-grade real estate. In 20 separate market reports, the survey includes up-to-date cap and discount rates and cash flow forecast assumptions of active market participants in retail, office, industrial, multi-family, development land and hotel markets.

Survey participants represent a cross section of major institutional equity real estate market participants who invest primarily in institutional-grade property. Initially, each participant is interviewed by telephone or in person regarding the cash flow assumptions -used in analyzing real estate investment opportunities throughout the United States. Subsequent quarterly surveys are completed by mail with telephone follow-ups. Information is criteria applied in the quarter in which it is reported.

As a group, the survey participants collectively own, control, or acted as agent in transactions of institutional-grade real property assets with a total value in excess of \$200 billion. The minimum equity investment of the participants is from \$5 million to \$50 million (excluding hotel participants). Rates and other assumptions presented in this survey indicate participants' expectations from institutional-grade real property investment. They do not reflect performance of such property. The information is not generally applicable to investments that are not institutional grade. Although we do not represent that the survey is statistically accurate, the survey results provide important -insight into the thinking of a significant part of the equity real estate marketplace.

The Korpacz Investor Survey for Suburban Office Properties is presented in the addenda.

Based on this survey and the quantity, quality and durability of the subject's income stream, we have estimated a conservative discount rate including developer's profit of 20% for the "AS IS" analysis.

National Development Land Market

EVEN THOUGH STRONG FUNDAMENTALS AND RISING RENTAL RATES ARE PROVIDING VARIOUS DEVELOPMENT LAND OPPORTUNITIES IN MANY MAJOR MARKETS, CONSTRUCTION ACTIVITY HAS BEEN TEMPERED BY HIGH CONSTRUCTION COSTS, HIGH LAND PRICES, AND HIGHER DEBT RATES. "We need to see some robust rent growth in order to justify new construction at the current prices of concrete and steel," notes a participant. Even in some of the best coastal markets, where demand is strong and supply is dwindling, many developers are unable to carry out ground-up projects. The end result has been a bit of a decline in development returns. "Returns on new projects are being pushed down because of higher interest rates and higher construction costs," affirms a participant.

The price of concrete products experienced a 4.6% year-over-year increase in April 2007, while the price of cement increased 5.1%, according to the Bureau of Labor Statistics. On a much grander scale, the price of steel surged 17.1% over that time period. Although steel inventories have been rebuilding from their extremely weak levels witnessed in the latter part of 2005, many investors expect steel prices to rise in the coming quarters due to pent-up demand. While such high prices are bad news for developers who are ready to break ground on new projects, the higher costs will likely postpone some planned projects and prolong the industry's stability.

While high land prices are also helping to limited construction projects, some land owners are taking advantage of strong developer interest by placing tracts of land up for sale at some impressive prices. In Rosenberg, Texas, for example, a 108-acre retail land tract has been placed up for sale and will likely sell for close to \$18.0

million (or about \$3.00 per square foot). This land is situated in an area outside of Houston that is experiencing tremendous development activity. It is located across from the two-million-square-foot Rosenberg Town Center. Until recently, land prices in this submarket were close to \$2.00 per square foot.

Certain developers, however, are eagerly acquiring land now in preparation for future development opportunities. Cypress Creek Florida Land Investors, for example, is looking to assemble a land portfolio of \$200 to \$400 million over the next few years. It is targeting large land tracts of 50 acres or more and plans on a holding period of two to five years.

CONSTRUCTION

Retail

Retail construction spending increased 13.0% in 2006 with retail construction starts jumping by more than two-thirds in Arizona, Nevada, and Utah and by half in Colorado, according to Reed Construction Data (Reed). On the other hand, project starts were down in California, Florida, Georgia, New York, and New Jersey last year. Due to slower economic growth and rising construction costs, double-digit construction spending is not expected to last for too long. Reed forecasts retail construction spending at 11.0% in 2007 and at 6.0% in 2008.

The decline in project spending and property deliveries comes at a time when many consumers are faced with higher

oil prices, higher interest rates, and more mindful spending habits. Interestingly, a large portion of the retail pipeline is comprised of big-box projects (43.0%), which have surpassed the construction of regional and super-regional centers, according to Marcus & Millichap. Markets that offer some of the best retail development land opportunities due to strong population growth and/or tight fundamentals include Austin, Fort Lauderdale, Las Vegas, Oakland, Phoenix, San Diego, and Seattle.

Office

Vacancy rates continue to decline throughout much of the U.S. CBD and suburban office markets. In the first quarter of 2007, the national vacancy rate was 9.9% for the CBD and 14.3% for the suburbs, according to Cushman & Wakefield. Much of the demand for office space has been in the Class-A sector, which posted an overall vacancy rate of 8.17% in the CBD and 13.1% in the suburbs during that time period. The combination of strong demand and dwindling supply has caused rental rates to rise and developers to commence and plan new projects.

One individual office market experiencing high levels of speculative office space construction is Phoenix, where 1.7 million square feet of speculative space were under construction at the end of the first quarter of 2007. This amount represents about 24.0% of the total speculative office space under con-

Exhibit DL-1

DISCOUNT RATES (IRRS) INCLUDING DEVELOPER'S PROFIT Second Quarter 2007		
	CURRENT QUARTER	FOURTH QUARTER 2006
Free & Clear		
RANGE	10.00% – 25.00%	12.00% – 25.00%
AVERAGE	17.72%	18.15%
CHANGE	-	0

struction in the top office markets in the country (both CBD and suburban).

Warehouse

Warehouse construction spending has held steady for the past two quarters (see Table NDL-1). The annual increase, however, is mainly due to higher construction costs than to warehouse starts. While a surge of warehouse construction was readily absorbed during the recent economic expansion, supply has started to eclipse demand in many markets.

Some of the better development land opportunities for warehouse construction exist where overall vacancy rates are below the national level, such as Orange County, Long Island, Houston, and Northern New Jersey. By comparison, many investors are wary of warehouse markets experiencing incessant amounts of supply, such as Atlanta and Chicago. "We are bearish on Chicago's warehouse market right now," shares a participant.

Apartment

Even though positive economic trends, such as rising interest rates, steady population growth, and increasing immigration, continue to create development land opportunities in the national apartment sector, rising vacancy rates are diminishing developers' prospects. The average vacancy rate for the U.S. rental market rose to 6.1% in the first quarter of 2007, the highest level in almost two years, according to Reis. For some markets, such

as Miami, the recent increase in vacancy is due to the conversion of unsold condos to rental units. "The condo craze is over and investors who couldn't sell are now trying to lease," notes a participant.

Overall, apartment construction starts (buildings with five or more units) dropped 18.5% to 78,000 units in the first four months of 2007, according to the National Apartment Association. By comparison, this total was 95,700 for the same period in 2006. While coastal markets have been favored by apartment developers recently, many have turned their attention to the Midwest, where a shift toward renting has emerged.

DISCOUNT RATES

Free-and-clear discount rates including developers profit are shown in Exhibit DL-1. These rates assume that entitlements are in place. Discount rates for projects that lack entitlements are typically increased 300 to 600 basis points; the average increase is 425 basis points. An insufficient number of responses prevented us from reporting discount rates subject to financing this quarter.

ABSORPTION PERIOD

The absorption period required to sell an entire project varies significantly depending on location, size, and property type. This quarter, preferred absorption periods for participants ranged from 12 to 240 months. The mean absorption period is 58.0 months.

FORECAST ASSUMPTIONS

Growth rates for lot pricing vary due to local market conditions. Participants report an overall range from 0.0% to 10.0% with a mean of 3.1%. Over the near term, 50.0% of participants forecast lot prices to increase at the rate of inflation, while 25.0% of them project increases greater than inflation. The remainder (25.0%) expects increases less than in-

Exhibit DL-2

GROWTH RATES FOR DEVELOPMENT EXPENSES	
EXPENSE	SECOND QUARTER 2007
Infrastructure	
RANGE	3.00% – 3.00%
AVERAGE	3.00%
Amenities	
RANGE	3.00% – 3.00%
AVERAGE	3.00%
Advertising	
RANGE	3.00% – 3.00%
AVERAGE	3.00%
Real Estate Taxes	
RANGE	1.00% – 3.00%
AVERAGE	2.60%
Administrative	
RANGE	3.00% – 4.00%
AVERAGE	3.25%
Contingency	
RANGE	3.00% – 5.00%
AVERAGE	4.00%
Other	
RANGE	3.00% – 3.00%
AVERAGE	3.00%

flation. Inflation growth rate assumptions range from 0.0% to 4.0% and average approximately 2.0%. The ranges and averages for the reported expense growth rates are shown in Exhibit DL-2.

OUTLOOK

Development land opportunities continue to exist throughout the commercial real estate industry, but rising construction costs and a slowing economy are diminishing returns and creating challenges for developers. In the best markets, where barriers to entry are high and supply/demand imbalances favor landlords, land prices remain very high and entitlement processes are long and arduous. The end result has been a slowdown in construction starts for most property types.

Nevertheless, the underlying strength of the industry – with most property sectors reporting stabilized vacancy rates – will continue to provide development land opportunities on a select basis in the months ahead. ♦

TABLE NDL-1
U.S. WAREHOUSE CONSTRUCTION
SPENDING

Time	\$Billions	Change
1Q2007	\$15.2	0%
4Q2006	\$15.2	+ 5.56%
3Q2006	\$14.4	– 1.41%
2Q2006	\$14.2	– 2.73%
1Q2006	\$14.6	—

Source: U.S. Census Bureau, Department of Commerce

NATIONAL DEVELOPMENT LAND MARKET—INVESTOR SURVEY RESPONSES*									
Second Quarter 2007									
PROPERTY TYPES	ABSORPTION CRITERIA	CHANGE RATES			DISCOUNT RATE (IRR)		FORECAST VALUE CHANGE NEXT 12 MONTHS		MARKETING PERIOD
	Years	Lot Prices	Development Costs	CPI	Free & Clear	Subject to Financing	Range	Average	Months
DEVELOPER/BROKER Primary method of pricing is comparable sales; analysis is prepared subject to financing; project size ranges from 3 to 120 acres; value of land currently under development totals \$7.2 million; development is concentrated in Northwest suburban Chicago.	1 to 3	10.0% to 15.0%	Based on a % of specific line item	4.0%	10.00%	12.50%	—	—	24 to 36
DEVELOPER Primary method of pricing is comparable sales; analysis is prepared subject to financing; project size ranges from 8 to 30 acres; value of land currently under development totals \$45.0 million; development is concentrated in the Western United States.	1 to 5	6.0%	3.0%	—	15.00%	—	4.0% to 6.0%	5.0%	12 to 24
DEVELOPER Primary method of pricing is comparable sales; analysis is prepared free and clear of financing; project size ranges from 50 to 250 acres; value of land currently under development totals \$0.0 million; development is concentrated in the Midwest and Southeast regions of the United States.	1 to 20	2.5%	2.5%	3.0%	15.00%	20.00%	5.0%	—	360
DEVELOPER/INVESTOR Primary methods of pricing are DCF and comparable sales; analysis is prepared free and clear of financing; project size ranges from 5 to 150+ acres; development is concentrated in Chicago, California, and Texas.	1 to 5	less than CPI	3.0% to 5.0%	2.5%	15.00% to 18.00%	—	Stable	—	42 to 66
DEVELOPER Primary method of pricing is comparable sales; analysis is prepared subject to financing; value of land currently under development is between \$50.0 and \$100.0 million; development is concentrated in Arizona and California.	1 to 5	Varies	3.0%	3.0%	20.00%	20.00% minimum	5.0%	—	24 to 72
DEVELOPER Primary method of pricing is DCF; analysis is prepared free and clear of financing; project sizes are between 500 and 1,200 acres; value of land currently under development is \$90.0 million; development is concentrated in California, Nevada, Colorado, and Arizona.	1 to 5	0.0%	Did not disclose	0.0%	20.00% to 25.00%	—	Stable	—	Varies due to both location and size of project
OWNER/DEVELOPER Primary method of pricing is DCF; analysis is prepared free and clear of financing; project size ranges from 700 to 6,000 acres; value of land currently under development is at least \$400 million; development is concentrated in Arizona, California, and Hawaii.	6 to 10	0.0%	Up to 10.0%	0.0%	20.00% to 25.00%	18.00% to 20.00%	Stable	—	60 to 72

*Representative sample; due to space constraints, not all responses are included.



Source: PricewaterhouseCoopers LLP during April 2007.

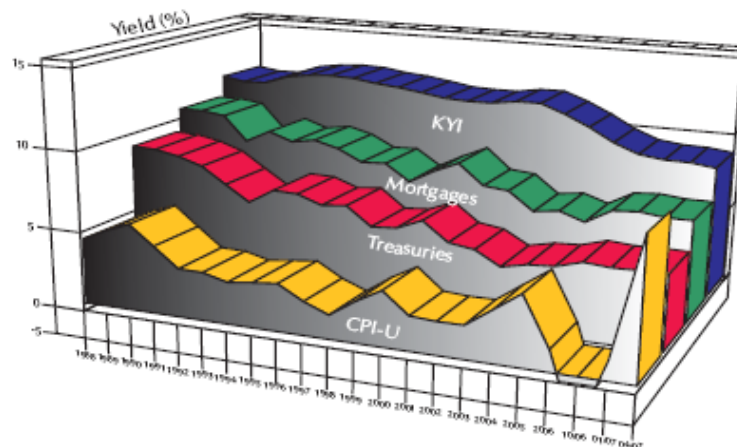


YIELD COMPARISONS								
April 1, 2007								
	2002 AVERAGE	2003 AVERAGE	2004 AVERAGE	2005 AVERAGE	2006 AVERAGE	2006 OCTOBER	2007 JANUARY	2007 APRIL
Korpacz Yield Indicator (KYI) ^a	11.56%	11.00%	10.28%	9.43%	8.81%	8.63%	8.59%	8.41%
Long-Term Mortgages ^b	7.02%	5.87%	6.08%	5.57%	6.45%	6.57%	6.40%	6.40%
10-Year Treasuries ^c	4.71%	3.86%	4.21%	4.29%	4.76%	4.62%	4.68%	4.65%
Consumer Price Index Change ^d	2.02%	2.03%	3.16%	4.30%	1.32%	(3.34%)	1.19%	8.50%
SPREAD TO KYI (Basis Points)								
Long-Term Mortgages	454	513	420	386	236	206	219	201
10-Year Treasuries	685	714	607	514	405	401	391	376
Consumer Price Index Change	954	897	712	513	749	866	746	(9)

a. A composite IRR average of the markets surveyed.
b. 3-year or longer term for commercial property; fixed-rate mortgages; immediate funding. Source: Crittenden Publishing, Inc.; for January 2005, data is based on a survey conducted by PricewaterhouseCoopers LLP and reflects fixed-rate debt of 5 to 10 years, 25- to 30-year amortization, immediate funding; for April 2005, source is CB Richard Ellis/LJ, Melody Capital Markets; typical terms include 10-year term, 25-year amortization, immediate funding, 75.0% to 80.0% loan-to-value ratio.
c. Source: Federal Reserve; the annual average change is the mean of the four corresponding quarters.
d. Source: U.S. Department of Labor; quarterly changes are annualized based on the index change from the prior quarter; the annual average change is the mean of the four corresponding quarters.

COMPARATIVE YIELDS

April 1, 2007



DIVIDEND COMPARISONS								
April 1, 2007								
	2002 AVERAGE	2003 AVERAGE	2004 AVERAGE	2005 AVERAGE	2006 AVERAGE	2006 OCTOBER	2007 JANUARY	2007 APRIL
Korpacz Dividend Indicator (KDI) ^a	9.55%	9.23%	8.62%	7.94%	7.42%	7.28%	7.24%	7.04%
Equity REITs ^b	6.70%	6.67%	5.27%	4.75%	4.19%	3.93%	3.69%	3.73%
S&P 500 ^c	1.60%	1.76%	1.63%	1.71%	1.80%	1.80%	1.75%	1.79%
SPREAD TO KDI (Basis Points)								
Equity REITs	285	256	335	319	323	335	355	331
S&P 500	795	747	699	623	562	548	549	525

a. A composite OAR (initial rate of return in an all-cash transaction) average of the markets surveyed.
b. Source: National Association of Real Estate Investment Trusts; average annualized dividend yield calculated by PricewaterhouseCoopers LLP; dividend yields are as of the last day of the prior quarter.
c. Source: Standard & Poor's; average annual dividend yield calculated by PricewaterhouseCoopers LLP; dividend yields are quarterly yields as of the last day of the prior quarter.

YIELD CAPITALIZATION/DISCOUNTED CASH FLOW ANALYSIS

For further support, we have developed the Income Capitalization Approach using Yield Capitalization or Discounted Cash Flow Analysis. This analysis takes into consideration income and expenses forecast over a five-year investment period. The analysis also takes into consideration leasing commissions and tenant Improvements usually necessary upon termination of a five-year lease term. ARGUS Financial Software, the most sophisticated appraisal software available in the industry, produces the following reports for the subject property.

- Schedule of Prospective Cash Flow
- Prospective Present Value
- Property Summary Report

Assumptions

- 1) Gross Revenue is estimated at \$750,000,000
- 2) Sales & Marketing costs at 12% of gross revenue
- 3) General and Administrative expenses at \$1,000,000 per year or \$5,000,000 for the project
- 4) Development costs are estimated at \$250 per square foot
- 5) Golf course and club construction estimated at \$10,000,000
- 6) Discount rate (IRR) is at 20% including developer's profit
- 7) Unit absorption period is estimated at five years

The Yield Capitalization or Discounted Cash Flow Analysis begins on the next page.

Software: ARGUS Ver. 12.0.0 (Build: 12000-A)
 File: One World Resort
 Portfolio: Global Valuation, Inc.

One World Resort and Casino
 Municipality of Loiza
 Puerto Rico
 U.S. Territory
 SCHEDULE OF PROSPECTIVE CASH FLOW
 In Inflated Dollars for the Fiscal Year Beginning 6/1/2007

For the Years Ending	Year 1 May-2008	Year 2 May-2009	Year 3 May-2010	Year 4 May-2011	Year 5 May-2012	TOTAL	\$/ Unit
GROSS REVENUE							
Unit Sales			\$450,000,000	\$150,000,000	\$150,000,000	\$750,000,000	\$1,500,000
DEVELOPMENT COSTS							
HARD/CONSTRUCTION COSTS							
Infrastructure Costs	12,500,000	12,500,000				25,000,000	\$50,000
Vertical Construction Costs	37,500,000	37,500,000	37,500,000	37,500,000	37,500,000	187,500,000	\$375,000
Golf Course & Club			10,000,000			10,000,000	\$20,000
TOTAL HARD/CONSTRUCTION COSTS	50,000,000	50,000,000	47,500,000	37,500,000	37,500,000	222,500,000	\$445,000
SOFT/DEVELOPMENT COSTS							
Indirect costs	6,500,000	6,500,000	6,500,000	6,500,000	6,500,000	32,500,000	\$65,000
Sales & Marketing			54,000,000	18,000,000	18,000,000	90,000,000	\$180,000
General & Administrative	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	5,000,000	\$10,000
TOTAL SOFT/DEVELOPMENT COSTS	7,500,000	7,500,000	61,500,000	25,500,000	25,500,000	127,500,000	\$255,000
TOTAL DEVELOPMENT COSTS	57,500,000	57,500,000	109,000,000	63,000,000	63,000,000	350,000,000	\$700,000
CASH FLOW BEFORE DEBT SERVICE & TAXES	(\$57,500,000)	(\$57,500,000)	\$341,000,000	\$87,000,000	\$87,000,000	400,000,000	\$800,000

Software: ARGUS Ver. 12.0.0 (Build: 12000-A)
 File: One World Resort
 Portfolio: Global Valuation, Inc.

One World Resort and Casino
 Municipality of Loiza
 Puerto Rico
 U.S. Territory
PROSPECTIVE PRESENT VALUE
 Cash Flow Before Debt Service plus Property Resale
 Discounted Annually (Endpoint on Cash Flow & Resale) over a 5-Year Period

Analysis Period	For the Year Ending	Annual Cash Flow	P.V. of Cash Flow @ 20.00%
Year 1	May-2008	(\$57,500,000)	(\$47,916,667)
Year 2	May-2009	(57,500,000)	(39,930,555)
Year 3	May-2010	341,000,000	197,337,963
Year 4	May-2011	87,000,000	41,956,018
Year 5	May-2012	87,000,000	34,963,349
Total Cash Flow		400,000,000	186,410,108
Total Property Present Value			\$186,410,108
Rounded to Thousands			\$186,410,000



Software: ARGUS Ver. 12.0.0 (Build: 120 Date: 7/3/07
File: One World Resort Time: 15:36
Portfolio: Global Valuation, Inc. Page: 3

One World Resort and Casino
Municipality of Loiza
Puerto Rico
U.S. Territory
PROPERTY SUMMARY REPORT

TIMING & INFLATION

Reporting Period: June 1, 2007 to May 31, 2012; 5 years
Inflation Month: Analysis Start
General Inflation Rate: 0.00%

PROPERTY SIZE & OCCUPANCY

Property Size: 413 Acres Oceanfront Land

PRESENT VALUE DISCOUNTING

Discount Method: Annually (Endpoint on Cash Flow & Resale)
Unleveraged Discount Rate: 20.00%
Unleveraged Present Value: \$186,410,108 at 20.00%



Final Value Conclusion

Careful consideration has been given to the strength and weaknesses of the Subdivision Development Approach to value discussed above, a considerable quantity of market data was gathered, verified and analyzed for the purpose of this valuation.

“AS IS”

The “AS IS” valuation is predicated upon the Subdivision Development Approach. The “AS IS” value of the subject property as of July 2, 2007 is \$186,000,000 rounded.

ONE HUNDRED EIGHTY SIX MILLION DOLLARS
\$186,000,000

ARV “AS COMPLETED”

The “AS COMPLETED” valuation is based upon the Aggregate of Retail Value (ARV) of the 500 units. Global Valuation, Inc. reviewed six (6) comparable destination resort community developments in The Bahamas, Anguilla, Jamaica and Turks and Caicos. Individual residential unit sales were verified and analyzed. Based upon all of the market data and analysis, the ARV “AS COMPLETED” value of the One World Resort and Casino is as of July 2, 2012 is \$750,000,000 or \$1,500,000 per unit.

SEVEN HUNDRED FIFTY MILLION DOLLARS
\$750,000,000

VIII PARAMETERS OF VALUE CONCLUSION

An appraisal of real estate is an opinion of value.

Due to the many influences that affect supply and demand and the imperfections that exist in the market, the appraisal of real estate remains an inexact science.

The client must recognize that at any given moment in time before or after the effective date of value, the property value may be different from what the appraiser has estimated. Real estate investment has a high degree of risk and performance and success is dependent upon management, market liquidity, and all sorts of outside influences. Remember that if for any reason subsequent events (after the effective date) worldwide, national, regional, local or neighborhood occur, the value of the property will change.

The developer, the lender, and subsequent property owners must each analyze and measure the risk as they see it, at any moment in time. The appraisal, therefore, is a judgment tool offering a supported opinion of the present worth of anticipated benefits subject to the investment risks, measured mainly by such market data as are available as of the effective date of appraisal.

In conclusion, however, while an appraisal cannot be guaranteed or absolutely proven, if the opinion of value, as expressed and demonstrated, is not influenced by sentiment, sympathy, bias, personal interest, or lack of



understanding, and is, in fact, a sincere effort by a competent impartial valuator, then the conclusions so developed may properly be considered as a basis of negotiation between owner and prospective purchaser, or between lender and borrower or between condemnor and condemnee.

IX MARKETING TIME

Normal marketing period is the amount of time necessary to expose a property to the open market in order to achieve a sale. Implicit in this definition are the following characteristics:

1. The property will be actively exposed and aggressively marketed to potential purchasers through marketing channels commonly used by sellers of similar type properties.
2. The property will be offered at a price reflecting the most probable mark-up over Market Value used by sellers of similar type properties.
3. A sale will be consummated under the terms and conditions of the definition of Market Value cited herein.

In analyzing and estimating a reasonable marketing period in light of the property's characteristics, we have examined the actual marketing time of the more recent sales used in direct comparison in the belief that these historical events tend to index future market conditions since supply and demand relationships are not expected to differ greatly over those of the recent past. Toward this end we have analyzed the market for competing properties currently available and have interviewed real estate brokers active in this market to gain insight on current market conditions. Based on this analysis, our conclusion is that a marketing period of approximately 12 months is likely for the "Subject Property".

X EXPOSURE TIME

Exposure time is the time a property remains on the market. The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; retrospective estimate based upon an analysis of past events assuming a competitive and open market. Exposure time is always presumed to occur prior to the effective date of the appraisal. The overall concept of reasonable exposure encompasses not only adequate, sufficient and reasonable time but also adequate, sufficient and reasonable effort. We have estimated exposure time for the subject property at 12 months.



Part Five – Addenda

Exhibit A – Appraisers Qualifications
Exhibit B – Antique Zoning Doctrine



Exhibit A – Appraisers Qualifications

Qualifications of

THOMAS G. SPEARS, ASA

President & CEO

Global Valuation, Inc.

9106 Champions Way, PGA Village Resort, Port St. Lucie, Florida – 34986

Phone: (772) 467-1360 - Fax: (772) 465-4512

E-mail: tgs@globalvaluation.com

**AMERICAN
SOCIETY OF
APPRAISERS**



**NATIONAL
ASSOCIATION
OF REALTORS**

Florida State-Certified General Appraiser, # RZ1243 **
Member, American Society of Appraisers, ASA# 007583
Florida Licensed Real Estate Broker, # BKO143326
Member, National Association of Realtors
Member, Florida Association of Realtors
Member, Martin County Association of Realtors



The Federal Government has established a certification requirement of appraisers under FIRREA, Title XI. Thomas G. Spears is certified under this program through November 30, 2008.

The American Society of Appraisers conducts a mandatory program of continuing education for its designated members. ASA's who meet the minimum standards of this program are awarded periodic educational certification. Thomas G. Spears, is a designated (ASA) member and is certified under this program through August 2011.

Mr. Spears is a professional real estate appraiser with over 40 years experience in the industry. He has traveled extensively throughout North, South, and Central America, the Caribbean Basin, Western and Eastern Europe, Africa and Asia, performing and supervising large-scale Real Property, Personal Property and Intangible Property appraisal and consulting assignments. He specializes in special purpose properties including amusement parks, theme parks, water parks, family entertainment centers, golf courses and resorts. Mr. Spears has completed valuations and consulting assignments in the new emerging Eurasian markets including Uzbekistan, Ukraine, Estonia, Lithuania and Russia. He has recently completed major valuation and consulting assignments in Hungary, China, Mexico, Panama, Belize, Guatemala, Turkey, Africa, Jamaica, The U.S. Virgin Islands, The Bahamas and the United States of America. Mr. Spears also has extensive residential experience including over 5,000 single-family residential appraisals in Florida for local and national clients. He has appraised numerous homes, townhouses, villas and U.S. ambassador estates in U.S. Embassy posts for the U.S. Department of State. Mr. Spears has extensive experience appraising all sorts of minerals including but not limited to Gold Mines; Iron Mines; Bauxite Mines; Aggregate Rock; Rip Rap; Sand; Gravel; Peat and Water Rights.



Professional Experience

- | | |
|--------------|---|
| 1997-Present | <p>Global Valuation
President & CEO</p> <p>Overseeing operations, supervising, and performing large- scale appraisal, consulting and review projects on a worldwide basis.</p> |
| 1989-1996 | <p>Appraisal Group, Inc.
President</p> <p>Overseeing operations in Europe and America managing and performing large-scale appraisal consulting and review assignments on a worldwide basis.</p> |
| 1985-1988 | <p>Thomas G. Spears, P.A.
President</p> <p>Overseeing operations in America managing and performing large- scale appraisal assignments on a national basis.</p> |
| 1981-1984 | <p>Joseph J. Blake and Associates, Inc.
Southeast Regional Manager</p> <p>Managed appraisal operations for Florida, Georgia, North Carolina, South Carolina, Mississippi, Alabama and Tennessee.</p> |
| 1971-1980 | <p>Southeast Mortgage Company
Appraisal Specialist</p> <p>Completed high volume of commercial, Industrial and residential appraisals, throughout Florida.</p> |

Mr. Spears has extensive experience traveling around the world performing large-scale appraisal assignments in North America, South America, Central America, Caribbean Basin, Europe, Africa and Asia. Appraisal and consulting assignments have been completed in over 23 countries in the world.

The Americas

North America

United States
Mexico
Canada

Central America

Costa Rica
Panama
Belize
Guatemala

South America

Venezuela
Equador
Brazil

Caribbean Basin

Bahamas
Jamaica
U.S. Virgin Islands
Puerto Rico
Antigua



Europe

Hungary
Russia
Ukraine
Turkey

Uzbekistan
Estonia
Latuvia

Africa

Republic of Seychelles

Asia

China

Affiliations Past & Present

American Society of Appraisers, Member A.S.A.
Florida State-Certified General Appraiser – (#RZ0001243)
Florida Licensed Real Estate Broker – (#BK0143326)
National Association of Realtors
Florida Association of Realtors
National Association of Realtors, Appraisal Section Member
National Association of Real Estate Appraisers, Member CREA
American Society of Appraisers, Affiliate Firms Committee
Appraisal Foundation, Affiliate Member
Martin County Board of Realtors, Realtor - Member

Appraisal Education

Appraisal Institute

Course 1-A	Principles, Methods & Techniques of Appraisal
Course 1-B	Capitalization Theory and Techniques
Course 2-1	Case Studies in Real Estate Valuation
Course 2-2	Valuation Analysis and Report Writing
Course 2-3	Standards of Professional Practice
Course R-2	Residential Case Study
Course 08	Single Family Residential Appraisal
Course 101	Introduction to Appraising Real Property
Course 201	Principles of Income Property Appraising



College Equivalency Award
 Experience Credit Award. 5,250 hours Specialized Experience
 Residential Appraisal Seminar
 Narrative Report Seminar
 Feasibility Analysis Seminar
 Appraising Apartment Seminar

Gold Coast School of Real Estate

Florida Real Estate Commission Course I
 Florida Real Estate Commission Course II
 Florida Real Estate License Law Course I
 Florida Real Estate License Law Course II

Plan Reading for Appraisers	23 Hours 07/94
USPAP/Florida Law Update	07 Hours 07/94
Real Estate Finance	23 Hours 10/96
USPAP/Florida Law Update	07 Hours 10/96
USPAP/Florida Law Update	07 Hours 08/98
Standard Three Review	08 Hours 08/98
Environmental Considerations	08 Hours 08/98
Red Flags Property inspection	07 Hours 08/98
FHA 4150.2 Course Seminar	08 Hours 11/00
Blueprint Reading	07 Hours 11/00
USPAP Standard 3 Review	08 Hours 11/00
USPAP/Florida Law Update	07 Hours 11/00
USPAP/Florida Law Update	07 Hours 04/02
Comprehensive Continuing Education	23 Hours 04/02
USPAP/National Update	07 Hours 11/04
Florida Appraisal Law Update	03 Hours 11/04
FHA Handbook 4150.2	10 Hours 11/04
Principles of Interiors Insp. For Appraiser	10 Hours 11/04
USPAP/National Update	07 Hours 07/06
Florida Appraisal Law Update	03 Hours 07/06
FHA Handbook 4150.2	10 Hours 07/06
Techniques of Income Property Appraisal	10 Hours 07/06

Representative Assignments Recently Completed in 2005-2006 are as follow:

**Paraiso Del Mar 1,246 Acres of Vacant Oceanfront Land. El Megote Peninsula,
La Paz Baja California Sur, Mexico.**

The subject property consists of approximately 1,246-acres of vacant oceanfront land located on the “El Megote” peninsula in the City of La Paz, State of Baja California Sur, Mexico. The tip of the peninsula has been subdivided into parcels planned for resort components including 1,686 single-family homes; 2,236 condominium units; 2,050 hotel rooms; a 545-slip marina; a 36-hole championship golf country club and a central plaza with 20,000 square feet of retail space. The subject property features five (5) miles of secluded beachfront on the Sea of Cortez.

Phase I consists of two separate parcels of oceanfront land. Parcel A is being developed with 294-single family homes and Parcel B is being developed with 498-condominium homes.

The scope of this assignment is to estimate the market value of the fee simple interest in the subject property using four (4) valuation scenarios as follows:

“AS IS” valuation of Phase I – land only

“AS IS” valuation of “balance of land” (entirety of property less Phase I)

Confirmation of fair market value of sell out of Phase I

Prospective market value of “balance of land” (entirety of property less Phase I) at the conclusion of the Phase I Sellout and assuming the balance of the land is improved with the infrastructure, amenities and other facilities scheduled to be completed during Phase I.

**Puerto Pedregosa Master-Planned Resort Subdivision,
Santa Cruz, Guanacaste, Costa Rica.**

“Puerto Pedregosa” is briefly described as a vacant parcel of oceanfront land containing a total area of approximately 464 acres, featuring 1.4 kilometers of beachfront along the Pacific Ocean. The property has been subdivided into ninety-nine (99) lots and has local, regional and Federal approvals, permits and entitlements for a 2,500 unit Master-planned resort community. The Master-plan is approved for five (5) hotels; condominium apartments and single family homes. Amenities include a security guard gated entrance; white sandy beach; 124 acres of parks and preserves and 50 acres of commercial facilities.

Puerto Pedregosa has an excellent oceanfront location in the world-famous Gold Coast growth area near the Four Seasons Hotel and Resort; the Reserva Conchal Resort and the Pinilla Resort. Moreover it is situated in the Province of Guanacaste, Canton of Santa Cruz, District of Cabo Velas, Costa Rica.

The scope of this assignment is to estimate the market value of the fee simple interest in the Puerto Pedregosa property “As Is”.

**Pelican Heaven, A Luxury Villa Retreat, Estate Peterborg, No. 12 Great Northside Quarter,
St. Thomas, U.S. Virgin Islands 00802.**

Pelican Heaven is briefly described as a Luxury Villa Retreat containing a total gross building area of 7,296 square feet, built on a 1.12 acre oceanfront parcel of land in 2004. The villa features five bedrooms and six bathrooms and wide dramatic views of the Atlantic Ocean. Pelican Heaven is completely furnished (see photos) and is designed to provide ample room for comfortable entertaining and socializing while also providing private spaces away from other guests. Amenities include a swimming pool, Jacuzzi, elevator, oversized gourmet kitchen, wine cellars, media room, cable and satellite systems.



Pelican Heaven has an excellent location within the Red Rock gated community at Parcels No. 8-27-2, 10-1-37 and 10-1-38-1, Estate Peterborg, No. 12 Great Northside Quarter, St. Thomas, U.S.V.I.

The scope of this assignment is to estimate the Going-Concern Value of the subject property. Going-Concern Value refers to the total property value including real property (real estate) personal property (FF&E) and intangible property (business value).

Hassell Island Resort Subdivision, Ten Acres of Oceanfront Land, Forty Resort Units, Marina, Spa & Restaurant, Charlotte Amalie Harbor, St. Thomas, US Virgin Islands.

Hassel Island is a 136-acre island located in the Charlotte Amalie Harbor, St. Thomas, US Virgin Islands. The Virgin Island National Park occupies approximately 120 acres of the island and the rest of the 16 acres (more or less) is divided between the territorial government and a few private owners. The subject property is briefly described as a 10 acre oceanfront parcel of land privately owned in fee simple interest. Planned is an ultra high-end, exclusive, luxury residential resort including 10 villas with 3,500 square feet each and 30 town homes with 2,500 square feet each. These units will be sold in 1/12 fractions or a total of 480 fractional interests. Amenities include a world-class marina, spa and restaurant.

The scope of this assignment is to estimate the market value of the fee simple interest in the subject property “AS IS” and the “AGGREGATE OF RETAIL VALUES” (ARV) of the 480 fractional interests. This valuation is predicated upon all governmental approvals, permits and entitlements for 10 villas, 30 town homes, a marina, spa and restaurant.

Johns Folly Ocean Villas Lot-1, A Luxury Villa Retreat, Estate Johns Folly, No. 14I Coral Bay Quarter, St. John, U.S. Virgin Islands 00830.

Johns Folly Ocean Villas Lot-1 is briefly described as a proposed luxury villa retreat containing a total gross building area of 5,665 square feet. The retreat is being built on a 0.55 acre oceanfront parcel of land overlooking Johns Folly Bay. The villa features six bedrooms, seven bathrooms and wide dramatic views of Coral Bay and the Caribbean Sea. Johns Folly Ocean Villas Lot-1 includes a Main House with spacious living and dining areas designed to provide ample room for comfortable entertaining and socializing while also providing private spaces away from other guests. Four separate and interconnected cottages provide sleeping quarters and relaxation for the owners and guests. Amenities include a private beach, swimming pool, spa, oversized gourmet kitchen and cable and satellite systems. Johns Folly Ocean Villas Lot-1 is approximately 15% completed as of the date of this appraisal.

Johns Folly Ocean Villas Lot-1 has an excellent location within the gated community at Parcels No. 14-I-C, Estate Johns Folly, No. 14I Coral Bay Quarter, St. John, U.S.V.I.

The scope of this assignment is to estimate the current market value of the subject property “AS IS” and the prospective Going-Concern value of the subject property “AS COMPLETED”. Going-Concern refers to the total property value including real property (real estate), personal property (FF&E) and intangible property (business value).

Barbary Beach Resort Subdivision, 1,000 Acres of Oceanfront Land, Freeport, Grand Bahama, Bahamas.

The subject property is described as “Barbary Beach Resort Subdivision” a 1,000 acre oceanfront parcel of vacant land featuring 6,938 lineal feet of beach frontage along the Atlantic Ocean and 3,040 lineal feet of waterway frontage along the Grand Lucayan Waterway, a beautiful, wide, deep waterway which connects with the Atlantic Ocean. “Barbary Beach Resort Subdivision” is located only a fifteen minute drive from the new International Airport and Downtown Freeport, Grand Bahama, Bahamas.



The preliminary development plan for the “Barbary Beach Resort Subdivision” is 1,500 high-end, luxury condominium units with an average size of 2,000 square feet. The units will be a mix of two, three and four bedroom floor plans with beautiful vistas of the Atlantic Ocean, Grand Lucayan Waterway, Marina and Golf Course. The world-class amenities include a 100-slip super yacht marina, two (2) 18-hole signature, championship golf courses and golf clubs, tennis center, spa boutique, a 150,000 square foot casino and a 100,000 square foot marina (retail) village.

The overall density of the “Barbary Beach Resort Subdivision” is only 1.5 units per acre (1,500/1,000), a very low density for a resort subdivision.

The scope of this assignment is to estimate the market value of the fee simple interest in the subject property “AS IS”, the 1,000 acres of vacant oceanfront land with all government approvals, entitlements and permits to develop 1,500 residential units, a 100-slip super yacht marina, two (2) 18-hole signature, championship golf courses and golf clubs, tennis center, spa boutique, a 150,000 square foot casino and a 100,000 square foot marina (retail) village.

Big Horn Mountains Resorts, Ten Sleep, Wyoming 82442.

The Big Horn Mountain Resorts (BHMR) consists of four properties identified as Big Horn Ski Resort; Meadowlark Lake Resort; Deer Haven Resort and Wilderness Ranch Land. The Big Horn Mountain Resorts encompass approximately 800 acres of (leased) national forest land and 840 acres of private land featuring the 400 acre Meadowlark Lake and dramatic views of the Big Horn Mountain range and the Rocky Mountains. The BHMR have seventy eight (78) lodging units which sleep approximately 367 people and three (3) lodges including full service restaurants and bars. The BHMR offer a wide variety of year round recreation including but not limited to skiing, snowboarding, snowmobiling, boating, atving, fishing, hunting, hiking, mountain/rock climbing and horseback riding. The BHMR are conducive to all sorts of events including competitions and exhibitions for all of the aforementioned recreational activities as well as concerts and other types of shows.

The BHMR are located in the Rocky Mountain region of the United States, on top of the southern half of the Big Horn Mountain range in north central Wyoming.

It is important to note that the BHMR are the only permitted lodging, restaurants and bars on top of the southern half of the Big Horn Mountain range. As a result, the resorts attract a tremendous amount of local business all year round coupled with the destination business.

The scope of this assignment is to estimate the Going-Concern Value of the BHMR “AS IS”. Going Concern Value refers to the total property value including real property (real estate) personal property (FF&E) and intangible value (business value).

Everglades Outpost Resort and Marina Subdivision, 52.77 Acres of Vacant Land, Everglades City, Collier County, Florida.

The subject property is briefly described as the “Everglades Outpost Resort and Marina Subdivision”; a 52.77acre parcel of land located in Everglades City, Collier County, Florida adjacent to the Everglades City Airport and surrounded by the Everglades National Park.

The property is zoned RT-Residential Tourist District and has a Final Development Order Approval to develop a 180–unit resort hotel, 120- condominium units, a resort lodge, commercial facilities and a 45–slip full-service marina. As of the date of the appraisal, a portion of the property has been cleared and graded, the main interior road is built, building pads have been developed and the 45–slip marina has been completed.

The scope of this assignment is to estimate the market value of the fee simple interest in the subject property “AS IS”, the 52.77 acres of land with a Development Order Approval to develop the Everglades Outpost Resort and Marina. Also included in the: AS IS” value are all site improvements in place and the completed Marina.



This valuation is predicated upon the Subdivision Development Approach, which is designed to simulate the behavior of typical market participants, who are keenly interested in the timing of cash receipts and disbursements and in quantifying the risks associated with a subdivision development.

The Subdivision Development Approach is a method or technique utilized to estimate the value of land when subdivision and development are the highest and best use, such as for the “Everglades Outpost Resort and Marina Subdivision”. All direct and indirect costs and entrepreneurial profit are deducted from an estimate of the anticipated gross sales price of the completed units. The resultant net sales proceeds are then discounted to present value at a market derived rate (IRR) over the development and absorption period to indicate the market value of the land “AS IS”.

**Double Diamond Resort & Casino,
Flamingo Beach, Santa Cruz, Guanacaste, Costa Rica.**

The subject property is briefly described as an existing 56-unit hotel & casino and a proposed 80-unit luxury condominium development. Amenities include a Private Beach, Swimming Pool, Pool Bar, Restaurant, Pub/Sports Lounge and Casino. The existing hotel & casino are developed on an approximate 2,500 square meter oceanfront site and the proposed luxury condominium project will be developed on an approximate 2,500 square meter oceanfront site adjacent to the hotel & casino. The resort has an excellent location in Flamingo Beach, Santa Cruz, Guanacaste, Costa Rica.

The scope of this assignment is to estimate the Going-Concern Value of the subject property “AS IS” and the prospective Going-Concern Value “AS COMPLETED”. Going-Concern Value refers to the total property value including Real Property (Real Estate); Personal Property (FF&E) and Intangible Property (Business).

**Plantation Villas at the Inn on the Blue Horizon,
30 Luxury Proposed Villas, Vieques Island, Puerto Rico.**

The subject property is briefly described as “The Plantation Villas at the Inn on the Blue Horizon”, thirty (30) high-end luxury villas proposed for development on a 31 acre ocean front parcel of land on Vieques Island, Puerto Rico. Each villa will contain 5,687 to 6,025 square feet with four (4) bedrooms and will have 4-keys each or a total of 120 keys. The existing Inn on the Blue Horizon is adjacent to the villas and will offer all its amenities to the Plantation Villas residents and guests.

The scope of this assignment is to estimate the market value of the fee simple interest in the subject property “AS IS” and the prospective Aggregate of Retail Value (ARV) “AS COMPLETED”. The “AGGREGATE OF RETAIL VALUES” (ARV) as defined by the dictionary of Real Estate Appraisal, fourth edition Appraisal Institute is the sum of the appraised values of the individual units in a subdivision, as if all of the units were completed and available for retail sale, as of the date of the appraisal. The sum of the retail sales includes an allowance for lot premiums, if applicable, but excludes all allowances for carrying costs. (Also called Gross Retail Value).

**Sherpenjewel - I, A Luxury Villa Retreat, Parcel Number 1A-4, Estate Canaan and Sherpenjewel,
No. 7 Great Northside Quarter, St. Thomas, U.S. Virgin Islands 00802.**

Estate Canaan and Sherpenjewel is a four (4) lot subdivision featuring a private gated entrance, 0.734 acres of common area, a private road and dramatic views of Magens Bay and the Atlantic Ocean. The subdivision is surrounded by 311 acres of Nature Conservancy Preserve land with trails leading down into Megans Bay Beach. The preserve can never be developed and serves as an extreme buffer from the surrounding developments.



Estate Sherpenjewel I is briefly described as a luxury villa retreat containing a total gross area of 9,083 square feet, built on a 1.269 acre oceanview parcel of land. The villa features two complete luxury suites within the five bedrooms and six bathrooms. Sherpenjewel I is completely furnished (see photos) and is designed to provide ample room for comfortable entertaining and socializing. The main living level features the Main Bedroom Suite with the second Bedroom Suite on the lower level along with three (3) extra bedrooms providing private spaces for guests. Amenities include an infinity edge swimming pool and hot tub overlooking Magens Bay, elevator, oversized gourmet kitchen with butler's pantry, wine room, several media entertainment rooms, art gallery, fitness room and cable and satellite systems. Sherpenjewel I is completely self-sustained with a ±100,000 gallon cistern system and generators to service the entire estate.

Sherpenjewel I has an excellent oceanview location within the gated subdivision Estate Canaan and Sherpenjewel at No. 7 Great Northside Quarter, St. Thomas, U.S.V.I

The scope of this assignment is to estimate the Going-Concern Value of the subject property "AS IS". Going-Concern Value refers to the total property value including real property (real estate) personal property (FF&E) and intangible property (business value).

**Sherpenjewel II, A Luxury Villa Retreat Parcel Number 1A-3,
No. 7 Great Northside Quarter, St. Thomas, U.S. Virgin Islands 00802.**

Sherpenjewel II is briefly described as a luxury villa retreat containing a total area of 9,032 square feet, built on a 1.204 acre ocean view parcel of land. The villa features five luxury suites and six and a half bathrooms. Sherpenjewel II is completely furnished and is designed to provide ample room for comfortable entertaining and socializing. The main living level features two Master Bedroom Suites. On the upper level there are three Master Bedroom suites. Amenities include an infinity edge swimming pool and hot tub overlooking Magens Bay, elevator, and oversized gourmet kitchen with butler's pantry, entertainment rooms, and cable and satellite systems. Sherpenjewel II is completely self-sustained with a cistern system and a backup generator to service the entire estate.

**Flying L Ranch, A Corporate Retreat/Vacation Home,
2135 West 2875 North, Cedar City, Utah 84720.**

The Flying L Ranch is briefly described as a Luxury Corporate Retreat/Vacation Home containing a total gross living area of 9,024 square feet. The ranch was developed on a 5.5 acre parcel of land in 1998 and is in excellent condition inside and outside. The ranch house features 5 bedrooms and 6 bathrooms, and it was developed with top quality materials and workmanship. The interior features imported tile floors, a gourmet ultra luxurious kitchen, a built in bar, bookcases and cabinets throughout including the living rooms, family rooms, bedrooms, laundry room and garages.

There is a wrap around porch with a built in barbeque, a huge carport over the entrance and large air-conditioned garages containing 3,840 square feet and housing 3 cars and 2 recreational vehicles. Above the garages is a 2-bedroom apartment with a bathroom, kitchen, dining room and living room.

The site improvements include elegant security entrance, a park with two ponds, waterfalls and western artwork. There is over 2000 lineal feet of fencing including a large coral for horses. The entire property is landscaped with expensive mature trees and shrubs and there are huge concrete areas to park cars, RV's, and other recreational vehicles. The Flying L Ranch is furnished with luxury western furniture and fixtures. It has an excellent location in Iron County, Utah just outside the Cedar City limits and has beautiful vistas of the surrounding mountains.

The scope of this assignment is to estimate the Going-Concern Value of the subject property. Going-Concern Value refers to the total property value including real property (real estate) personal property (furniture, fixtures & equipment) and intangible property (business value).



**1,000 Acres of Vacant Land Planned for Smugglers Run Plantation,
Master Planned Residential Golf Community, Belize City, Belize, Central America.**

The subject property consists of two separate parcels of vacant land containing a total area of 1000 acres.

Parcel one contains 995 acres and features an abundance of tropical vegetation and has topography of up to 50 feet above sea level which will provide distant ocean views for planned multi-story buildings on Parcel one. Parcel one is situated off the Northern Highway at Mile Marker 18 and along Salk Creek Road in the Belize District.

Parcel two contains 5 acres and features approximately 800 ocean front feet. Parcel two is situated off the Northern Highway at Mile Marker 18 and along Potts Creek Road, Belize District. Parcel two is located approximately one mile east of Parcel one.

The subject property is located 18 miles west of the Belize City International Airport and the International Cruise Ship Terminal near Belize City, Belize, Central America.

The 1,000 acres are currently zoned for agricultural use; however, the owners are in the process of applying for a site plan approval to develop "Smugglers Run Plantation". The site plan will likely be approved around November 1, 2006.

"Smugglers Run Plantation" is a master-planned residential golf community consisting of the following real estate product types and number of units:

<u>Real Estate Product Type</u>	<u># Units</u>
Marina Front Luxury Condos	50
Fairway Estate Homes	150
Townhomes	300
Custom Built Homes	150
Duplex Villas	300
Condominiums	440
Boutique Hotel	77
Deluxe Hotel	200

**Coral Lagoon, 800 Acres of Vacant Oceanfront Land, Located at
Namata Malomalo Nadroga Viti Levu Island, Fiji.**

The subject property is described as 1,384 acres of vacant oceanfront land of which 184 acres are upland and 1,200 acres are lagoon or submerged land. The Coral Lagoon is shallow, it is only submerged during high tide (2 meters) and the government has approved reclamation of the entire 1,200 acres. The owners plan to reclaim approximately 616 acres of the lagoon, creating 800 acres of upland and 584 acres of waterways, channels, canals and lagoon. The property features approximately one mile of frontage along the South Pacific Ocean and Fiji's Great Barrier Reef, the second largest barrier reef in the world.

The Coral Lagoon property will be developed with the largest integrated destination marina resort in the South Pacific Region and will be approved for six (6) luxury resort components including 1.) Hotels, 2.) Condominiums, 3.) Single-family residences, 4.) Retail promenade, 5.) Marinas, and 6.) Theme/water parks. The Coral Lagoon is located in Namata, in the district of Malomalo, in the Province of Nadroga, on Viti Levu Island, Fiji.

The scope of this assignment is to estimate the market value of the fee simple interest (Freehold) in the subject property "As Is" as of March 15, 2005



**Kinja, A Private Villa Retreat, 168 Chocolate Hole,
Cruz Bay Quarter, St. John, U.S. Virgin Islands.**

Kinja is briefly described as a private villa retreat containing nine suites and 17,437 square feet of gross building area. The retreat is being developed on a one acre oceanfront site overlooking Hart Bay and Rendezvous Bay, St John, U.S. Virgin Islands. Amenities include a great room, dining pavilion, wine cellar, state of the art kitchens and bars, theater/conference room, business center, four swimming pools, waterfalls and a private beach. The villa was designed to provide ample room for comfortable group entertaining and socializing while also providing plenty of cozy private spaces away from other guests. A golf cart path meanders around the property providing guests with easy access to all retreat areas and amenities

The scope of this assignment is to estimate the current market value of the subject property “AS IS” and the prospective market value of the subject property “AS COMPLETED”.

**Legato, 5,670 Acres of Oceanfront Land, La Paz,
Baja California Sur, Mexico.**

Legato is briefly described as seven (7) contiguous parcels of vacant land containing a total of 5,670 acres located in the municipality of La Paz, State of Baja California Sur, Mexico.

Legato features four miles of ocean frontage along the Sea of Cortez. The property is isolated by a favorable geographic terrain consisting of rugged mountains to the west, ocean cliffs to the north and south and gently sloping beaches to the east.

Legato is zoned Tourista and is planned for an exclusive ultra-luxury resort development with an overall density of 1,000 – 1,500 keys or a maximum of only 1 unit per 3.78 acres.

Legato is easily accessible by air, land and sea, the Mexican government completed a newly paved highway in January 2005 that allows for a scenic 30-minute drive from La Paz International Airport to the main gated entry at Legato. The property is also accessible by sea, the Marina at Legato will provide moorings and slips for visitors arriving by sea.

The scope of this assignment is to estimate the market value of the fee simple interest in the subject property using three valuations scenarios as follows:

- I “AS IS” as of April 30, 2005
 - Zoned tourism
 - Electricity available from CFE
 - Proven ground water on-site wells
 - Assemblage (seven contiguous parcels)

- II “AS IMPROVED” with infrastructure and Entitlements as of April 30, 2006
 - Master plan resort approved
 - Environmental impact study complete
 - Topographical survey complete
 - Paved entrance road
 - Electricity to site
 - Water/ Desal on site

**Market Study, Appraisal and Feasibility Analysis, The Pearl Island Resort,
Bayoneta Island, Las Perlas Archipelago, Republic of Panama.**

Bayoneta Island is located in the Las Perlas Archipelago, which lies between 64 kilometers (40 miles) and 113 kilometers (70 miles) southeast of Panama City. Bayoneta is a 264 hectare (652 acre) private island, which features wide, white sandy beaches and a hilly topography providing beautiful vistas of the Pacific Ocean and surrounding islands of the Las Perlas Archipelago. The proposed guest accommodation component of the resort will consist of six (6) luxury hotels containing a total of 750 units, and eight (8) villa clusters containing a total of 250 private villa residences. The guest accommodations will incorporate a Southeast Asian theme with the highest and finest quality in architecture, interior design, landscaping and services. The grand total of 1,000 planned units indicates a density of only 1.5 units per acre, a very low density for a world-class destination resort. The resort will be developed with all imaginable amenities, including, but not limited to, a world-class marina with 300-wet slips, an 18-hole championship golf course with country club, and a 100,000 square foot commercial center.

A primary goal of this Report is to complete a Market Study or a macroeconomic analysis that examines the general market conditions of supply, demand and pricing or the demographics of demand for a specific area or property type, in this case, a proposed destination resort on a private island in the Republic of Panama. The Market Study involves the evaluation of the The Pearl Island Resort site (Bayoneta Island) and its locational characteristics. Global Valuation, Inc. has reviewed the proposed master plan and concepts of The Pearl Island Resort and evaluated the potential for selected resort components developed on a private island within a defined market area.

The function of the master plan is to identify the areas of the Island which, based on prior findings and studies, will be developed, and the general type of development which can be accommodated within the development areas.

The Pearl Island Resort will be developed with a combination of proven resort accommodations and amenities intended to meet the needs of leisure and meeting guests, primarily in the defined market area of the Americas Region including North America, Central America, South America and the Caribbean.

Another primary goal of this report is to complete an appraisal or estimate the market value of The Pearl Island Resort. The scope of the appraisal is to estimate the market value of Bayoneta Island “AS IS” raw undeveloped land and “AS IMPROVED”, including all infrastructure, services and communications. Also, within the scope of this assignment, is to estimate the prospective market value of The Pearl Island Resort “AS COMPLETED” including all components, amenities and infrastructure.

An additional goal of this report is to complete a feasibility analysis based on all of the market data and market analysis used in the market study and appraisal. The feasibility analysis takes into consideration prospective net present value and development costs to determine the project’s feasibility. In this case, the proposed Pearl Island Resort is proven to be highly feasible.

Qualifications of

MICHAEL G. HORTON, MAI

Global Valuation, Inc.

9106 Champions Way – Port St. Lucie, Florida – 34986

Phone: (772) 467-1360 Fax: (772)463-4512

***FLORIDA STATE CERTIFIED GENERAL APPRAISER
APPRAISAL INSTITUTE MEMBER
FLORIDA LICENSED REAL ESTATE BROKER
SPECIAL MASTER TO PALM BEACH COUNTY VALUE
ADJUSTMENT BOARD
FHA APPROVED***

***#RZ 1755
MAI #10750***



The Federal Government has established a certification requirement of appraisers under FIRREA, Title XI. Michael G. Horton is certified under this program through November 30, 2008.

State Certified General Appraiser RZ 1755 – Expiration Date: Nov. 30, 2008

Mr. Horton is a professional Real Estate Appraiser with over 15 years experience in the industry. Residential properties: appraised single family, waterfront estate homes, condominiums, and small income properties. Commercial properties: include office buildings, churches, hotels, retail stores, shopping centers, marinas, golf courses, theme parks, agricultural, vacant land, subdivisions and apartment complexes. He's has appraised properties in Florida, Bahamas and in the Virgin Islands. As a commercial broker, he has been involved in several high-end multi-million dollar commercial properties. He was President of Commercial Investment Members (CIM) of the Palm Beach Chapter for four years. CIM is an organization to promote networking in the real estate commercial profession. Michael is a graduate of Dale Carnegie Sales Course and a weekly Host of Radio Station WPBR 1340AM.



Professional Experience

1995 – PRESENT	HORTON GROUP, INC., Owner Independent contractor completed high volume of Commercial, Industrial and Residential appraisals throughout south Florida.
1997	Mortgage Information Services, Inc.
1993-1994	RGF Appraisers & Consultants
1987-1992	Pardue, Heid, Church, Smith & Waller

Formal Education

Gordon Military College – Associate of Arts Degree
University of Nebraska at Omaha – Bachelor of General Studies Business & Computer Science

Appraisal Education

Continuing Education	2004
Standards of Professional Practice, Part C	2002
Real Estate Fraud	2001
Uniform Standards of Professional Appraisal Practice	2000
Appraisal Principles	2000
FHA	2000
Residential Sales Comparison	1998
Small Hotel Evaluation	1998
Advanced Income Capitalization	1996
Appraisal of Nursing Facilities	1996
Appraisal Review / Residential Properties	1995
Advanced Cost & Sales Comparison Approaches	1994
Basic Valuation Procedures	1988
Litigation Valuation	1988
Real Estate Appraisal Principles	1987
Capitalization Theory and Technique, Part “A”	1987
Capitalization Theory and Technique, Part “B”	1987
Standards of Professional Appraisal Practice (USPAP)	1987
Attended numerous seminars sponsored by the Appraisal Institute	
 SOCIETY OF REAL ESTATE APPRAISERS	
Principles of Income Property Appraising	1988
 FT. LAUDERDALE BOARD OF REALTORS	
Commercial Investment I	1985

State Certified General Appraiser RZ 1755 – Expiration Date: Nov. 30, 2008



Qualifications of

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FLORIDA STATE REGISTERED TRAINEE R.E. APPRAISER
APPRAISAL INSTITUTE AFFILIATED MEMBER

#RI16137
#480803



The Federal Government has established a certification requirement of appraisers under FIRREA, Title XI. Roberto L. Rivero is a registered trainee appraiser under this program through November 30, 2008.

State Registered Trainee Appraiser – RI16137 – Expiration Date: Nov. 30, 2008

Mr. Rivero is a professional Real Estate Appraiser with experience in the industry: Residential properties: appraised single family, waterfront estate homes, condominiums, and small income properties. Commercial properties: include office buildings, hotels, retail stores, shopping centers, marinas, golf courses, agricultural, television studios, vacant land, subdivisions and apartment complexes. He has appraised properties in the U.S.: Florida, Ohio; The Bahamas; the U.S. Virgin Islands; West Indies, Mexico; Central and South America.

Professional Experience

2004 – PRESENT	GLOBAL VALUATION, INC., Completed high volume of Commercial, Industrial and Residential appraisals throughout the South Florida, U.S., Caribbean Basin, Mexico, Central and South America.
2001 – 2004	Systems Engineer – Technical Sales International clients included TSI International Software, Inc., Reuters America, Inc., FileNet Corporation – Latin America.
1985 – 2001	Software Engineer Clients in Atlanta, GA and South Florida included PrintPak, Inc., Delta Airlines, Coca Cola USA, The Home Depot, Cordis Corporation, Pratt and Whitney Aircraft – Government Products Division.

Formal Education

Florida Atlantic University; Boca Raton, Florida	Bachelor of Applied Sciences Major Field of Study – Computer Systems Minor Field of Study – Business Administration
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Appraisal Education

Continuing Education	2006
Techniques for Income Property Appraisal	2006
Florida Appraisal Law	2006
Uniform Standards of Professional Appraisal Practice	2006
FHA	2006
Appraisal Principles	2004
Attended numerous seminars sponsored by the Appraisal Institute	

State Registered Trainee Appraiser – RI16137 – Expiration Date: Nov. 30, 2008





Exhibit B – Antique Zoning Doctrine



LA DOCTRINA DEL DERECHO ADQUIRIDO ANTIGUO APLICADA A LA PROPIEDAD PRIVADA Y A LOS USOS

Leyes y Casos

Bases Legales

Las disposiciones legales estatutarias y reglamentarias por las cuales opera y se rige al presente el DRNA se promulgaron sin perjudicar los usos y Derechos dominicos de propiedad privados constituidos y adquiridos previo a su promulgación. Si examinamos cuidadosamente el Estado de Derecho pasado y el vigente contenido en: la Real Cédula Española del 23 de abril de 1497; las Reales Cédulas Españolas expedidas por el Rey Carlos I de España y V de Alemania, hijo de Fernando el Católico, durante el periodo comprendido del año 1542 al 1545; la Real Cédula Española del 15 de octubre de 1754; la Real Cédula Española del 15 de marzo del 1759; la Real Orden Española del 11 de junio de 1814; la Ley Española del 16 de mayo de 1835, conocida como la Ley de Bienes Mostrencos; la Constitución Española del 1812 que se promulgó en España durante los años 1812, 1820 y el 1836, respectivamente; la Ley Española del 15 de diciembre de 1841 que hizo extensiva a Puerto Rico la Ley de Expropiación Forzosa que regía en España; el Reglamento Español sobre Expropiación Forzosa promulgado el 4 de septiembre de 1858; la Real Orden del 3 de julio de 1859 sobre Expropiación Forzosa; la Constitución Española del 1845, que se promulgó en España durante el 1845 y el 1854, respectivamente; la Ley de Minas Española de 6 de julio de 1859 (hecha extensiva en la Isla el 13 de octubre de 1863); la Ley de Minas Española de 4 de marzo de 1868; la Constitución Española del 1869; la Constitución Española (Alfonsina) del 1876; la Ley de Aguas Española del 1866; la Ley de Aguas Española del 13 de junio de 1879; la Ley de Puertos para la Isla de Puerto Rico del 7 de mayo de 1880 (hecha extensiva en el año 1886); el Tratado de París firmado por España y los Estados Unidos de América el 11 de abril de 1899 para poner fin a la Guerra Hispanoamericana; el Artículo Núm. 3 del Código Civil de Puerto Rico, según enmendado (31 L.P.R.A. sec. 3); las secciones números 71 a la 86 del Título 28 de Leyes de Puerto Rico Anotadas (28 L.P.R.A. secs. 71 a la 86); la Ley Núm. 9 del 18 de agosto de 1933, conocida como la Ley de Minas de Puerto Rico, según enmendada por la Ley Núm. 243 de 29 de marzo de 1946; la Ley Núm. 426, de 15 de mayo de 1950, según enmendada; la Ley Núm. 6 de 6 de octubre de 1954 (28 L.P.R.A. secs. 110 a 124), según enmendada; la Ley de Muelles y Puertos de Puerto Rico Núm. 151 del 28 de junio de 1968, según enmendada (23 L.P.R.A. secs. 2101 et. seq.); la Ley Orgánica del DRNA Núm. 23 del 20 de junio de 1972, según enmendada (3 L.P.R.A. secs. 151 et seq.); la Ley Núm. 132 del 25 de junio de 1968, según enmendada por la Ley Núm. 144 del 3 de junio de 1976; la Ley Núm. 54 del 27 de junio de 1987, según enmendada; la Ley Núm. 195 del 26 de diciembre de 1997 (28 L.P.R.A. secs. 201 a 220f), según enmendada; el Reglamento para el Aprovechamiento, Vigilancia, Conservación y Administración de las Aguas Territoriales, los Terrenos Sumergidos bajo Éstas y la Zona Marítimo Terrestre aprobado y adoptado por el Departamento de Recursos Naturales y Ambientales el 30 de diciembre de 1992 y radicado ante el Secretario de Estado en la misma fecha, Expediente Núm. 4860 (12 R.P.R. secs. 1251 et seq.), según enmendado; el Reglamento para el Aprovechamiento, Uso, Conservación y Administración de las Aguas de Puerto Rico aprobado por el Departamento de Recursos Naturales y Ambientales el 30 de diciembre de 1992 y radicado ante el Departamento de Estado en la misma fecha, Expediente Núm. 4859 (12 R.P.R. sec. 330.1001 et seq.), según enmendado; el Reglamento para la Exploración, Arrendamiento y Producción de Minerales en Puerto Rico, aprobado por la Comisión de Minería de Puerto Rico y por el Gobernador en 21 de noviembre de 1957 y radicado ante el Secretario de Estado el 30 de abril de 1958, Expediente Núm. 499-A (Minerales Económicos - 12 R.P.R. sec. 330.1801 et seq.), según enmendado; el Reglamento para Regir la Extracción de Materiales de la Corteza Terrestre aprobado por el entonces Departamento de Recursos Naturales el 10 de octubre de 1977 y radicado ante el Secretario de Estado el 4 de noviembre del mismo año, Expediente Núm. 2305 (12 R.P.R. sec. 330.1901 et seq.), según enmendado; y los casos Rubert Armstrong v. Estado Libre Asociado, 97 D.P.R. 588 (1969); Estado Libre Asociado v. Tribunal Superior de Puerto Rico, 97 D.P.R. 644 (1969); Sanfiorenzo v. Peñagaricano, Admor., 90 D.P.R. 722 (1964); Fraternidad Phi Delta v. Junta de Planificación de PR, 76 D.P.R. 585 (1954); Luce & Co. v. Junta de Salario Mínimo, 62 D.P.R. 452 (1943), confirmado por Minimum Wage Board of Puerto Rico v. Luce & Co., 155 F.2d 983 (1946); Charres v. Arroyo, 16 D.P.R. 816 (1910); Torres v. Winship, 56 D.P.R. 693 (1940); López v. South P.R. Sugar Co., 62 D.P.R. 238

(1943); Pagán v. Secretario de Recursos Naturales, 106 D.P.R. 15 (1977); Torres v. Ramos, 434 U.S. 1003 (1978); Pagán Torres v. Negrón Ramos, 578 F.2d 11 (1978); y Torres v. Ramos, 439 U.S. 1005 (1978); llegaremos a la conclusión inequívoca de que dichas Cédulas, Órdenes, Decretos, Constituciones, Leyes, Reglamentos y la Jurisprudencia ESTABLECIERON Y ESTABLECEN AL PRESENTE BIEN CLARO que no podían ni al presente pueden perjudicar o afectar los usos ni los derechos propietarios privados adquiridos y/o constituidos previo a su promulgación. Por ejemplo, tan claro es el asunto que la sección 330.1061 del supracitado *Reglamento para el Aprovechamiento, Uso, Conservación y Administración de las Aguas de Puerto Rico* dice y cito:

§ 330.1061. En general.

Todo uso y aprovechamiento beneficioso y razonable de aguas existentes al 3 de junio de 1976, incluyendo los que respondan a concesiones del gobierno de España, o que hubiesen existido dentro del año anterior; o fuese a comenzar cuando se terminen obras en progreso a la fecha de vigencia de la Ley de Aguas (1976), será tenido como un derecho adquirido al amparo de la legislación anterior. - 30 de diciembre de 1992, Expediente Núm. 4859, § 6.1.

Énfasis suplido - subrayado mío.

Ahora bien, sobre la protección que dichas Leyes antiguas españolas daban a los propietarios privados, el Tribunal Supremo de Puerto Rico se ha pronunciado como sigue y cito:

Los manglares o marismas de la zona marítimo-terrestre no son, por solo esa condición de manglares, bienes de dominio y uso público de los de aquella naturaleza que están fuera del alcance del comercio de los hombres, y son enajenables por el Estado y están sujetos a ser privadamente tenidos por los medios reconocidos de obtener título, inclusive, la posesión. Rubert Armstrong v. Estado Libre Asociado, 97 D.P.R. 588 (1969).

No hay base para alterar una sentencia dictada contra el Estado Libre Asociado en un pleito para determinar el título de propiedad sobre un manglar o marisma - en ausencia de prueba por el Estado que impugnara el título inscrito del demandante, su posesión con justo título escriturario desde 1815 ni que destruyera la condición de tercero hipotecario de los demandantes - por la alegada razón que dicho manglar es un bien de uso público no susceptible de ser enajenado o cedido por el Estado, o de ser poseído en privado. Rubert Armstrong v. Estado Libre Asociado, 97 D.P.R. 588 (1969).

Bajo las disposiciones de la Ley de Puertos española de 7 de mayo de 1880, los manglares, por el solo hecho de serlo, no eran necesariamente propiedad del Estado. Rubert Armstrong v. Estado Libre Asociado, 97 D.P.R. 588 (1969).

El disfrute de propiedad privada en la zona marítimo-terrestre de Puerto Rico estaba reconocido por la Ley de Aguas española de 1866 y la Ley de Puertos española de 7 de mayo de 1880, no constituyendo dicha propiedad un bien incapaz de ser enajenado por el Estado o incapaz de ser poseído particularmente. Rubert Armstrong v. Estado Libre Asociado, 97 D.P.R. 588 (1969).

Se entiende por el concepto playa --bajo las disposiciones del Art. 1 de la Ley de Aguas española de 1866 que fue extendida a Puerto Rico el 8 de agosto de dicho año--el espacio que alternativamente cubren y descubren las aguas en el movimiento de la marea. Forma su límite interior o terrestre la línea hasta donde llegan las más altas mareas y equinocciales. Rubert Armstrong v. Estado Libre Asociado, 97 D.P.R. 588 (1969).

La Ley de Puertos española de 7 de mayo de 1880--la que regía las aguas marítimas en Puerto Rico y la cual entró en vigor el 5 de febrero de 1886--aún rige en esta jurisdicción. Rubert Armstrong v. Estado Libre Asociado, 97 D.P.R. 588 (1969).

Examinada la prueba en este caso de reivindicación, el Tribunal concluye que los aquí demandantes-recurridos son terceros hipotecarios en cuanto a la cabida inscrita del inmueble reclamado por ellos y que le adjudicara el tribunal de instancia mediante la correspondiente sentencia. Rubert Armstrong v. Estado Libre Asociado, 97 D.P.R. 588 (1969).

Por el Art. VIII del Tratado de París de 11 de abril de 1899, la Monarquía española cedió en Puerto Rico a Estados Unidos..."todos los edificios, muelles, cuarteles, fortalezas, establecimientos, vías públicas y demás bienes inmuebles que con arreglo a derecho son del dominio público, y como tal corresponden a la Corona de España." Se aclaró inmediatamente en el Tratado, que dicha cesión a que se refiere el párrafo anterior "en nada puede mermar la propiedad, o los derechos que corresponda, con arreglo a las leyes, al poseedor pacífico, de los bienes de todas clases de las provincias, municipios, establecimientos públicos o privados, corporaciones civiles o eclesiásticas, o de cualesquiera otras colectividades que tienen personalidad jurídica para adquirir y poseer bienes en los mencionados territorios renunciados o cedidos, y los de los individuos particulares, cualquiera que sea su nacionalidad." *Rubert Armstrong v. Estado Libre Asociado*, 97 D.P.R. 588 (1969).

Las anteriores disposiciones del Tratado de París, de la Ley Foraker y de la Ley de 1902 que invoca el Estado en apoyo de su derecho de propiedad, nos obligan a considerar qué bienes de los aquí disputados pertenecían a la Corona de España susceptibles de haber sido cedidos a Estados Unidos en 1898. Refiriéndose a los bienes baldíos en ultramar, expone Alcubilla, Diccionario de la Administración Española, 4ta. Ed., Tomo 1, pág. 861, que las leyes del Tit. XII, lib. IV de la Recopilación de Indias, sobre el repartimiento de solares y tierras a los nuevos pobladores y su enajenación de las no repartidas o cultivadas, dispusieron que labrándolas y poblándolas de ganado, árboles, etc., adquirirían dominio sobre los terrenos a los cuatro años de morada y labor, y que las no repartidas, y en que no hubiera composición, se vendieran a vela y pregón, dándose a censo al quitar. Por Real Cédula de 15 de octubre de 1754 se dieron instrucciones para la venta y composición de los terrenos realengos. Comenta Alcubilla que hubo de cometerse abusos en tan importante asunto ya que por Real Orden de 11 de junio de 1814, se encargó a la Intendencia de La Habana que cuidase de que se observaran las Leyes de Indias y la Real Cédula de 1754, y de que se respetase a los propietarios que, según ellas, hubieren obtenido la adquisición legal, "no admitiendo los jueces el menor recurso de corporación ni pueblo alguno contra aquellas tierras, que ya deslindadas y medidas, deben aplicarse a su dueño en virtud de título o merced, composición o compra." (Énfasis nuestro.) Esta Real Orden es de 11 de junio de 1814, sólo un año antes de la venta, por la viuda de O'Daly a Ramos Sandoval, padre de Ramos Mencos, de la finca San Patricio, ya conocida así y situada en ese sitio por lo menos desde 1780. Por otra Real Orden de 16 de julio de 1819, después de la adquisición por título de Ramos Sandoval, se comunicaron a la Intendencia del Ejército reglas para que se respetasen como títulos legítimos de dominio las mercedes de tierras concedidas por los Cabildos y Ayuntamientos hasta el 1729, y a falta de otro título, la prescripción de 40 años. De haberse suscitado un problema de dominio al decretarse esta Real Orden de julio de 1819, ya habrían transcurrido más de 40 años que el Ingenio San Patricio era finca conocida ubicada en ese sitio. Reales Ordenes de 1834 y 1858 se manifestaron en igual sentido de respetar y proteger el dominio de los que tenían tierras. La Ley de 16 de mayo de 1835, promulgada 20 años después de haber adquirido Ramos Sandoval por título escrito de O'Daly conocida como Ley de Bienes Mostrencos, transcrita en el Tomo VI de Scaevola, ed. 1891, pág. 527, dispuso en su Art. 1 que pertenecían al Estado los siguientes bienes semovientes, muebles e inmuebles, derechos y prestaciones: "Primero. Los que estuvieren vacantes y sin dueño conocido y por no poseerlos individuo o corporación alguna." (Énfasis nuestro.) En su Art. 3 decretó que "También corresponden al Estado los bienes detentados o poseídos sin título alguno, los cuales podrán ser reivindicados con arreglo a las leyes comunes." Y el Art. 4 dispone que "En esta reivindicación, incumbe al Estado probar que no es dueño legítimo el poseedor o detentador, sin que éstos puedan ser compelidos a la exhibición de títulos ni inquietados en la posesión hasta ser vencidos en juicio." (Énfasis nuestro.) De haber surgido contienda entre el Estado Español y los Ramos a partir de la Ley de 1835 sobre el título de la propiedad San Patricio, el Estado hubiera tenido que ser el actor en pleito ordinario como cualquier otro litigante, con el peso de la prueba para establecer su derecho, sin que hubiera podido compeler a los Ramos a exhibir sus títulos. Compárese lo anterior con la mera Certificación enviada al Registro en 1940 por el Comisionado de lo Interior, como único título escriturario para inscribir la Parcela Núm. 10 a favor del Estado. En 17 de abril de 1884, después de tener Antonio Ramos Mencos inscrito su título en el Registro de la Propiedad, se promulgó el Real Decreto de esa fecha aprobando el "Reglamento para la Composición de Terrenos Realengos en Puerto Rico". El Art. 1ro. de dicho Reglamento dispuso que se considerarían como realengos para los efectos del mismo, y con arreglo a la Ley 14, tit. XII, lib. IV de la Recopilación de Indias, todos los terrenos " baldíos, suelos y tierras que no tengan dueño particular legítimo, o lo que es lo mismo, que no hayan pasado nunca al dominio privado en virtud de concesión gratuita u onerosa por parte de las autoridades competentes." (Énfasis nuestro.) En el Art. 2 se dispuso que se considerarían propietarios a los efectos del Reglamento, entre otros, los que acreditaran título de autoridad competente, y haber cumplido las condiciones impuestas, "e igualmente se considerarán propietarios los que, careciendo de título, acrediten haber

poseído sin interrupción los expresados terrenos durante veinte años, si se encuentran en cultivo, y durante treinta si se hallan incultos." (Énfasis nuestro.) Un terreno se consideraba cultivado por el Reglamento si lo había estado en los últimos 3 años, Alcubilla, op. cit., pág. 865. El período de 40 años de la Real Orden de julio 16, 1819, quedó reducido a 30. De haberse suscitado pugna entre el Estado Español y Ramos a tenor de dicho Reglamento de Composición, la situación era que al regir el mismo en 1884 ya Ramos había acreditado judicialmente ante la Corte Municipal de Río Piedras e inscrito una posesión pública, pacífica y a título de dueño de 69 años, más de dos veces el período de 30 años ahora dispuesto. En *El Pueblo v. Dimas*, 18 D.P.R. 1061 (1912), haciendo referencia a este Reglamento de Composición de Terrenos Realengos de 17 de abril de 1884, dijimos, págs. 1078-1080, que cuando el litigante en ese caso se dirigió al Gobierno, invocando dicho Reglamento, él no había adquirido tampoco un título por prescripción bajo sus disposiciones. En *Pueblo v. Rojas*, 53 D.P.R. 121 (1938), hicimos igualmente referencia al mencionado Reglamento de Composición. A la pág. 131 expresamos que es de conocimiento judicial que en su origen, la totalidad territorial de la Isla de Puerto Rico pertenecía a la Corona de España por razón de descubrimiento y conquista, pasando gradualmente a la propiedad particular parte de ella por concesiones onerosas o gratuitas hechas por el Gobierno Central, por título de amparo concedido por la Junta de Terrenos Baldíos y Realengos " y mediante posesión adversa extintiva del derecho dominical ", (Énfasis nuestro.) para concluir más adelante, pág. 136, que ante los hechos probados, no era "difícil llegar a la conclusión de que al efectuarse en la isla el cambio de soberanía, no se había consolidado en el apelante el dominio sobre el inmueble reclamado en la demanda. En otras palabras, en aquella fecha el apelante no podía ostentar un título ganado a virtud de posesión durante treinta años o más." (Énfasis nuestro.) Hemos citado las anteriores leyes, Ordenes y Decretos del Gobierno Español sólo como un fondo histórico legislativo para demostrar la actitud altamente proteccionista de la Corona de España hacia los ocupantes y poseedores de tierras, pero no porque sea de directa aplicación el Reglamento de Composición de 1884, ya que a su promulgación, la Hacienda San Patricio no eran terrenos baldíos ni realengos según ahí se definen, ni eran terrenos sin dueño conocido como ahí se expresa. Tampoco San Patricio, con sus lindes precisos conocidos cuando menos desde 1815 según el ANEXO-B, eran bienes de los expresamente mencionados en el Art. VIII del Tratado de París que en 10 de diciembre de 1898 al firmarse el Tratado pasaron a Estados Unidos, ni eran otros bienes inmuebles que, conforme a dicho Artículo, "con arreglo a derecho" pertenecían en esa fecha a la Corona de España. A todo lo anteriormente dicho, nada ha opuesto el Estado Libre Asociado que destruya la titulación escrituraria y del Registro de la finca San Patricio, altere sus lindes y ubicación o que refute su posesión conocida en manos privadas por más de un siglo al 10 de diciembre de 1898. *Rubert Armstrong v. Estado Libre Asociado*, 97 D.P.R. 588 (1969).

La Ley de Aguas de 1866 rigió en Puerto Rico hasta el 5 de febrero de 1886, en que por Real Orden se extendieron a la Isla la Ley de Aguas de 13 de junio de 1879, y la Ley de Puertos de 7 de mayo de 1880. La Ley de Aguas de 1879 sustituyó a la de 1866 sólo en cuanto a las aguas terrestres, con pocas modificaciones y no envuelta en el presente litigio. En cuanto a las aguas marítimas, fue sustituida por la de Puertos de 1880, que empezó a regir aquí según expresamos, en 1886. Comenta Alcubilla, op cit., pág. 341, que con la Ley de Aguas de 1879 y con la Ley de Puertos de 1880 en nada perdió su importancia y eficacia la Exposición de Motivos de la Ley de 1866. La Ley de Puertos de 1880 según se hizo extensiva a Puerto Rico, dispone en su Art. 1 que "son de dominio nacional y uso público, sin perjuicio de los derechos que correspondan a los particulares... Esta Ley reproduce casi todas las disposiciones sobre el dominio público de la zona marítima contenidas en la Ley de 1866 y dispone expresamente que: (Art. 1, incisos 7, 8 y 9) "7. Los terrenos de propiedad particular colindantes con el mar o enclavados en la zona marítimo-terrestre, están sometidos a la servidumbre de salvamento y de vigilancia litoral. 8. Las servidumbres de salvamento tienen la misma extensión en los terrenos de propiedad privada colindantes con el mar, que la zona marítimo-terrestre, dentro de la cual están comprendidos y 20 metros más contados hacia el interior de las tierras, y de ella se hará uso público en los casos de naufragio, para salvar y depositar los restos, efectos y cargamentos de los buques naufragos. 9. La servidumbre de salvamento no es obstáculo para que los dueños de los terrenos contiguos al mar siembren, planten y levanten, dentro de la zona marítimo-terrestre, en terreno propio, edificios agrícolas y casas de recreo." (Énfasis nuestro.) (Ley de Puertos, 1880, *Compilación de los Estatutos Revisados y Códigos de Puerto Rico*, Ed. 1941, pág. 92.) *Rubert Armstrong v. Estado Libre Asociado*, 97 D.P.R. 588 (1969).

En esta legislación el Estado Libre Asociado recurrente hace descansar básicamente su derecho de propiedad. El hecho amerita unas observaciones: i. Dijimos antes que era imposible que la Parcela Núm. 10 fuera playa bajo la Ley de 1866 y el Plano Oficial, ni que allí, a un kilómetro y medio de distancia, llegaran las olas. ii. La Ley de 1880, antes transcrita, introduce el concepto de "zona marítimo-terrestre " y la describe como aquel espacio

que baña el mar en su flujo y reflujo y la extiende hasta donde son sensibles las mareas y las mayores olas en los temporales cuando las mareas no sean sensibles. iii. Asumiendo--el Estado no aportó prueba sobre el hecho--que la Parcela Núm. 10 fuera lugar sensible a las mareas y que con el cambio de éstas se extravasaran en ella las aguas del mar, o sea, que la Parcela Núm. 10 era una marisma, 10 las disposiciones transcritas de esta Ley de 1880, aún en vigor, al igual que aquellas de la Ley de 1866, plenamente reconocen el disfrute de propiedad privada en este tipo de zona "marítimoterrestre", distinto al criterio del demandado de que son bienes incapaces de ser enajenados por el Estado, e incapaces de ser poseídos particularmente. iv. Aun cuando lo anterior no fuera correcto, esta zona "marítimo-terrestre" en la forma definida hasta donde son sensibles las mareas, se estableció por primera vez el 5 de febrero de 1886, años después que Ramos tenía inscrito en el Registro su título de propiedad. En consecuencia, todo sucesor en título de Ramos, como lo son los demandantes en este pleito, tienen la incuestionable protección del Art. 34 de la Ley Hipotecaria de 1883, como terceros que adquirieron de quien según el Registro podía transmitir. Posteriormente haremos referencia más en detalle al problema de tercero hipotecario.¹¹ v. Finalmente, lo mismo que la Ley de 1866 que protegió los derechos ya adquiridos y a la cual, según su Exposición de Motivos, no se le deseó dar efecto retroactivo (Art. 299), la Ley de 1880, al declarar el dominio público expresa de inmediato que es, "sin perjuicio de los derechos que correspondan a los particulares", y respeta, como la anterior, a aquellos ya adquiridos. Rubert Armstrong v. Estado Libre Asociado, 97 D.P.R. 588 (1969).

"...dentro de la zona marítimoterrestre pueden existir propiedades particulares... Rubert Armstrong v. Estado Libre Asociado, 97 D.P.R. 588 (1969).

"En transacción que propusieron a la Corte de Distrito fechada 12 de febrero de 1931, El Pueblo de Puerto Rico aceptó que Llorens era un tercero hipotecario protegido por el Registro en cuanto a la cabida no aumentada de 220 cuerdas, "cuya cadena de título se ha comprobado desde el año 1815"; y pidió que se dictara sentencia decretando que Llorens era legítimo dueño de esas 220 cuerdas registradas..." Rubert Armstrong v. Estado Libre Asociado, 97 D.P.R. 588

En ausencia de prueba del Estado Libre Asociado que impugnara el título inscrito de Antonio Ramos, su posesión con justo título escriturario desde 1815, ni que destruyera la condición de tercero hipotecario de los demandantes, no hay base para alterar la sentencia recurrida bajo el criterio que la Parcela Núm. 10, aun cuando participare de la naturaleza de manglar o marisma--y en contrario concluyó la Sala sentenciadora--es un bien de uso público no susceptible de ser enajenado o cedido por el Estado, o de ser poseído en privado. Rubert Armstrong v. Estado Libre Asociado, 97 D.P.R. 588 (1969).

Énfasis suplido.

También, sobre el particular, el Secretario de Justicia de Puerto Rico se ha pronunciado como sigue y cito:

El Estado Libre Asociado de Puerto Rico sólo puede tener derecho de propiedad sobre la Laguna Cartagena si tiene título específico a su favor, si ninguna persona particular tiene buen título a su favor, si la laguna estaba en terrenos públicos durante la soberanía española o si está en terrenos públicos al presente. Op. Sec. Just. Núm. 10 de 1958.

Énfasis suplido - subrayado mío.

Ahora bien, por otro lado, continuando con la misma línea de pensamiento anterior, si examinamos la supracitada Ley de Muelles y Puertos de 1968 (23 L.P.R.A. secs 2101 ~ et als.), también apreciaremos que la misma reconoció la PROPIEDAD PRIVADA en áreas portuarias o de muelles. Al respecto, las secciones 2104 y 2111 de dicha Ley dicen y cito:

§ 2104. Aplicación.

Este Capítulo es aplicable a las aguas navegables de Puerto Rico, a sus zonas portuarias y a sus puertos y muelles, bien sean éstos de propiedad pública o privada (excepto cuando otra cosa aparece claramente del contexto), hasta el límite a que se extiende la autoridad legislativa de Puerto Rico, pero no excluye, de acuerdo con lo dispuesto por los Artículos 7, 8 y 9 de la Ley de Relaciones Federales con Puerto Rico, la aplicación de

las leyes y estatutos de Estados Unidos que sean localmente aplicables con arreglo a las disposiciones del presente Capítulo.

(Junio 28, 1968, Núm. 151, p. 481, art. 1, sec. 1.04, ef. 90 días después de Junio 28, 1968.)

§ 2111. Procedimientos pendientes y derechos adquiridos.

Este Capítulo no afectará derechos adquiridos u obligaciones incurridas por la Autoridad o persona alguna bajo la legislación anterior, la cual será aplicable a las acciones y procedimientos pendientes y a las acciones que de ella surjan aunque se inicien después de la fecha de vigencia de la presente ley. Pero esta ley será aplicable a todas las acciones y procedimientos que surjan después de su vigencia, bien bajo sus disposiciones o bajo las disposiciones del Reglamento de Muelles y Puertos de Puerto Rico de 1928.

(Junio 28, 1968, Núm. 151, p. 481, art. 1, sec. 1.11, ef. 90 días después de Junio 28, 1968.)

Énfasis suplido - subrayado mío.

Como sabemos, es principio rector en nuestro ordenamiento jurídico civil positivo, que en ningún caso el efecto retroactivo de nuevas Leyes, si es que lo tienen, pueden perjudicar los derechos propietarios adquiridos al amparo de Leyes anteriores. Al respecto, el Artículo 3 del Código Civil de Puerto Rico dice y cito:

§ 3. Efecto retroactivo de las leyes.

Las leyes no tendrán efecto retroactivo, si no dispusieren expresamente lo contrario.

En ningún caso podrá el efecto retroactivo de una ley perjudicar los derechos adquiridos al amparo de una legislación anterior.

(Código Civil, 1930, art. 3.)

Énfasis suplido - subrayado mío.

También, al respecto, el Tribunal Supremo de Puerto Rico se ha pronunciado como sigue y cito:

El estado de derecho adquirido al amparo de una reglamentación anterior no puede ser afectado retroactivamente por el hecho de que el funcionario con autoridad pueda variar dicho reglamento. Sanfiorenzo v. Peñaricán, Admor., 90 D.P.R. 722 (1964).

Las leyes civiles de carácter sustantivo no tienen efecto retroactivo a menos que expresamente dispongan lo contrario, y aun así, no pueden perjudicar derechos adquiridos al amparo de una legislación anterior. Luce & Co. v. Junta de Salario Mínimo, 62 D.P.R. 452 (1943), confirmado por Minimum Wage Board of Puerto Rico v. Luce & Co., 155 F.2d 983 (1946).

Las leyes no tienen efecto retroactivo, a no ser que expresamente así lo dispusieren, pero en ningún caso podrá perjudicar el efecto retroactivo de una ley, los derechos que se hubieren adquirido al amparo de una legislación anterior. Charres v. Arroyo, 16 D.P.R. 816 (1910).

De tener efecto retroactivo una ley, en ningún caso puede perjudicar derechos adquiridos al amparo de una legislación anterior. Torres v. Winship, 56 D.P.R. 693 (1940).

La enmienda a una ley de carácter sustantivo no retrotrae sus efectos a la fecha en que empezó a regir la ley enmendada a menos que expresamente se diga lo contrario y siempre que no perjudique derechos adquiridos al amparo de esta ley. López v. South P.R. Sugar Co., 62 D.P.R. 238 (1943).

Énfasis suplido - subrayado mío.

Por otro lado, si examinamos el supracitado Reglamento para el Aprovechamiento, Vigilancia, Conservación y Administración de las Aguas Territoriales, los Terrenos Sumergidos bajo éstas y la Zona Marítimo Terrestre (12 R.P.R. secs. 330.1251 ~ et als.), también apreciaremos que él mismo reconoció la PROPIEDAD PRIVADA en áreas susceptibles a confundirse con zonas marítimo terrestres. Además, dicho Reglamento dispone que el DRNA deberá dispensar a cualquier persona del cumplimiento de sus reglamentos cuando éstos NO SEAN APLICABLES, SEAN INNECESARIOS O LA INFORMACIÓN QUE NECESITE LE CONSTE. Al respecto, la sección 330.1326 de dicho Reglamento dispone y cito:

§ 330.1326. Efecto sobre derechos propietarios, cumplimiento de requisitos y dispensa sobre su cumplimiento

Este Capítulo no podrá ser interpretado en forma y manera que perjudique o menoscabe derechos propietarios. El Secretario podrá solicitar el cumplimiento de aquellos requisitos que estime necesarios y convenientes para abonar a la salud, seguridad, orden o interés público y así también podrá dispensar del cumplimiento de aquellos que a su juicio, en casos individuales, no fuesen aplicables, sean innecesarios o la información esté disponible en el Departamento. - 30 de diciembre de 1992, Expediente Núm. 4860, § 17; 16 de marzo de 1995, Expediente Núm. 5207, § 6. *Énfasis suplido - subrayado mío.*

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