

## Appraisal Report

# Cero5Cien



Av. Loma de la Palma No. 18, Col. Lomas de Vista Hermosa, Cuajimalpa de Morelos, Mexico City, Mexico  
CBRE File No. 24-100MX-0184

Effective Date: July 2, 2024



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CBRE File No. 24-100MX-0184

July 30, 2024

**Diodoro Batalla**

GICSA

Administración y Finanzas

Corporativo Arcos Bosques Marco II Torre I, Paseo de Tamarindos 90, Piso 23, Col. Bosques de las Lomas, Cuajimalpa de Morelos, Ciudad de México, 05120

**RE: Valuation of a residential complex under development identified as Cero5Cien located at Av. Loma de la Palma No. 18, Col. Lomas de Vista Hermosa, Cuajimalpa de Morelos, Mexico City, Mexico**

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Dear Mr. Batalla:

At your request and authorization, CBRE has completed an investigation and analysis of the above referenced property and is pleased to submit this current Appraisal Report.

This appraisal report is prepared for the purpose of providing an estimate of the market value of the 100% fee simple interest. We understand this report will be used by the intended user any other intended users noted herein to assist in financing purposes.

The subject property being appraised represents a residential development consisting of 104 luxury units and amenities improved on a 55,834.29-square meter land with a total saleable area of 79,963 square meters. The subject is described more fully within this report.

The conclusions reported herein are subject to the Extraordinary Limiting Conditions, Assumptions and Special Assumptions and the Limiting Conditions noted in Addendum "A" which are an integral part of this report and are inseparable from this letter.

Based on the analysis contained in this report, it is our considered and professional opinion that the current market value of the subject property as at July 2, 2024 is:

<b>Appraisal Premise</b>	<b>Effective Date</b>		
<b>As Is Market Value</b>	<b>July 2, 2024</b>	<b>Five Billion Six Hundred Eighty-Five Million One Hundred Eighty Thousand Pesos</b>	<b>MX\$5,685,180,000</b>
<b>Prospective Value Upon Completion</b>	<b>February 28, 2025</b>	<b>Six Billion Four Hundred Seventy-Four Million Six Hundred Fifty Thousand Pesos</b>	<b>MX\$6,474,650,000</b>

<b>Prospective Aggregate Value</b>	<b>February 28, 2025</b>	<b>Eight Billion Two Hundred Eighty-Eight Million Six Hundred Thousand Pesos</b>	<b>MX\$8,288,600,000</b>
<b>Replacement Cost New Value Upon Completion*</b>	<b>February 28, 2025</b>	<b>Three Billion Six Hundred Twenty-Two Million One Hundred Seven Thousand Pesos</b>	<b>MX\$3,622,107,000</b>
<b>Land Value</b>	<b>July 2, 2024</b>	<b>Two Billion Four Hundred Ninety Million Two Hundred Thousand Pesos</b>	<b>MX\$2,490,200,000</b>

\*Note: The Replacement Cost New Upon Completion excludes the land value

This value estimate is predicated on an exposure period of twelve to eighteen months preceding the effective date of valuation and assumes a cash to vendor sale.

Data, information, and calculations leading to the value conclusion are incorporated in the report following this letter. The report, in its entirety, including all assumptions and limiting conditions, is an integral part of, and inseparable from, this letter.

The following appraisal sets forth the most pertinent data gathered, the techniques employed, and the reasoning leading to the opinion of value. The analyses, opinions and conclusions were developed based on, and this report has been prepared in conformance with, our interpretation of the guidelines and recommendations set forth in the Global Edition of RICS Valuation-Professional Standards 2022, commonly referred to as the Red Book. This report is compliant with the Global Edition of RICS Valuation-Professional Standards 2022 (Red Book). Compliance with the RICS professional standards and the valuation practice statements gives assurance also of compliance with the International Valuation Standards (IVS).

The intended use and user of our report are specifically identified in our report as agreed upon in our contract for services and/or reliance language found in the report. No other use or user of the report is permitted by any other party for any other purpose. Dissemination of this report by any party to nonclient, non-intended users does not extend reliance to any other party and CBRE will not be responsible for unauthorized use of the report, its conclusions or contents used partially or in its entirety.

It has been a pleasure to assist you in this assignment. If you have any questions concerning the Analysis, or if CBRE can be of further service, please contact us.

Respectfully submitted,  
CBRE




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# Executive Summary

## SUMMARY OF SALIENT FACTS

<b>Property Name</b>	CERO5CIEN
<b>Location</b>	Av. Loma de la Palma No. 18, Col. Lomas de Vista Hermosa, Cuajimalpa de Morelos, Mexico City, Mexico
<b>Owner</b>	Fideicomiso 3766, Banco Actinver S.A., I.B.M., Grupo Financiero Actinver
<b>Highest and Best Use</b>	
As if Vacant	Residential
As Improved	Residential
<b>Property Rights Appraised</b>	Fee Simple Interest

<b>Land Area</b>	<b>ft<sup>2</sup></b>	<b>m<sup>2</sup></b>
	<b>600,995.25</b>	<b>55,834.29</b>

### Improvements

Property Type	Condominium - Luxury
Number of Units	104
Number of Buildings	17
Number of Stories	5

	<b>ft<sup>2</sup></b>	<b>m<sup>2</sup></b>
Gross Building Area	1,646,724.80	152,985.74
Construction Area Above Sidewalk Level	864,445.88	80,309.65
Saleable Area	860,714.57	79,963.00
Coverage	37.43%	
Density	1.44x	
Year Built	2025	
Condition (once completed)	Assumed Excellent	

### Features

Restaurants	Restaurant, Cigar Bar, Piano Bar, Sports Bar
Fitness Center (Existing Gym)	One space
Pools	One outdoor pool and one indoor pool
Spa	One spa
Meeting Venues	One business center (coworking space)
Ball Rooms	One two-level event room with terrace
Other Facilities	Tennis courts, padel court, bowling alley, cinema, kids club, teens club, beauty saloon, barber shop, market

<b>Valuation</b>	<b>Value (MX\$)</b>	<b>Per m<sup>2</sup></b>
Development Approach - 'As Is' Value	\$5,685,180,000	\$71,098
Development Approach - Prospective Value 'Upon Completion'	\$6,474,650,000	\$80,971
Retail Value - Prospective Aggregate Value	\$8,288,600,000	\$103,655
Replacement Cost New - Prospective Value 'Upon Completion'	\$3,622,107,000	\$45,297
Land Value	\$2,490,200,000	\$44,600

## MARKET VALUE CONCLUSION

Appraisal Premise	Interest Appraised	Date of Value	Value (US\$)	Per m <sup>2</sup>
'As Is' Market Value		02-Jul-24	\$5,685,180,000	\$71,098
Prospective Value 'Upon Completion'		28-Feb-25	\$6,474,650,000	\$80,971
Prospective Aggregate Value	Fee Simple Interest	28-Feb-25	\$8,288,600,000	\$103,655
Replacement Cost New - Prospective Value 'Upon Completion'		28-Feb-25	\$3,622,107,000	\$45,297

Compiled by CBRE

\*Note: The Replacement Cost New Upon Completion excludes the land value

## Significant Investment Characteristics

### Location

#### Strengths

- The property has an excellent location being located in Lomas de Vista Hermosa, one of the most exclusive zones in Mexico City and is accessible via the Loma de la Palma Av.
- The zone has been designed by renowned architectural firms, providing a cosmopolitan and modern aesthetic.
- The subject is at Loma de la Palma Av., an important street that connects Lomas de Vista Hermosa with Las Lomas, Santa Fe and Polanco, the main CBD in the city.
- The location has all the necessary infrastructure and services.
- The area is associated with luxury properties and high-end real estates, with the neighborhood offering a high standard of living and amenities.

#### Weaknesses

- Public transport is limited in this area of the city, resulting in limited connectivity with other parts of the city.
- Road access to the area from downtown Mexico City remains inadequate, with Paseo de la Reforma and Avenida Constituyentes experiencing heavy congestion during peak hours.

### Physical

#### Strengths

- As of June 2024, the project is 90% complete.
- The project offers luxurious residential units, two restaurants, a sports complex, a cinema, a bowling alley, an entertainment zone, a barbershop, a beauty salon, artificial lakes, pools, a spa, gardens, and other amenities.
- A 1.2 km interior road surrounds the complex, ensuring accessibility to each of the condominium buildings.
- The complex will also boast 24/7 security with armored booths and access doors, along with other security measures, creating a peaceful living environment.
- Units located on the upper levels and certain areas within the project offer panoramic views of the city.
- Construction materials, finishes and furniture are of excellent quality.
- The rear side of the project borders a reserve area that may remain undeveloped in the future.
- The elevators will be equipped with a security system that uses fingerprint recognition and provides direct access to the units. Even in 2-level units, the elevator allows access to each level.
- The project features an underground service road, providing residents with greater privacy and security control.

- The central area of the project will be designed to resemble a forest, offering privacy to the residential units.
- The complex will incorporate solar panels, a treatment plant and an emergency plant.
- The units are equipped with double-paned windows with a 9mm caliber, the type of windows for protecting against category 5 hurricanes.

#### Weaknesses

- The units are core and shell units, which may narrow the target market and cater specifically to a certain sector of the population.

### Income

#### Strengths

- The complex is a low-density project offering exclusivity to potential purchasers.
- The planned inventory is focused on a luxury market.
- Lomas de Vista Hermosa showcases high real estate prices that align with the pricing of the project.

#### Weaknesses

- Due to the pandemic, the development of the project has experienced a 2-year delay.
- According to the information provided, absorption pace has slowed down from 2.6 units/month in 2017 to approximately 0.2 units/month.

### Investment Market

#### Strengths

- The area is an active real estate market due to its attractive location.

#### Weaknesses

- The markets reacted negatively to the victory of leftist Claudia Sheinbaum on June 2<sup>nd</sup>. The Mexican IPC and peso both dropped by 4.25% and 4.40%, respectively, one day after the elections.
- The current government administration has overseen a significantly higher level of violence in the country.
- The Mexican government's actions continue to create uncertainty for investors, which hinders investment in the country.
- The current political situation in Mexico may potentially result in affluent individuals moving their assets out of the country.



## Limiting Conditions

The Limiting Conditions for this report have been included in Addendum “A”.

## General Assumptions

An assumption is defined as “a supposition taken to be true. It involves facts, conditions or situations affecting the subject of, or approach to, a valuation that, by agreement, do not need to be verified by the valuer as part of the valuation process. Typically, an assumption is made where specific investigation by the valuer is not required in order to prove that something is true.”<sup>1</sup>

- It is assumed the property is free and clear of all liens and encumbrances. We did not review and offer no warranties or guarantees regarding title.
- All information provided by the client, including construction budget, construction schedule, plans, description of the project, site areas and building sizes are assumed to be accurate. We offer no warranties or guarantees regarding its accuracy and reserve the right to amend our valuation if we should receive any varying information at a later date.
- We did not review environmental matters and did not examine the bearing qualities of the soils and therefore we cannot offer warranties in regard to these matters.
- Information provided by third parties on whom this report is based, is deemed reliable but we are not responsible for the accuracy of the same. No guarantee is given regarding the accuracy of the information; however, every effort was made to check its veracity. If we are provided information to indicate significant differences in what is considered at some point, we reserve the right to change the report and its results if necessary. The report describes the methodology used for the study, as well as all information collected in our market research.
- Based on the information provided, 64 units in the complex have been pre-sold but have not yet been titled or officially delivered. As requested by the client, the estimated values take into account the entire residential complex, including the 104 units and amenities. To conduct our analysis, we consider the amount collected from the sales of the pre-sold units, the pending balance of these sales, and the estimated value of the remaining 40 units currently available for sale.
- Based on the information provided, the total budget for the project, including hard and soft costs, furniture for the 18<sup>th</sup> floor and adaptations for GH and PH, is MX \$3,540,062,030. As of the effective date, July 2, 2024, there is an estimated remaining amount of \$449,671,058 which is anticipated to be spent throughout the remainder of 2024 and the first quarter of 2025. These construction costs will be considered in determining the As Is value.
- Although we do not have any specific reason to believe that market conditions will change in the near-term, it is an extraordinary assumption that there is no significant change in market conditions between the current date of value and the proposed date of stabilization.
- We make the extraordinary assumption that the subject property has received all necessary permits and approvals for development.
- According to the information provided to the appraisers, construction works of the subject property are reportedly scheduled to be completed by the beginning of 2025. Therefore, it is an extraordinary

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<sup>1</sup>RICS, RICS Valuation – Global Standards, November 2021 (Effective from January 2022), p. 66

assumption of this report that the construction will be completed in a timely and workman like manner, and consistent with the information provided.

- The Prospective Upon Completion value indication assumes construction works have been completed.
- The use of these general assumptions might have affected assignment results. We reserve the right to amend our conclusions if any of these prove to be different than what is reported herein.

## Special Assumptions

A special assumption is defined as “an assumption that either assumes facts that differ from the actual facts existing at the valuation date or that would not be made by a typical market participant in a transaction on the valuation date.”<sup>2</sup>

- None noted.

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<sup>2</sup> RICS, *RICS Valuation – Global Standards, November 2021 (Effective from January 2022), Glossary p. 67*

# Location Description

## Mexico City or Distrito Federal

Mexico City is strategically situated in the south-central region of Mexico and has a total land area of approximately 1,525 km<sup>2</sup> and occupies 0.1% of the total land area of Mexico. Mexico City is the capital of Mexico and financial heart of the country. Mexico City has a total population of 8,605,239 people within its principal municipalities, however if the entire metropolitan area is included, the total rises to approximately 22 million inhabitants, making it the most populated city in the world. The population is increasing at a rate of 0.5% per annum and the city has a very young population with an average age of 26 years.

## Transportation

### Public transportation

Mexico City has many modes of public transportation, from the metro (subway) system to suburban rail, light rail, regular buses, BRT (bus rapid transit), 'pesero' minibuses, and trolleybuses, to bike share.

### Airports

Mexico City's "Benito Juarez International Airport" is located in north-eastern quadrant of the City and is the largest airport in Mexico. This airport is the major entry point from all international destinations into Mexico. The airport also serves as the hub to other Mexican cities for domestic flights.

### Highways

Mexico City has a highway network totaling 149 kilometers and provides links to every principal city within Mexico. The principal highway within the city is the Periférico Highway which is a ring-shaped freeway that provides connections to every municipality.

## Economy

Mexico City is one of the most important economic hubs in Latin America. According to INEGI (2021) The city proper produces 17.28% of the country's gross domestic product. According to Statista, Mexico City had a GDP of \$2.94 trillion. A study conducted by SEDECO in 2021 ranked the city as the 22<sup>nd</sup> richest city in America and the richest in Latin America. Mexico City alone would rank as the 30th largest economy in the world. Mexico City is the greatest contributor to the country's industrial GDP (17.28%) and the greatest contributor to the country's GDP in the service sector (25.3%). Due to the limited non-urbanized space at the south—most of which is protected through environmental laws—the contribution of the Federal District in agriculture is the smallest of all federal entities in the country. Mexico City has one of the world's fastest-growing economies and its GDP is set to double by 2021.

The top twelve percent of GDP per capita holders in the city had a mean disposable income of US\$98,517. The high spending power of Mexico City inhabitants makes the city attractive for companies offering prestige and luxury goods.

## Lomas de Vista Hermosa

Lomas de Vista Hermosa is a locality in the western part of Mexico City, located approximately 7.19 km northwest of the geographic center of the Cuajimalpa de Morelos municipal area. It has an elevation of 2,600 meters (8,530 feet) above sea level. It is located in the area known as Las Lomas, widely considered the most exclusive area of Mexico.

The area consists mainly of a residential area with luxurious mansions, houses and apartments, as well as a commercial area in which important national and international companies have established themselves and is characterized by being the home of many of the wealthiest and most powerful families from the country.

## Economy

Bosques de las Lomas, in addition to being a residential community, is recognized as an important corporate hub where various Mexican and foreign companies have established their headquarters. This business area houses a large number of "white shoe" firms perceived as the most prestigious in their respective sectors globally, including investment banks, private equity funds, law firms, and strategy consultancies. Among them are names like Morgan Stanley, Lazard Frères & Co., Bain & Company, and Hogan Lovells. Additionally, the main headquarters of large corporations such as Pfizer, Unilever, and PepsiCo are located in this neighborhood.

The development's shopping centers include Plaza Bosques, Paseo Arcos Bosques, Pabellón Bosques, Parque Durazos, and Plaza Lilas.

Bosques de las Lomas is home to several of the most expensive restaurants in the Mexican capital, as well as the high-end hotel Live Aqua.

## Transportation

The main thoroughfares of the neighborhood are the avenues Bosques de la Reforma, Paseo de los Ahuehuetes Sur, Paseo de los Ahuehuetes Norte, Paseo de los Tamarindos, and Paseo de los Laureles.

To reach Bosques de las Lomas and its surroundings, there are buses called ATL (Bosques de las Lomas - Chapultepec route) and RTP (Tacubaya-Cuajimalpa route). These buses depart from the metro stations Chapultepec, Auditorio, Polanco, and Tacubaya.

## Public transportation

As far as public transportation, there are minibuses and regular public buses. The Eco bus connects Santa Fe (terminal at Centro Santa Fe) with Metro Balderas in downtown Mexico City and another route to Metro Miguel Angel de Quevedo. Additionally, other buses connect to Metro Tacubaya and Metro La Villa-Basílica.

The area will be connected by a commuter train on the Toluca–Mexico City commuter rail. A station will be located next to Centro Santa Fe, serving the entire district. However, the construction has been met with delays, which has pushed back the opening. The last 15th September, 2023, the first phase of the train was inaugurated after nine years under construction. This part of the way only connects Zinacantepec, Toluca, and Metepec. The train is expected to be completed in the coming years.

## Geography

"Las Lomas" is a general term used to refer to several affluent neighborhoods located in the northwestern part of Mexico City. The main neighborhoods that make up "Las Lomas" include: Lomas de Chapultepec, Bosques de las Lomas, Lomas de Vista Hermosa, Lomas de Tecamachalco, Lomas de la Herradura, Lomas de las Palmas, Lomas Anahuac, Lomas Altas, Lomas de Bezares, Lomas de Santa Fe, Interlomas.

Borders of the Zona Las Lomas de Vista Hermosa:

- Lomas de Chapultepec to the east
- Palo Alto to the north
- Colonias Lomas de Bezares, Real de Lomas, and Lomas de Reforma to the south
- Colonias Lomas de Chemazal and Lomas de Vista Hermosa to the west and northwest

## Neighborhood Analysis

The property being analyzed is situated in Lomas de Vista Hermosa, specifically on Loma de la Palma Avenue, and is known as Cero5cien residential development. It boasts an excellent location, as Lomas de Vista Hermosa is one of the most exclusive areas in Mexico City. The zone has been designed by renowned architectural firms, lending a cosmopolitan and contemporary ambiance. Notably, Loma de la Palma Avenue, where the property is situated, serves as a vital thoroughfare connecting neighboring districts such as Las Lomas, Santa Fe, and Polanco, which is the primary central business district in the city.

While the location benefits from all the necessary infrastructure and services, it should be noted that public transportation options are limited in this particular area, resulting in reduced connectivity to other parts of the city.



## Location Description

**Municipal Address** Av. Loma de la Palma No. 18, Col. Lomas de Vista Hermosa, Cuajimalpa de Morelos, Mexico City, Mexico

**Legal Description** The property has tax parcel No. 35600601000-9

## Surrounding Land Uses

Current uses in the immediate vicinity of Cerro5Cien, where the analyzed inventory is situated, include:

**North** - Loma de la Palma Av. and Residential Uses

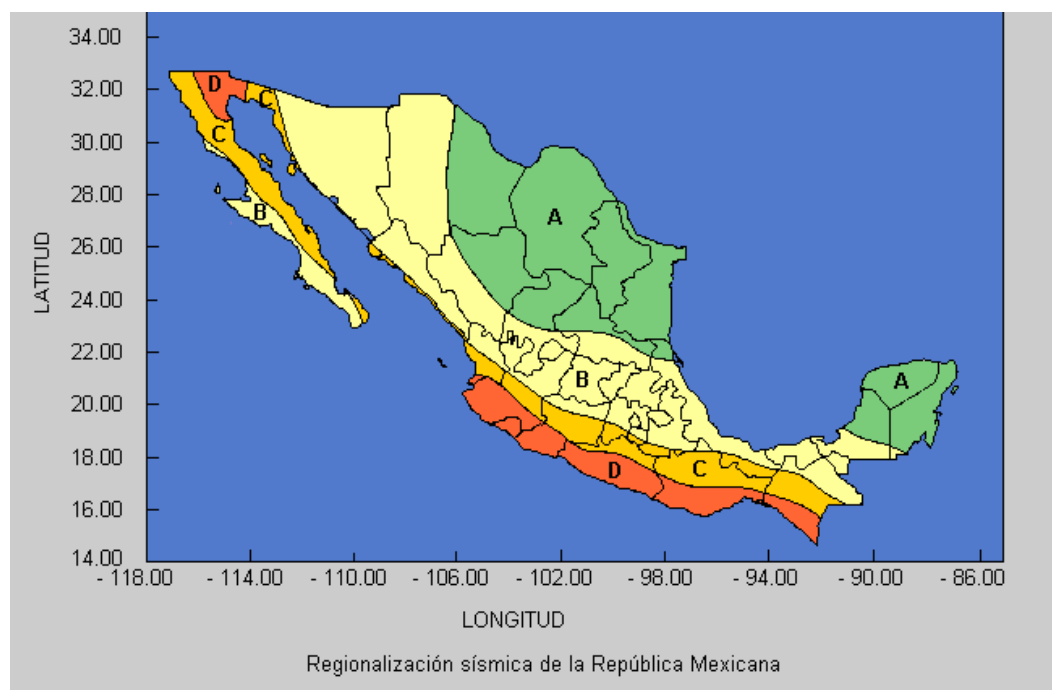
**South** - Residential Uses and Loma Florida Street

**East** - Residential Uses and protected area

**West** - Residential Uses

## Site Description

<b>Position</b>	Along Loma de la Palma Av.
<b>Site Area</b>	The subject property has a total site area of 55,834.29 m <sup>2</sup> or 600,995.25 ft <sup>2</sup> , according to the information provided by the client.
<b>Configuration</b>	Irregular.
<b>Topography</b>	Generally level above street level.
<b>Access</b>	Vehicular and main access is available via Loma de la Palma Av.
<b>Services</b>	Fully serviced
<b>Easements and Restrictive Covenants</b>	We are unaware of any other easements, rights of way, restrictive covenants or other encumbrances which would in any way affect the marketability/and or market value of the subject property, unless specifically stated. The appraisal has been completed on this basis, however, for certainty; a legal opinion would be required.
<b>Soil Conditions</b>	<p>Assumed to be suitable in drainage qualities and load-bearing capacity to support the existing development.</p> <p>We have not undertaken a detailed soil analysis, and as we are not qualified to comment on soil conditions, we have assumed that there are no contaminants affecting the site. However, a full environmental audit is required for certainty and any cost of remedy should be deducted from the reported value herein. The sub-soil is assumed to be similar to other lands in the area and suitable in drainage qualities and load bearing capacity to support the existing development.</p>
<b>Flood Zone</b>	We were not provided with any information that suggests that the property is in a flood zone. In addition, these zones are not mapped and therefore the information was not available. A full flooding assessment would be required for certainty.
<b>Hazardous Waste</b>	We have not conducted an independent investigation to determine the presence or absence of toxins on the subject property. If questions arise, the reader is strongly cautioned to seek qualified professional assistance in this matter.
<b>Seismic Zone</b>	<p>Mexico is divided in four seismic regions. In order to classify each region, seismic records for the last eighty years were analyzed. The zoning indicates the frequency and the maximum ground acceleration during an earthquake. Areas defined as Zone A represent regions without earthquake history, while Zone D is where the most powerful earthquakes have taken place. Zones B and C are between the previously mentioned zones, where the seismic activity is moderate with low to medium intensity earthquakes.</p> <p>As mentioned before the subject property is located in Cuajimalpa de Morelos, Mexico City, which is located within Zone B and therefore presents low intensity earthquakes with a low frequency.</p>



On average timing, in Mexico we have the following:

- Earthquakes of magnitude  $> 7.5$  degrees on the Richter scale, 1 every 10 years
- Earthquakes of magnitude  $> 6.5$  degrees on the Richter scale, 5 every 4 years
- Earthquakes of magnitude  $\leq 4.5$  degrees on the Richter scale, 100 each year

### Site Rating

Overall, the subject site is considered a good site in terms of its location, topography, shape and access to utilities. There are no known factors that would limit the development of the site according to the highest and best use.



# Zoning and Planning

## Official Plan

- Single-family housing, multi-family housing, offices and/or commerce and/or services
- According to the Land Use Certificate number 28694-151HEMA18 dated May 23<sup>rd</sup>, 2018, the land can be improved with up to 112 residential units distributed over 5 levels, with a total construction area above sidewalk level of 87,695.88 m<sup>2</sup>.

## Zoning

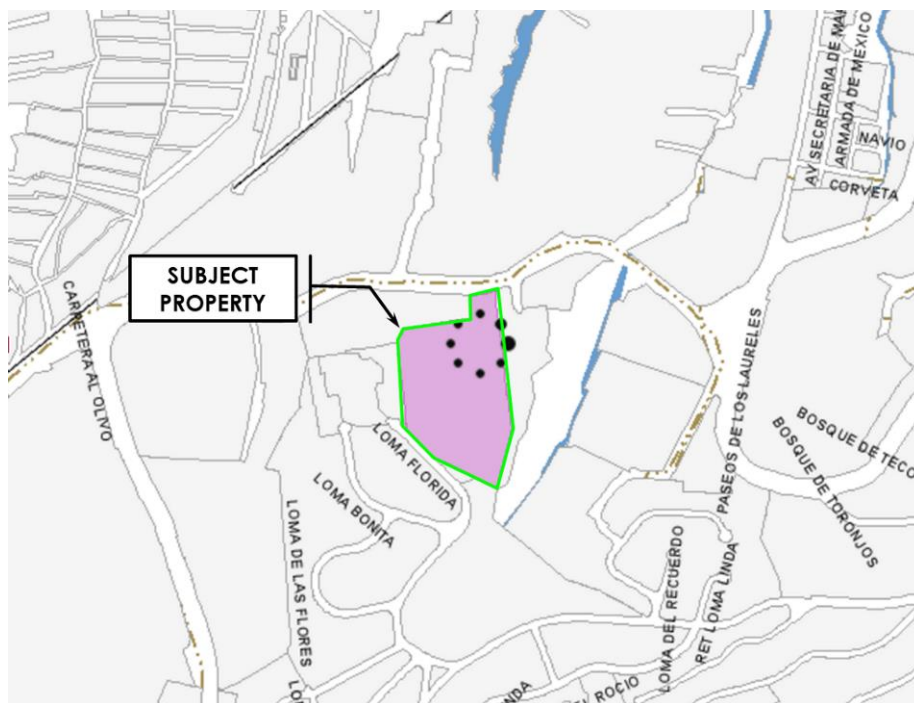
- The zoning designation permits, and the technical information provided by the client allow for residential development.
- Furthermore, we were provided with a copy of the Environmental Impact Assessment Report, bearing the number SEDEMA/DGRA/DEIA/014026/2017 which was issued on November 15<sup>th</sup>, 2017. This document analyzes the viability of the proposed project from an environmental standpoint and grants permission for its development.

## Limitations

- For the purposes of this appraisal CBRE has assumed the information obtained is correct and that the subject property is a conforming or at least a legal non-conforming use.

## Conclusion

It is recommended that the appropriate Planning and Zoning personnel be contacted regarding more specific information that might be applicable to the subject, before any pertinent business decisions are made.



## Official Plan

# Property Taxes

As per the information provided, the subject property has the Cadastral No. 35600601000-9. Details regarding the property tax statements for 2023 and 2024 are presented in the following table:

<b>PROPERTY ASSESSMENT AND TAXES</b>				
<b>Tax Parcel (Catastral) No.</b>	<b>Assessment Value</b>	<b>Annual Taxes Value</b>	<b>Assessment Value / m<sup>2</sup></b>	<b>Tax Amount / m<sup>2</sup></b>
<b>3 5600601000-9</b>				
Tax Year	MX	MX	MX	MX
2023	---	\$ 7,876,041	---	\$141.06
2024	\$ 1,756,000,000	\$ 8,839,845	\$31,450.21	\$158.32

Notes:

- The annual tax amount is the one indicated in the copy of the payment, after discounts or surcharges.
- The value/m<sup>2</sup> is calculated based on the land area.

# Cero5Cien Residential Complex

Residencial Cero5Cien is a project located in Mexico City and designed by Grupo Arquitectura. This residential development combines art, architecture, and security in an exclusive resort-style residential complex.

The concept of the project is to create a forest with lakes, waterfalls, walkways, streams, and other natural elements to house 104 residences distributed in 17 five-story buildings. These buildings feature volumetry, terraces, gardens, and private pools, constructed with metal structures for flexibility in the use of interior spaces. The complex is oriented inward, leaving the periphery for vehicular circulation and underground services. It also features more than twenty amenities distributed between the forest and the lakes.

According to the provided information and our inspection of the site, the project is currently under construction and is approximately 90.4% complete physically. Around 86% of the total costs have been invested to date. The project is expected to be finished and delivered in the first quarter of 2025.

The residential units are delivered as core and shell, allowing the new owners to customize them to their preferences. We understand some of the sold units have already been delivered to initiate customization works. However, it is important to note that the condominium regime is still being finalized and none of these units have been titled yet.

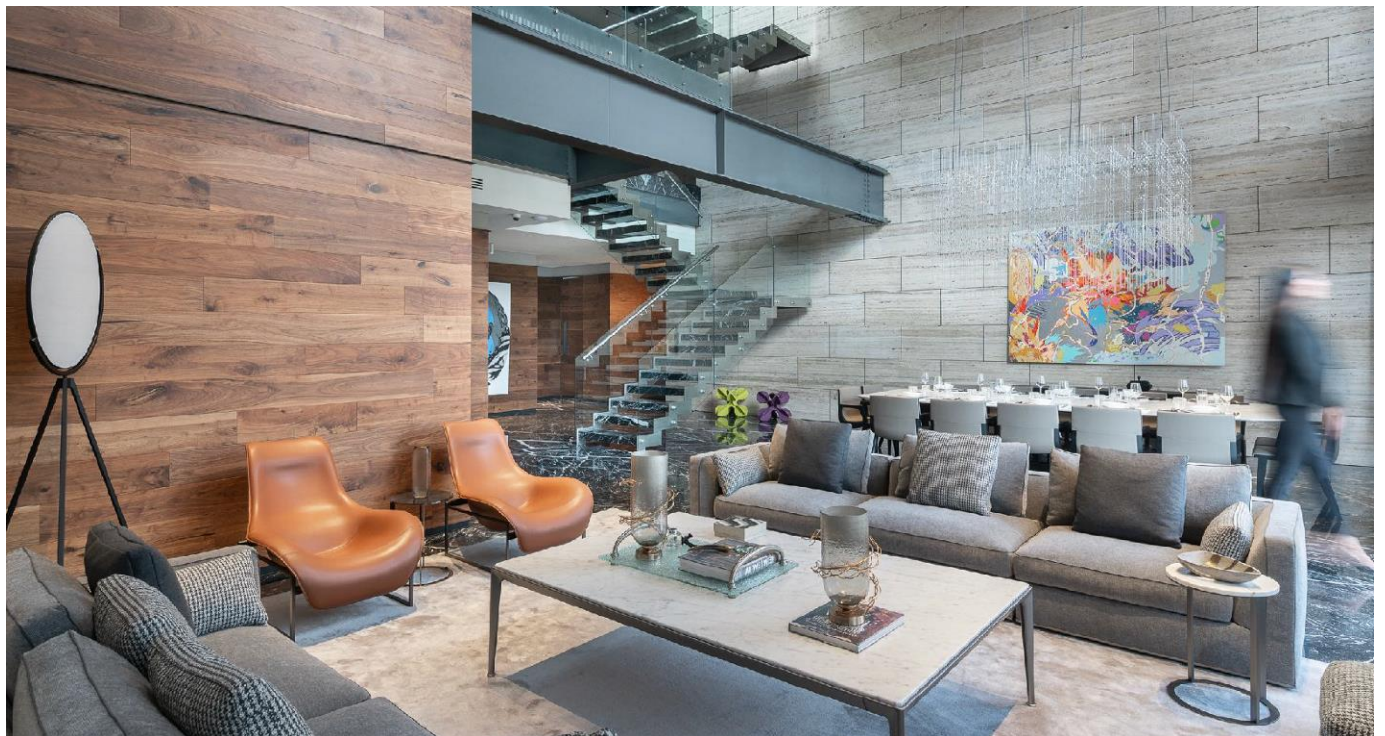
<b>Type</b>	Residential Condominium Complex - Luxury
<b>Total Land Area</b>	55,834.29 m <sup>2</sup> or 600,995.25 ft <sup>2</sup>
<b>Gross Building Area</b>	152,985.74 m <sup>2</sup> or 1,646,724.80 ft <sup>2</sup>
<b>Construction Area Above Sidewalk Level</b>	80,309.65 m <sup>2</sup> or 864,445.88 ft <sup>2</sup>
<b>Saleable Area</b>	79,963.00 m <sup>2</sup> or 860,714.57 ft <sup>2</sup>
<b>Year Built</b>	To be completed in 2025
<b>Features:</b>	<ul style="list-style-type: none"> <li>- 104 units distributed over 17 5-story buildings</li> <li>- Amenities: <ul style="list-style-type: none"> <li>○ Restaurant, Cigar Bar, Piano Bar, Sports Bar</li> <li>○ One fitness center</li> <li>○ One outdoor pool and one indoor pool</li> <li>○ One spa</li> <li>○ One business center (coworking space)</li> <li>○ One two-level event room with terrace</li> <li>○ Tennis courts, padel court, bowling alley, cinema, kids club, teens club, beauty saloon, barber shop, market</li> </ul> </li> </ul>

## RENDERS

### Exterior View



Residential units



## Amenities



# Subject Inventory

Based on the provided information, currently, there is sold and unsold inventory across the project. We have been instructed to analyze the project taking into consideration both the sold and unsold inventory. The table below shows the details of the total inventory:

SUBJECT INVENTORY - SOLD & UNSOLD															
Unit	Type	Signed Date	A/C Area (m²)	Total Area (m²)	Price (MX\$)	\$/ AC Area	\$/ Total Area	Unit	Type	Signed Date	A/C Area (m²)	Total Area (m²)	Price (MX\$)	\$/ AC Area	\$/ Total Area
O401	PHD EQA	Mar-17	652	1,020	\$70,000,000	\$107,361.96	\$68,627.45	F302	TLOFT	Dec-21	320	393	\$41,000,000	\$128,125.00	\$104,325.70
L402	PH LUX	Apr-17	651	939	\$66,933,176	\$102,815.94	\$71,281.34	B501	PH LOFT	Dec-21	460	786	\$60,000,000	\$130,434.78	\$76,335.88
A102	GH DELUXE	Apr-17	611	883	\$52,424,640	\$85,801.37	\$59,371.05	M201	Terraza LUX	May-22	445	525	\$48,437,500	\$108,848.31	\$92,261.90
D302	TLUX	May-17	445	525	\$48,800,000	\$109,662.92	\$92,952.38	L401	PH LUX	May-22	684	972	\$78,149,458	\$114,253.59	\$80,400.68
G402	PHD	Jun-17	682	1,030	\$69,993,770	\$102,630.16	\$67,955.12	P201	GH EQ	May-22	870	1,289	\$109,350,541	\$125,690.28	\$84,833.62
C102	GH DELUXE	Jul-17	606	993	\$65,840,000	\$108,646.86	\$66,304.13	K202	Terraza DELUXE	Nov-22	633	740	\$74,025,000	\$116,943.13	\$100,033.78
K402	PH LUX	Jul-17	686	1,012	\$64,970,000	\$94,708.45	\$64,199.60	L101	GH DELUXE SP	Dec-22	1,167	1,665	\$145,274,950	\$124,485.82	\$87,252.22
D202	Terraza LUX	Aug-17	445	525	\$55,000,000	\$123,595.51	\$104,761.90	I402	PH LUX	Dec-22	664	952	\$79,560,000	\$119,819.28	\$83,571.43
B101	GH LUX especial	Aug-17	480	675	\$37,605,330	\$78,344.44	\$55,711.60	B302	Terraza LUX	Apr-23	445	525	\$68,360,000	\$153,617.98	\$130,209.52
J202	TDELUX	Aug-17	588	740	\$55,251,181	\$93,964.59	\$74,663.76	C101	GH DELUXE	May-23	606	998	\$93,000,000	\$153,465.35	\$93,186.37
D101	GH LUX	Sep-17	460	865	\$36,385,000	\$79,097.83	\$42,063.58	A101	GH DELUXE	Jun-23	606	836	\$85,200,000	\$140,594.06	\$101,913.88
I201	T LUX	Oct-17	445	525	\$43,500,000	\$97,752.81	\$82,857.14	B201	Terraza LUX	Feb-24	445	525	\$57,725,600	\$129,720.45	\$109,953.52
H402	PH DELUXE	Nov-17	682	1,030	\$66,223,000	\$97,101.17	\$64,294.17	B-102	GH LUX	Listed	480	843	\$143,094,863	\$298,114.30	\$169,744.80
M301	TLUX	Nov-17	445	525	\$54,078,586	\$121,524.91	\$103,006.83	D-102	GH LUX	Listed	460	895	\$148,896,838	\$323,688.78	\$166,365.18
M102	GH LUX	Nov-17	460	714	\$62,931,000	\$136,806.52	\$88,138.66	J-101	GH LUX	Listed	460	895	\$130,044,267	\$282,704.93	\$145,300.86
I301	Terraza LUX	Nov-17	320	393	\$40,000,000	\$125,000.00	\$101,781.17	N-202	GH LUX CN	Listed	472	740	\$133,768,611	\$283,408.07	\$180,768.39
N302	T LUX CNA	Nov-17	445	525	\$43,759,000	\$98,334.83	\$83,350.48	O 202	GH LUX CN	Listed	543	809	\$139,432,078	\$256,780.99	\$172,351.15
F401	PH DELUXE	Dec-17	662	1,048	\$56,406,400	\$85,206.04	\$53,822.90	F-101	GH DELUXE	Listed	606	844	\$146,696,089	\$242,072.75	\$173,810.53
K102	GH LUX	Dec-17	460	606	\$56,000,000	\$121,739.13	\$92,409.24	F-102	GH DELUXE	Listed	606	841	\$147,896,497	\$244,053.63	\$175,857.90
L102	GH LUX	Dec-17	332	710	\$40,180,000	\$121,024.10	\$56,591.55	G-101	GH DELUXE	Listed	606	841	\$147,896,497	\$244,053.63	\$175,857.90
L202	Terraza Deluxe	Dec-17	460	700	\$48,671,425	\$105,807.45	\$69,530.61	G-102	GH DELUXE	Listed	606	841	\$147,896,497	\$244,053.63	\$175,857.90
D502	PH LOFT	Dec-17	460	906	\$48,530,050	\$105,500.11	\$63,565.18	H-202	GH DELUXE	Listed	619	788	\$144,510,729	\$233,458.37	\$183,389.25
E402	PH DELUXE	Dec-17	657	782	\$48,671,425	\$74,081.32	\$62,239.67	A-301	TERRAZA LOFT	Listed	320	393	\$88,953,356	\$277,979.24	\$226,344.42
N201	GH DELUXE EQA	Dec-17	588	875	\$55,077,576	\$93,669.35	\$62,945.80	A-302	TERRAZA LOFT	Listed	320	393	\$88,953,356	\$277,979.24	\$226,344.42
E101	GH DELUXE	Dec-17	675	1,049	\$54,500,099	\$80,740.89	\$51,954.34	C-301	TERRAZA LOFT	Listed	320	393	\$85,567,588	\$267,398.71	\$217,729.23
E102	GH DELUXE	Dec-17	675	993	\$54,500,099	\$80,740.89	\$54,884.29	C-302	TERRAZA LOFT	Listed	320	393	\$85,567,588	\$267,398.71	\$217,729.23
E401	PH DELUXE	Dec-17	657	782	\$48,671,425	\$74,081.32	\$62,239.67	F-301	TERRAZA LOFT	Listed	320	393	\$87,691,388	\$274,035.59	\$223,133.30
E301	Terraza	Dec-17	749	1,419	\$52,300,000	\$69,826.44	\$36,856.94	G-301	TERRAZA LOFT	Listed	320	393	\$87,691,388	\$274,035.59	\$223,133.30
N401	PH DELUXE EQA	Dec-17	652	1,020	\$56,778,578	\$87,083.71	\$55,665.27	B-202	TERRAZA LUX	Listed	445	525	\$103,096,632	\$231,677.82	\$196,374.54
I101	GH LUX	Dec-17	460	700	\$48,530,000	\$105,500.00	\$69,328.57	B-301	TERRAZA LUX	Listed	445	525	\$105,205,042	\$236,415.82	\$200,390.56
O202	GH LUX CNA	Dec-17	464	664	\$48,530,050	\$104,590.63	\$73,087.42	B-402	TERRAZA LUX	Listed	445	525	\$106,174,603	\$238,594.61	\$202,237.34
K101	GH DELUX	Mar-18	905	1,311	\$108,291,618	\$119,659.25	\$82,602.30	D-201	TERRAZA LUX	Listed	445	525	\$105,805,247	\$237,764.60	\$201,533.80
K401	PH LUX	Mar-18	686	995	\$79,970,000	\$116,574.34	\$80,371.86	D-301	TERRAZA LUX	Listed	445	525	\$106,759,417	\$239,908.80	\$203,351.27
K301	TLUX	Jun-18	445	525	\$50,895,000	\$114,370.79	\$96,942.86	D-401	TERRAZA LUX	Listed	445	525	\$107,636,639	\$241,880.09	\$205,022.17
H101	GH DELUXE	Jun-18	611	776	\$48,697,600	\$79,701.47	\$62,754.64	D-402	TERRAZA LUX	Listed	445	525	\$107,636,639	\$241,880.09	\$205,022.17
J402	PH LUX	Jun-18	651	939	\$73,036,400	\$112,191.09	\$77,781.04	O-302	TERRAZA LUX CNA	Listed	460	556	\$109,452,642	\$237,940.53	\$196,857.27
I202	TDELUX	Sep-18	633	740	\$54,797,500	\$86,567.93	\$74,050.68	P-302	TERRAZA LUX CNA	Listed	460	556	\$109,452,642	\$237,940.53	\$196,857.27
H301	TLOFT	Dec-18	320	393	\$44,000,000	\$137,500.00	\$111,959.29	B-502	PH LOFT	Listed	460	786	\$129,721,080	\$282,002.35	\$165,039.54
I102	GH LUX	Jan-19	460	646	\$66,829,550	\$145,281.63	\$103,451.32	J-401	PH LUX	Listed	651	939	\$149,250,804	\$229,263.91	\$158,946.54
M101	GH LUX	Jan-19	460	653	\$65,129,550	\$141,585.98	\$99,738.97	M-402	PH LUX	Listed	651	939	\$150,497,383	\$231,178.78	\$160,274.10
H401	PH DELUXE	May-19	682	1,030	\$90,000,000	\$131,964.81	\$87,378.64	N-402	PH LUX CNA	Listed	725	1,012	\$163,841,925	\$225,988.86	\$161,899.14
M202	Terraza Deluxe	Nov-19	633	740	\$64,007,000	\$101,116.90	\$86,495.95	O-402	PH LUX CNA	Listed	725	1,012	\$163,841,925	\$225,988.86	\$161,899.14
O201	GH LUX EQ	Dec-19	588	951	\$79,500,000	\$135,204.08	\$83,596.21	P-402	PH LUX CNA	Listed	725	1,012	\$160,039,092	\$220,743.58	\$158,141.40
I401	PH LUX	Sep-20	651	961	\$58,352,112	\$89,634.58	\$60,720.20	Q-402	PH LUX CNA	Listed	725	1,012	\$160,039,092	\$220,743.58	\$158,141.40
H102	GH LOFT	Sep-20	383	717	\$41,773,400	\$109,068.93	\$58,261.37	P-401	PH DELUXE EQ	Listed	652	1,020	\$167,595,510	\$257,048.33	\$164,309.32
J102	GH LUX	Jun-21	460	714	\$64,800,000	\$140,869.57	\$90,756.30	Q-401	PH DELUXE EQ	Listed	652	1,020	\$167,595,510	\$257,048.33	\$164,309.32
G302	Terraza LOFT	Sep-21	320	393	\$40,000,000	\$125,000.00	\$101,781.17	A-401	PH DELUXE	Listed	674	1,030	\$162,036,695	\$240,410.53	\$157,317.18
M401	PH LUX	Oct-21	665	1,000	\$77,000,000	\$115,862.65	\$77,020.80	A-402	PH DELUXE	Listed	674	1,030	\$166,826,018	\$247,516.35	\$161,967.01
Q201	GH DELUXE EQ	Oct-21	747	1,189	\$98,956,150	\$132,471.42	\$83,226.37	C-401	PH DELUXE	Listed	674	1,030	\$159,401,952	\$236,501.41	\$154,759.18
O302	TLUX CN	Oct-21	460	556	\$58,075,740	\$126,251.61	\$104,452.77	C-402	PH DELUXE	Listed	674	1,030	\$162,036,695	\$240,410.53	\$157,317.18
B401	TLUX	Nov-21	445	525	\$60,000,000	\$134,831.46	\$114,285.71	F-402	PH DELUXE	Listed	674	1,030	\$166,826,018	\$247,516.35	\$161,967.01
J201	TDELUX	Nov-21	633	740	\$62,000,000	\$97,946.29	\$83,783.78	G-401	PH DELUXE	Listed	674	1,030	\$166,826,018	\$247,516.35	\$161,967.01
<b>TOTALS</b>			<b>57,660</b>	<b>82,287</b>	<b>\$9,289,389,329</b>	<b>\$161,107.47</b>	<b>\$112,890.49</b>								
MIN			320	393	\$36,385,000	\$69,826.44	\$36,856.94								
AVG			554	791	\$89,321,051	\$161,107.47	\$112,890.49								
MAX			1,167	1,665	\$167,595,510	\$323,688.78	\$226,344.42								
<b>SOLD</b>			<b>36,237</b>	<b>51,873</b>	<b>\$3,977,236,479</b>	<b>\$109,757.50</b>	<b>\$76,672.97</b>	<b>UNSOLD</b>			<b>21,423</b>	<b>30,414</b>	<b>\$5,312,152,850</b>	<b>\$247,964.94</b>	<b>\$174,661.43</b>
MIN			320	393	\$36,385,000	\$69,826.44	\$36,856.94	MIN			320	393	\$85,567,588	\$220,743.58	\$145,300.86
AVG			566	811	\$62,144,320	\$109,757.50	\$76,672.97	AVG			536	760	\$132,803,821	\$247,964.94	\$174,661.43
MAX			1,167	1,665	\$145,274,950	\$153,617.98	\$130,209.52	MAX			725	1,030	\$167,595,510	\$323,688.78	\$226,344.42

# Market Overview

## Macro-Economic Overview<sup>3</sup>

### Election results triggered a peso sell-off

- The 2024 GDP growth forecast for Mexico has not been altered by Mexico's election results, with the forecast remaining unchanged at 1.9%. The 2025 GDP forecast is also unchanged at 2% growth, slightly above the consensus projection of 1.8%, but risks to the downside are growing.
- An unexpected supermajority in Congress of the ruling coalition was led to by Claudia Sheinbaum's landslide victory in the presidential elections. This triggered an adverse reaction in markets as plans to carry out reforms that could further erode checks and balances in the judicial and executive powers before leaving office in September are made by incumbent President Andres Manuel Lopez Obrador (AMLO).
- It is believed that the slide of the peso – nearly 10% since the elections – highlights a partial reversion of excessive risk taken by markets, as reforms are not likely to have a material macroeconomic impact in the short term. The recent sell-off is suggested by exchange rate models as well as the long-standing relationship of the Mexican peso against the USD index to be able to continue.
- Market angst has not been soothed by mixed signals from the upcoming administration and timid support for AMLO's reforms. However, a slight recovery of the peso during the summer, supported by strong capital inflows and more careful messages from the new administration, is not discarded.
- The depreciation poses a risk of slower-than-expected deceleration in headline inflation, but data up to may suggest that core disinflation will continue. Headline inflation is expected to ease to 3.8% y/y, back to Banxico's target range of 3% (+/-1%) and below the consensus of 4.3%.
- Banxico's cycle will likely be impacted by increased financial volatility as members might be tempted to keep a wider interest rate against the US Federal Reserve and ignore the space for cuts provided by the ongoing disinflation process. The policy rate forecast will be reevaluated after the June 27 meeting, but risks of fewer cuts have increased dramatically.

### Mexico forecast overview.

	(Annual percentage changes unless specified)					
	2022	2023	2024	2025	2026	2027
GDP	3.7	3.2	1.9	2.0	2.3	2.1
Domestic demand	3.6	8.5	-1.0	0.7	2.2	2.1
Private consumption	5.2	4.3	1.9	1.0	2.2	2.1
Fixed investment	7.7	19.4	-3.2	-0.2	2.1	2.1
Government consumption	1.2	2.0	0.4	-0.8	2.4	2.8
Exports of goods and services	8.8	-6.9	7.1	7.0	3.6	2.8
Imports of goods and services	8.3	5.7	-0.5	3.7	3.4	2.8
Industrial production	4.7	3.5	1.5	2.5	2.3	2.1
Unemployment rate (%)	3.3	2.8	3.1	3.8	3.9	3.9
Govt primary balance (% of GDP)	-0.4	-0.1	-1.2	0.5	0.7	0.7
Gross government debt (% of GDP)	49.8	48.3	49.8	49.5	49.4	49.2
Current a/c balance (% of GDP)	-1.2	-0.4	-0.2	0.0	0.0	-0.3
Consumer prices (% , EOP)	7.8	4.7	3.8	3.4	3.5	3.4
Central bank policy rate (% , EOP)	10.5	11.3	9.0	6.0	6.0	5.9
Exchange rate (Peso per US \$, EOP)	19.5	17.0	18.1	19.5	20.2	20.5

Source: Oxford Economics

<sup>3</sup> Oxford Economics (June 2024) Country Economic Forecast. Mexico

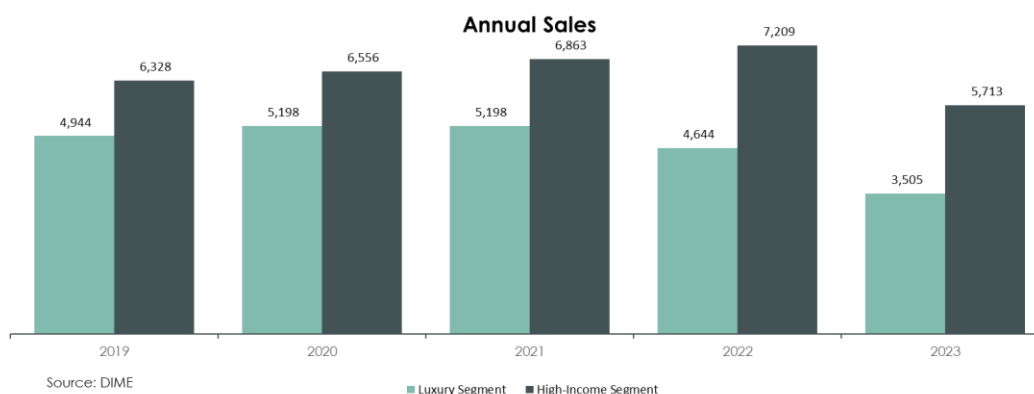


## Mexico City Luxury Residential Market Overview

### Luxury Residential Sales, Mexico City.

The following analysis focuses on vertical housing (condominium units) in Mexico City. Inventory in the luxury segment has recorded a compound annual decrease rate of 8.2% over the last 5 years, from 4,944 units sold in the 2019 to 3,505 units in 2023. Regarding the High Income segment, this decrease has been of 2.5% during the same period from 6,328 units sold in 2019 to 5,713 units for 2023. Both segments have been slightly affected by the pandemic among other factors.

As of the end of 2023, 5,713 high-income units and 3,505 luxury units have been sold, respectively. These figures indicate a slowdown in sales from the previous year.



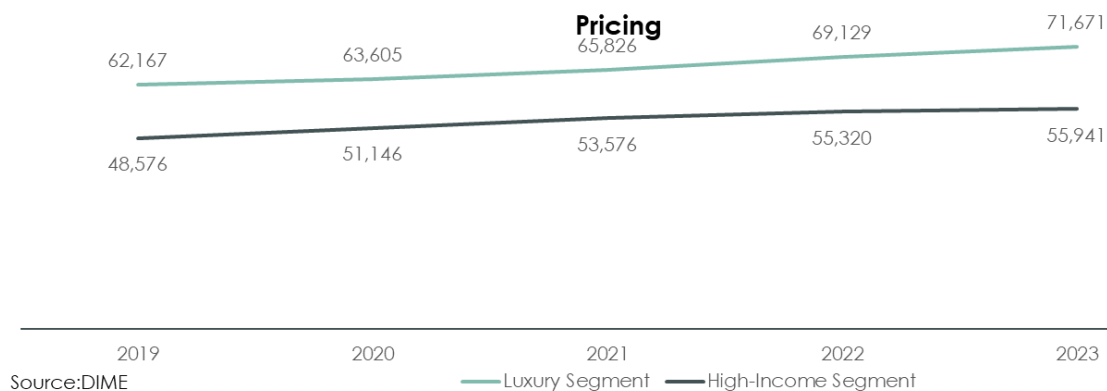
According to the consulted DIME report, the average absorption rates for residences in the High Income and Luxury sectors are described as follows. In the High Income segment, apartments have an absorption rate of 1.2, while lofts have an absorption rate of 1.6. For the Luxury segment, apartments show an absorption rate of 0.9, and lofts demonstrate a higher rate of 3.5. These absorption rates, when compared to the number of existing projects in each sector, are presented in the following table - excluding loft units.

Project size	Absorption		Number of Projects	
	Units	High-Income	High-Income	Luxury
0 to 20		1.2	166	192
21 to 50		1.2	158	88
51 to 100		1.2	89	57
101 to 200		1.2	75	27
201 to 500		1.2	22	26
Over 500		1.2	3	3
<b>Overall</b>		<b>1.2</b>	<b>513</b>	<b>393</b>

Source: DIME

### Pricing

The following chart shows the evolution of the average price per square meter for both in the high-income and luxury residential segments in the Mexico City:



As shown above, from 2019 to 2023 prices per square meter saw a sharp increase in both residential segments. Since 2019, the annual compound growth in prices for both residential segments are 3.6% for the high-income segment and 3.6% for the luxury segment.

Although the average price of the luxury segment for 2023 is \$71,671 per square meter of construction, the market presents a significant gap between the minimum and maximum prices, as shown in the table below.

	Price (MX\$) / m <sup>2</sup>		
	Minimum	Avg.	Maximum
Luxury	\$29,536	\$72,966	\$282,534
High-Income	\$17,952	\$52,599	\$100,000

## Sizes

In average, unit sizes in the high-income and luxury segments across Mexico City are the largest for the residential sector. The average size for the high-income segment is 74 m<sup>2</sup>, being 188 m<sup>2</sup> the maximum, while for the luxury segment 142 m<sup>2</sup> is the average and 680 m<sup>2</sup> the maximum.

## Type of product

As shown in the table below the most common type of product for the high-income and luxury segments are vertical housing distributed over apartments.

Type of Product	Number of projects		Inventory		Avg. Price (MX\$) / m <sup>2</sup>	
	High-Income	Luxury	High-Income	Luxury	High-Income	Luxury
Duplex	2	0	64	0	\$3,901,613	\$0
Horizontal Condo	6	31	274	146	\$3,465,680	\$14,159,659
Single-Family Unit	4	17	154	69	\$4,323,875	\$19,555,723
Apartment	509	392	11,716	7,630	\$3,741,436	\$10,258,942
Loft	4	1	156	25	\$2,955,806	\$6,095,000
Town House	2	9	7	36	\$4,050,000	\$11,227,606
<b>Overall</b>	<b>527</b>	<b>450</b>	<b>12,371</b>	<b>7,906</b>	<b>\$3,739,735</b>	<b>\$12,259,386</b>

## Cuajimalpa

Lomas de Vista Hermosa is a neighborhood located in Mexico City, known for its luxury real estate and upscale accommodations. This area is part of the Cuajimalpa de Morelos borough in Mexico City.

The neighborhood offers a variety of housing options, including modern houses and penthouses, making it an attractive destination for those seeking high-end properties. Real estate listings in Lomas de Vista Hermosa showcase the area's desirability, with numerous homes available for sale.

The development of luxury condominiums in Cuajimalpa, Mexico City, is thriving, with several high-end projects catering to affluent buyers. Luxury condominiums are being developed in prestigious areas within Cuajimalpa, such as Bosques de las Lomas, Lomas Country Club, and Interlomas. These locations offer desirable surroundings and often come with scenic views. Many luxury condominiums in Cuajimalpa feature premium amenities such as terraces, pools, gardens, and high-level security. For example, some developments offer wine cellars, covered parking, and multiple social areas within the complex. Luxury condominiums in the area typically offer generous living spaces. For instance, one listing mentions an apartment with 440 square meters of living area, featuring four bedrooms with en-suite bathrooms, two social areas, and a service area. Many of the new luxury condominiums incorporate contemporary architecture and design elements. Some properties boast clean lines, open floor plans, and large windows to maximize natural light and views.

The development of luxury condominiums in Cuajimalpa reflects the area's status as a prime location for high-end real estate in Mexico City. With its focus on exclusivity, premium amenities, and desirable locations, Cuajimalpa continues to attract affluent buyers seeking upscale condominium living in the Mexican capital.

Here is an improved version of the table showing some of the most expensive developments in the Cuajimalpa area of Mexico City.

LUXURY RESIDENTIAL PROJECTS - CUAJIMALPA									
Project Name	Total Units Planned	Current Units	Sold Units	Remaining Units	Monthly Absorption	Size (m <sup>2</sup> )	Price (MX\$)		Comments
							Total	Per m <sup>2</sup>	
Alcada	62	62	47	15	0.7	250	\$26,309,075	\$105,236	Type 1: 3 bedrooms, 3.5 bathrooms, 3 parking stalls
Encinar Torre A y B	132	88	55	33	0.7	363	\$30,000,000	\$82,645	Type 1: 3 bedrooms, 3.5 bathrooms, 4 parking stalls
Origina Santa Fe Torre I	252	252	127	125	3.6	150	\$13,200,000	\$88,000	Type 1: 2 bedrooms, 2.5 bathrooms, 2 parking stalls
Over Santa Fe Torre B y E	204	68	52	16	0.7	97	\$8,670,000	\$89,198	Type 1: 2 bedrooms, 2 bathrooms, 2 parking stall
						93	\$8,721,000	\$94,281	Type 2: 2 bedrooms, 2 bathrooms, 2 parking stall
Torre Elite Mistral	200	200	195	5	1.6	74	\$8,070,217	\$109,057	Type 1: 1 bedroom, 1.5 bathrooms, 1 parking stalls
<b>Total</b>	<b>850</b>	<b>670</b>	<b>476</b>		<b>7.3</b>				
<b>Average</b>					<b>1.46</b>	<b>171</b>	<b>\$15,828,382</b>	<b>\$94,736</b>	

# Highest and Best Use

The term "Highest and Best Use" is generally considered to be that use which will result in the greatest net return over a given period of time. The "Highest and Best Use" is also known as the optimal use. A thorough Highest and Best Use analysis involves assessing the subject both as vacant and as improved and was beyond the scope of this mandate. In valuation practice, the concept of highest and best use represents the premise upon which value is based.

The four criteria the Highest and Best Use must meet are:

- legal permissibility;
- physical possibility;
- financial feasibility; and
- Maximum profitability.

The highest and best use analysis of the subject is discussed below.

## As Vacant

**Legally Permissible** The legally permissible uses were discussed in detail in the Zoning and Planning section. The current land use allows for the development of a residential development. The subject would currently be considered a legally conforming use.

**Physically Possible** The subject is adequately served by utilities, has an adequate shape and size, sufficient access, etc., to be a residential project. The subject site would reasonably accept a site layout for any of the legally probable uses. There are no known physical reasons why the subject site would not support any legally probable development.

**Financially Feasible** The determination of financial feasibility is dependent primarily on the relationship of supply and demand for the legally probable land uses versus the cost to create the uses. In the last few years, demand for product such as the proposed for the subject has been consistent and has been absorbed well by the market. Steady growth is expected for this kind of projects. For this reason, the improvement of the site with a residential project is feasible.

**Maximum productivity** The final test of highest and best use of the site as though vacant is that the use be maximally productive, yielding the highest return (or least loss) to the land. In the case of the subject as if vacant, the analysis has indicated that the development of a residential project would be the most appropriate scenario.

**Conclusion** Based on the information presented above and upon information contained in the market and neighborhood analysis, we conclude that the highest and best use of the subject as if vacant, would be to improve the site with a residential project. Our analysis of the subject and its respective market characteristics indicate that the most likely buyer, as if vacant, would be an investor / developer.

## As Improved

**Legally Permissible** The zoning regulations in effect at the time of the appraisal determine the legal permissibility of a potential use of the subject site. The property is zoned for a residential use allowing for the improvement of the site with a residential complex. Thus, the use of existing soil is considered legally permissible.

<b>Physically Possible</b>	The physical possibility of a use is dictated by the size, shape, topography, availability of utilities, and any other physical aspects of the site. The subject property consists of an irregular shaped site and a topography that generally level across the complex. All public utilities are available in the subject area including public water, electricity, and telephone. For these reasons the development of land with a similar proposed project is considered physically possible.
<b>Financially Feasible</b>	For a use to be seriously considered, it must have the potential to provide a sufficient return to attract investment capital over alternative forms of investment. A positive net income or acceptable rate of return would indicate that a use is financially feasible. Financially feasible uses are those uses that can generate a profit over and above the cost of acquiring the site and constructing the proposed improvements. According to the information provided by the client, the proposed residential project is capable of producing a positive net cash flow. Therefore, the improvement of the subject site with a subdivision project similar to the proposed project is considered financially feasible.
<b>Maximum productivity</b>	Determining the value of a property requires an in-depth analysis of the condition of the local market, given the characteristics in the neighborhood, the location of the subject property, the size and be consistent with existing land uses. Although several uses may generate sufficient revenue to satisfy the required rate of return on investment and provide a return on the land, the single use that produces the highest price or value is typically the highest and best use. As shown in the applicable report sections, demand for products similar to the proposed project has recently been well received by the market. These comparable properties would indicate that the maximally productive use of the property is the development of the proposed project.
<b>Conclusion</b>	Considering the surrounding land uses, location attributes legal restrictions and other factors, the highest and best use for the subject is for the development of a residential project.

# Valuation Methodology

In appraisal practice, an approach to value is included or omitted based on its applicability to the property type being valued and the quality and quantity of information available. Based on information contained in the Thirteenth Edition of *The Appraisal of Real Estate*, published in 2008, depending on a specific appraisal assignment, any of the following four methods may be used to determine the market value of the fee simple interest of land:

- Direct Comparison Approach;
- Income Capitalization Procedures;
- Allocation; and
- Extraction.

The following summaries of each method are paraphrased from the text.

The first is the **direct comparison approach**. This is a process of analyzing sales of similar, recently sold parcels in order to derive an indication of the most probable sales price (or value) of the property being appraised. The reliability of this approach is dependent upon (a) the availability of comparable sales data, (b) the verification of the sales data regarding size, price, terms of sale, etc., (c) the degree of comparability or extent of adjustment necessary for differences between the subject and the comparable transactions, and (d) the absence of non-typical conditions affecting the sales price. This is the primary and most reliable method used to value land (if adequate data exists).

The **income capitalization procedures** include three methods: land residual technique, ground rent capitalization, and Subdivision Development Analysis. A discussion of each of these three techniques is presented in the following paragraphs.

*The land residual method* may be used to estimate land value when sales data on similar parcels of vacant land are lacking. This technique is based on the principle of balance and the related concept of contribution, which are concerned with equilibrium among the agents of production - i.e. labor, capital, coordination, and land. The land residual technique can be used to estimate land value when: 1) building value is known or can be accurately estimated, 2) stabilized, annual net operating income to the property is known or estimable, and 3) both building and land capitalization rates can be extracted from the market. Building value can be estimated for new or proposed buildings that represent the highest and best use of the property and have not yet incurred physical deterioration or functional obsolescence.

*The subdivision development method* is used to value land when subdivision and development represent the highest and best use of the appraised parcel. In this method, an appraiser determines the number and size of lots that can be created from the appraised land physically, legally, and economically. The value of the underlying land is then estimated through a discounted cash flow analysis with revenues based on the achievable sale price of the finished product and expenses based on all costs required to complete and sell the finished product.

*The ground rent capitalization procedure* is predicated upon the assumption that ground rents can be capitalized at an appropriate rate to indicate the market value of a site. Ground rent is paid for the right to use and occupy the land according to the terms of the ground lease; it corresponds to the value of the landowner's interest in the land. Market-derived capitalization rates are used to convert ground rent into market value. This procedure is useful when an analysis of comparable sales of leased land indicates a range of rents and reasonable support for capitalization rates can be obtained.

The **allocation method** is typically used when sales are so rare that the value cannot be estimated by direct comparison. This method is based on the principle of balance and the related concept of contribution, which affirm that there is a

normal or typical ratio of land value to property value for specific categories of real estate in specific locations. This ratio is generally more reliable when the subject property includes relatively new improvements. The allocation method does not produce conclusive value indications, but it can be used to establish land value when the number of vacant land sales is inadequate.

The **extraction method** is a variant of the allocation method in which land value is extracted from the sale price of an improved property by deducting the contribution of the improvements, which is estimated from their depreciated costs. The remaining value represents the value of the land. Value indications derived in this way are generally unpersuasive because the assessment ratios may be unreliable, and the extraction method does not reflect market considerations.

### **Selection of Relevant Methodology**

The market for any real estate consists of those entities that can benefit from the highest and best use of a particular property and, accordingly, are willing and able to pay a competitive price. In most cases, for any particular property the market is represented by a fairly clearly defined group of individuals or financial entities. In the case of the subject property, the purchaser profile would typically be a developer/investor for large parcels and final users for condominium units. The valuation contained in this document attempts to replicate the analysis that a prospective purchaser would likely use.

In this case, the development method is the most appropriate and most commonly accepted approach for a development project. The Sales Comparison Approach is utilized within this method in order to obtain an indication of value for the inventory to be developed. Additionally, the Cost Approach has been used to obtain the Replacement Cost Upon Completion.

# Development Approach

The development method is used to value a property when development represents the highest and best use of the appraised parcel. In this method, an appraiser determines the inventory that can be created from the appraised land physically, legally, and economically. The value of the project is then estimated through a discounted cash flow analysis with revenues based on the achievable sale price of the finished product and expenses based on all costs required to complete and sell the finished product.

The purpose of this section is to present an analysis of the cash flows generated from the sales of the individual units to be sold in the subject property. This typically consists of an analysis of the projected sales absorption period, offset for holding costs and selling expenses, and discounted at an appropriate rate. The costs are deducted to arrive at the as is value of the project. The assumptions regarding income and gross sales proceeds and appropriate expense deductions are presented in the following pages.

## **Aggregate Retail Sale Proceeds**

The aggregate retail sale proceeds is the sum of the estimated individual condominium units prices, assuming the condominium units are sold to individual homeowners. We have estimated the condominium unit prices based on an analysis of units within competitive developments and the project itself. The objective of this survey is to estimate a base price for the condominium units.

All of the condominium units are valued on a retail finished basis, after which development costs and risk will be deducted to arrive at the as is value for the subject asset.

## Direct Comparison Approach

The Direct Comparison Approach will be used for valuing the inventory comprising the subject property. The Direct Comparison Approach is based on the “Principle of Substitution” which maintains that a prudent purchaser would not pay more for a property than what it would cost to purchase a suitable alternative property that exhibits similar physical characteristics, tenancy, and location.

Within this approach, the property being valued is compared to properties that have sold recently or are currently listed and are considered to be relatively similar to the subject property. The direct sales comparison approach is applicable when there are sufficient recent and reliable transactions to indicate value patterns or trends in the market. Typically, a unit of comparison (i.e. sale price per square meter, sale price per hectare, sale price per lot) is used to facilitate the analysis.

## **Selection of Comparable Sales**

As one sale is not necessarily indicative of market value, an appraiser examines a number of market transactions. When properly reconciled, trends emerge, leading to the estimate of market value of the property being appraised.

In valuing the subject property, comparison was made to each of the indexed sales. The basis for comparison included the consideration of the following:

- Property Rights Conveyed
- Financing Terms
- Conditions of Sale
- Market Conditions
- Location
- Physical Condition



We have conducted research on the residential market in Bosques de Las Lomas to identify similar properties, closing operations and listings. It should be noted that information related to closed sale transactions is generally very difficult to uncover in Mexico. Given that many transactions do not involve the brokerage community, and vendors and purchasers are very reluctant to disclose any details related to closed sales, the flow of information is very weak and there is a lack of transparency in the market.

Our investigation disclosed four closed transactions and four listings that in our opinion provide sufficient information from which to determine the market value of the subject inventory. Our survey is shown on the following pages and provides an overview of four closed transactions and four listings which range in size from 441.43 m<sup>2</sup> to 725.00 of A/C area and establish an overall unadjusted unit rate range from MX\$129,720.45/m<sup>2</sup> to MX\$323,688.78/m<sup>2</sup>. They are located in the general vicinity of the subject property.

The table on the following page shows the comparable lands found and used for our analysis.

SUMMARY OF COMPARABLE PROPERTIES									
Index	Location	Transaction		A/C Area		Sale Price (MX\$)	Sale Price (MX\$)		Characteristics
		Type	Date	(m <sup>2</sup> )	(ft <sup>2</sup> )		per m <sup>2</sup>	per ft <sup>2</sup>	
1	Cero5Cien Unit B201	Sale	Feb-24	445	4,790	\$57,725,600	\$129,720.45	\$12,051.42	Delivered as shell 5 parking spaces Ext. Area: 80 m <sup>2</sup> Yr. Built: 2025
2	Cero5Cien Unit A101	Sale	Jun-23	606	6,523	\$85,200,000	\$140,594.06	\$13,061.62	Delivered as shell 6 parking spaces Ext. Area: 230 m <sup>2</sup> Yr. Built: 2025
3	Cero5Cien Unit C101	Sale	May-23	606	6,523	\$93,000,000	\$153,465.35	\$14,257.40	Delivered as shell 6 parking spaces Ext. Area: 392 m <sup>2</sup> Yr. Built: 2025
4	Cero5Cien Unit B302	Sale	Apr-23	445	4,790	\$68,360,000	\$153,617.98	\$14,271.58	Delivered as shell 5 parking spaces Ext. Area: 80 m <sup>2</sup> Yr. Built: 2025
5	Privada Reforma, Floor 2, Lomas Altas	Listing	Current	441	4,752	\$82,125,000	\$186,043.09	\$17,283.97	Delivered as shell 6 parking spaces Ext. Area: 83.73 m <sup>2</sup> Yr. Built: 2021
6	Veralles 255, Lomas de Reforma	Listing	Current	680	5,652	\$95,000,000	\$139,705.88	\$16,808.21	Delivered as shell 5 parking spaces Ext. Area: 257 m <sup>2</sup> Yr. Built: 2025
7	Cero5Cien Unit D102	Listing	Current	460	5,652	\$148,896,838	\$323,688.78	\$26,344.10	Delivered as shell 5 parking spaces Ext. Area: 435 m <sup>2</sup> Yr. Built: 2025
8	Cero5Cien Unit P402	Listing	Current	725	5,652	\$160,039,092	\$220,743.58	\$28,315.48	Delivered as shell 5 parking spaces Ext. Area: 287 m <sup>2</sup> Yr. Built: 2025

## Basis for Adjustments

### Sale Date

Where the market is changing, it may be necessary to adjust prices to reflect the time difference between the date of sale of a comparable property and the date of valuation.

### Property Rights Conveyed

When real property rights are sold, they may be the sole subject of the contract or the contract may include other rights. In the sales comparison analysis, it is pertinent that the property rights of the comparable sale be similar to the property rights of the subject property. All the sales considered were either a Mexican Trust (fideicomiso) interest (equivalent to a fee simple interest) of fee simple transfers, no adjustments were necessary.

### Financing Terms

The transaction price of one property may differ from that of a similar property due to different financing arrangements. Financing arrangements may include existing mortgages at favorable interest rates or paying cash to a lender so that a mortgage with a below-market interest rate could be offered.

### Conditions of Sale

Adjustments for conditions of sale usually reflect the motivations of the purchaser and vendor. In some cases the conditions of sale significantly affect transaction prices. Sales that reflect unusual situations, require an appropriate adjustment for motivation or sale condition. For example, power-of-sale conditions involve a certain degree of urgency on part of the lender - leading to a somewhat lower sale price than what would otherwise be expected. Thus also, the marketing time is a factor to discount in order to accelerate the closure.

### Location

An adjustment for location within a market area may be required when the locational characteristics of a comparable property are different from those of the subject property. Excessive locational differences may disqualify a property from use as a comparable. Although no location is inherently desirable or undesirable, the market recognizes that one location is better than, similar to, or worse than another. An additional factor is definitely the accessibility offered by the property factor for a property to be more salable. Finally, it is important to identify the type and quality of the view that the subject property offers views of the sea or the beach are of greater value than internal development views, mountain or city.

### Physical Characteristics

Adjustments were applied to those sales that were materially smaller or larger than the subject property. Positive and negative adjustments were also applied to those sales that were felt to offer more or less amenities than the subject. In addition, adjustments were made for overall physical quality considering factors such as reported quality of interior finishes, general design, parking garage, landscaping, etc. Adjustments were also made to those properties that were sold fully furnished.

## Adjustment Table

The following tables show an adjustment chart which is used to quantify the comparable sales and listings against the subject property in terms of their characteristics. If the comparable is considered to be superior to the subject property it is given weight of slightly superior or considerably superior. Likewise, if the comparable is considered to be inferior to the subject property it is given a weighting of slightly inferior or considerably inferior.

CHART OF ADJUSTMENTS								
Comparable	1	2	3	4	5	6	7	8
<b>Transaction Type</b>	Sale	Sale	Sale	Sale	Sale	Sale	Sale	Sale
<b>Sale Date</b>	Feb-24	Jun-23	May-23	Apr-23	Current	Current	Current	Current
<b>Area m<sup>2</sup></b>	445	606	606	445	441	680	460	725
<b>Sale Price (MX\$)</b>	\$57,725,600	\$85,200,000	\$93,000,000	\$68,360,000	\$82,125,000	\$95,000,000	\$148,896,838	\$160,039,092
<b>Price per m<sup>2</sup></b>	\$129,720.45	\$140,594.06	\$153,465.35	\$153,617.98	\$186,043.09	\$139,705.88	\$323,688.78	\$220,743.58
<b>ADJUSTMENT GRID</b>								
<b>Property Rights Conveyed</b>	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar
<b>Financing Terms</b>	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar
<b>Conditions of Sale</b>	Similar	Similar	Similar	Similar	Superior	Superior	Significantly Superior	Significantly Superior
<b>Market Conditions</b>	Slightly Inferior	Slightly Inferior	Slightly Inferior	Slightly Inferior	Similar	Similar	Similar	Similar
<b>Location</b>	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar
<b>A/C Size</b>	Similar	Similar	Similar	Similar	Inferior	Inferior	Similar	Inferior
<b>Physical Characteristics</b>	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar
<b>Age Condition</b>	Similar	Similar	Similar	Similar	Slightly Inferior	Similar	Similar	Similar
<b>Complex Amenities</b>	Similar	Similar	Similar	Similar	Inferior	Inferior	Similar	Similar
<b>Overall Comparability</b>	<b>Slightly Inferior</b>	<b>Slightly Inferior</b>	<b>Slightly Inferior</b>	<b>Slightly Inferior</b>	<b>Slightly Superior</b>	<b>Slightly Inferior</b>	<b>Significantly Superior</b>	<b>Significantly Superior</b>

Additionally, for reference purposes, the table below provides an overview of pricing for both the sold inventory and the currently available units within the subject property.

Cero5Cien Pricing					
	A/C Area (m <sup>2</sup> )	Total Area (m <sup>2</sup> )	Price (MX\$)	\$ / AC Area	\$ / Total Area
<b>TOTALS</b>	<b>57,660</b>	<b>82,287</b>	<b>\$9,289,389,329</b>	<b>\$161,107.47</b>	<b>\$112,890.49</b>
MIN	320	393	\$36,385,000	\$69,826.44	\$36,856.94
AVG	554	791	\$89,321,051	\$161,107.47	\$112,890.49
MAX	1,167	1,665	\$167,595,510	\$323,688.78	\$226,344.42
<b>SOLD</b>	<b>36,237</b>	<b>51,873</b>	<b>\$3,977,236,479</b>	<b>\$109,757.50</b>	<b>\$76,672.97</b>
MIN	320	393	\$36,385,000	\$69,826.44	\$36,856.94
AVG	566	811	\$62,144,320	\$109,757.50	\$76,672.97
MAX	1,167	1,665	\$145,274,950	\$153,617.98	\$130,209.52
<b>UNSOLD</b>	<b>21,423</b>	<b>30,414</b>	<b>\$5,312,152,850</b>	<b>\$247,964.94</b>	<b>\$174,661.43</b>
MIN	320	393	\$85,567,588	\$220,743.58	\$145,300.86
AVG	536	760	\$132,803,821	\$247,964.94	\$174,661.43
MAX	725	1,030	\$167,595,510	\$323,688.78	\$226,344.42

## Direct Comparison Approach Conclusion

We have researched the surrounding area for similar condominium unit sales and listings. As mentioned above, information related to closed sale transactions is generally very difficult to uncover in Mexico. We were able to disclose four closed transactions and four listings within Bosques de Las Lomas surroundings.

Some of the comparable properties are located within the same residential complex, which we consider to be the best option for comparison as well as the historical data of closed sales within the project. Additionally, we have found two condominium units currently for sale in different residential complexes. These units are core and shell units, similar to the inventory offered by the subject property.

Overall, after analyzing the above information, it is our opinion that the subject property, given its location, size, maintenance level, age and overall physical condition could achieve a value in a range between MX \$170,000/m<sup>2</sup> to MX \$180,000/m<sup>2</sup> (A/C area). It is our opinion that an average unit value of MX \$175,000/m<sup>2</sup> of A/C area is appropriate for the inventory available for sale. The subject's market value is indicated to be as follows:

### Conclusion Value

The value indication by means of the Direct Comparison Approach is summarized as follows:

CONCLUDED VALUE - Average Unit		
A/C Area (m <sup>2</sup> )	Price / m <sup>2</sup>	Value
536	\$175,000	\$93,700,000

## Retail Price Conclusion

The retail price conclusions for the unsold inventory within the subject are summarized as follows. These will be used in the cash flow analysis later in this section.

SUBJECT INVENTORY - UNSOLD PRODUCT					
Unit	Type	A/C Area (m <sup>2</sup> )	Total Area (m <sup>2</sup> )	\$ / AC Area	Price (MX\$)
B-102	GH LUX	480	843	\$175,000.00	\$84,000,000
D-102	GH LUX	460	895	\$175,000.00	\$80,500,000
J-101	GH LUX	460	895	\$175,000.00	\$80,500,000
N-202	GH LUX CN	472	740	\$175,000.00	\$82,600,000
Q 202	GH LUX CN	543	809	\$175,000.00	\$95,025,000
F-101	GH DELUXE	606	844	\$175,000.00	\$106,050,000
F-102	GH DELUXE	606	841	\$175,000.00	\$106,050,000
G-101	GH DELUXE	606	841	\$175,000.00	\$106,050,000
G-102	GH DELUXE	606	841	\$175,000.00	\$106,050,000
H-202	GH DELUXE	619	788	\$175,000.00	\$108,325,000
A-301	TERRAZA LOFT	320	393	\$175,000.00	\$56,000,000
A-302	TERRAZA LOFT	320	393	\$175,000.00	\$56,000,000
C-301	TERRAZA LOFT	320	393	\$175,000.00	\$56,000,000
C-302	TERRAZA LOFT	320	393	\$175,000.00	\$56,000,000
F-301	TERRAZA LOFT	320	393	\$175,000.00	\$56,000,000
G-301	TERRAZA LOFT	320	393	\$175,000.00	\$56,000,000
B-202	TERRAZA LUX	445	525	\$175,000.00	\$77,875,000
B-301	TERRAZA LUX	445	525	\$175,000.00	\$77,875,000
B-402	TERRAZA LUX	445	525	\$175,000.00	\$77,875,000
D-201	TERRAZA LUX	445	525	\$175,000.00	\$77,875,000
D-301	TERRAZA LUX	445	525	\$175,000.00	\$77,875,000
D-401	TERRAZA LUX	445	525	\$175,000.00	\$77,875,000
D-402	TERRAZA LUX	445	525	\$175,000.00	\$77,875,000
Q-302	TERRAZA LUX CNA	460	556	\$175,000.00	\$80,500,000
P-302	TERRAZA LUX CNA	460	556	\$175,000.00	\$80,500,000
B-502	PH LOFT	460	786	\$175,000.00	\$80,500,000
J-401	PH LUX	651	939	\$175,000.00	\$113,925,000
M-402	PH LUX	651	939	\$175,000.00	\$113,925,000
N-402	PH LUX CNA	725	1,012	\$175,000.00	\$126,875,000
O-402	PH LUX CNA	725	1,012	\$175,000.00	\$126,875,000
P-402	PH LUX CNA	725	1,012	\$175,000.00	\$126,875,000
Q-402	PH LUX CNA	725	1,012	\$175,000.00	\$126,875,000
P-401	PH DELUXE EQ	652	1,020	\$175,000.00	\$114,100,000
Q-401	PH DELUXE EQ	652	1,020	\$175,000.00	\$114,100,000
A-401	PH DELUXE	674	1,030	\$175,000.00	\$117,950,000
A-402	PH DELUXE	674	1,030	\$175,000.00	\$117,950,000
C-401	PH DELUXE	674	1,030	\$175,000.00	\$117,950,000
C-402	PH DELUXE	674	1,030	\$175,000.00	\$117,950,000
F-402	PH DELUXE	674	1,030	\$175,000.00	\$117,950,000
G-401	PH DELUXE	674	1,030	\$175,000.00	\$117,950,000
	<b>AVERAGE</b>	<b>536</b>	<b>760</b>	<b>\$175,000.00</b>	<b>\$93,725,625</b>

## Prospective Aggregate Value

At the request of the client, below we provide the prospective aggregate value of all the inventory including sold and unsold units, as if finished based on the conclusions above. It must be noted that 64 units have been sold to date. The closed sale price has been used to calculate the Prospective Aggregate Value, as these units are currently unavailable for sale.

<b>PROSPECTIVE AGGREGATE VALUE UPON COMPLETION</b>	
Average Price per Unit Sold	\$62,144,320
Number of Sold Units	64
<b>Aggregate Value</b>	<b>\$3,977,236,479</b>
Current Average Price per Available Unit	\$93,725,625
Number of Available Units	40
<b>Aggregate Value</b>	<b>\$3,749,025,000</b>
Estimated Completion Date	Feb-25
Anticipated change in unit price	+15%
Prospective Aggregate Value of Available Units	\$4,311,378,750
<b>TOTAL PROSPECTIVE AGGREGATE VALUE (ROUNDED)</b>	<b>\$8,288,600,000</b>

The subject property has experienced an average growth of approximately 10% each year in closed prices (excluding the unit sold in 2024). With the completion of the complex, we expect further appreciation. Therefore, we anticipate a 15% adjustment on the completion date to account for this. For this reason, we have used this factor in the previous analysis.

Based on our analysis, we estimate the Prospective Aggregate Value 'Upon Completion' of the subject property to be **\$8,288,600,000 Pesos** equivalent to \$103,655.44/ m<sup>2</sup> of saleable area.

## Absorption

Cero5Cien is currently selling core and shell condominium units. This type of inventory has been successfully offered by the development for the past seven years, with units consistently being absorbed by buyers. Feedback from owners, agents, builders, architects, and interior designers indicates that buyers are particularly drawn to this product due to the ability to customize their home. However, it should be noted that the appeal of core and shell units is limited to a specific sector of the population.

### Cuajimalpa Market Absorption Trends

The high-quality home market in the area is led primarily by two significant factors: sales volume and average price trends. After conducting a comprehensive investigation, we have not identified a direct competitor to Cero5Cien in the influence area that offers comparable amenities and project size.

However, we have identified projects currently offering new units for sale in the general vicinity of the subject property.

ABSORPTION RATES OF PROJECTS IN THE AREA					
Project Name	Total Units Planned	Current Units	Sold Units	Remaining Units	Monthly Absorption
Alcada	62	62	47	15	<b>0.7</b>
Encinar Torre A y B	132	88	55	33	<b>0.7</b>
Origina Santa Fe Torre I	252	252	127	125	<b>3.6</b>
Over Santa Fe Torre B y E	204	68	52	16	<b>0.7</b>
Torre Elite Mistral	200	200	195	5	<b>1.6</b>
<b>Total</b>	<b>850</b>	<b>670</b>	<b>476</b>		<b>7.3</b>
<b>Average</b>					<b>1.46</b>

Additionally, there are two projects offering core and shell units in the surrounding area:

- Versalles 255 – a 3-unit luxury condominium complex with only one unit available for sale with an absorption rate around 0.17 units per month
- Privada Reforma – a 10-unit luxury condominium complex which started in 2021 and still has units available for sale. We estimate an absorption of 0.2 units per month

This information has been used in our valuation.

### Absorption Forecast for the Subject Development

In order to project the future absorption rate for the remaining inventory within the subject asset, we have also reviewed historical sales activity within Cero5Cien development itself.

The table below displays the absorption pace recorded from 2017 and 2024. It is worth mentioning that as of June 2024, only one sale has occurred within the year. The data is presented in units per month:

2017	2018	2019	2020	2021	2022	2023	2024
2.58	0.58	0.42	0.17	0.75	0.50	0.25	0.17

Overall, the absorption pace has slowed down but it could also be due to current construction works and the time it has taken for completion. In our opinion, a rate between 0.5 to 0.8 units per month could be achievable for this project.

The absorption rate we have used in our forecast is based on the above information.

## Assumptions

### Market Conditions Forecast

The following information presented are economic indicators taken from Banco de Mexico (Banxico) and Trading Economics:

- The inflation rate in Mexico for the first six months of 2024 fluctuated between 4.40% and 4.98% with an average rate of 4.60%. Inflation has accelerated during the last 3 months of the year.
- The exchange rate in 2024 started the year at \$17.0297 MXN/USD, which was below the average rate of the year. By July 2024, it has slightly increased to \$17.7837 MXN/USD.

We project a 4% annual expense inflation rate with a 4% annual price increase in line with historical inflation as the high growth is not likely to continue over the sellout.

### Revenues

For the purpose of our analysis, we have identified the following revenues sources:

- Available units for sale: their retail price has been previously estimated and these units are proposed to be sold during the following 4 to 5 years based on projected absorption.
- Amount collected of units sold: based on the analysis requested by the client, we will consider the amount received for the sale of 64 units from the inventory.
- Remaining Balance to be collected: the remaining balances of the units already sold have been calculated and, given the low risk that represents this collection, we have assumed these flows are collected at the beginning of the analysis.

### Cost Forecast

In order to estimate the construction costs and marketing expenses associated with the development of the subject, we have reviewed the cost estimates provided by the client and the costs incurred at some similar developments.

Both budget development costs to finish the project and construction schedule have been provided by the client. The reports include the expected completion date, as well as incurred costs to date. There are some comments to be considered for these costs:

- The Value Added Tax has not been considered in our analysis
- Costs used in our analysis are depicted in the following table and are based on information provided by the client:

<b>COSTS (MX\$)</b>	
- Hard Costs	\$449,671,058

### Construction Cost Increases

An annual inflation factor of 4.0% has been used in our analysis based on our previous analysis.

### Marketing and Sales

The marketing and sales expense primarily consists of commissions paid to on-site sales representatives, closing costs, and marketing expenses (brochures, advertisements, signs, etc.). The estimated sales and marketing expenses of high-end projects in Mexico is generally between 6% to 12%. Our U.S. survey ranged from 3.0% to 7.0%. For the purposes of our analysis, we have estimated that the overall costs will be 7.0% of gross sales for these expenses.



## General and Administrative

The general and administrative expenses consist of expenses related to administration, accounting and legal expenses of monitoring the sales program on behalf of the passive investor/developer. Actual data and interviews show that a typical general and administrative expense ranged from 3.0% to 6.0% of gross sales. We have utilized a 4.0% general and administrative expense in our discounted cash flow.

## Property Taxes

Based on market benchmarks, a percentage between 1.0% and 2.0% of the unit price is charged as property taxes. For the purposes of this analysis, a percentage of 2.0% has been used.

## Discount Rate

The project discount rate, yield rate, or internal rate of return (IRR), is typically the rate of return on the total unleveraged investment in a development, including both liquidity and risk. It is based on risk, liquidity and management burden and is the rate which would attract a prudent investor. Although the actual rate of return on an investment cannot be calculated until the investment is sold, an investor may consider a target yield rate for the investment prior to or during ownership. This rate considers the influence or the degree of apparent risk, prospective rates of return for alternative investment opportunities, historical rates of return earned by comparable properties, market attitudes with respect to future inflation or deflation, supply of and demands for mortgage funds, availability of tax shelters, etc.

Analysts have attempted to apply rates of return typically utilized for income producing properties in subdivision analysis; however, subdivisions are constructed to sell not to produce a recurring income. A subdivision cash flow is a series of reversions, whereby the asset is continuously disposed of until there is nothing left at the end of the holding period. Further, subdivision discount rates include both entrepreneurial profit and return on equity as opposed to income property rates which do not include entrepreneurial profit. Because the cash flow characteristics differ from those of income property, the application of “income property” rates is inappropriate for subdivision analysis. Instead, land development surveys and interviews of market participants active with land and subdivision development provide a more accurate reflection risk tolerances and expectations regarding investment returns.

It should be noted that market participants underwriting new developments typically do not segregate profit and the discount rate. Rather, they focus on the overall internal rate of return. Discount rates are not readily available in Mexico. Primary research of Mexico residential developers is generally concurrent with U.S. developers. There is very limited U.S. lending in Mexico and debt is generally contained to well established assets with U.S. based or reputable brands, as well as a low loan to value ratio and higher interest rates than the U.S. However, U.S. discount rates are based largely on leveraged assets, while Mexico assets are typically all cash. A majority of construction financing is funded by pre-sales, with some personal developer or venture capital, and a limited amount from Mexico banks. Thus, these factors tend to generally offset and U.S. and Mexico discount rates generally mimic each other.

Since investor surveys and discount rates are not readily available in México, we have included U.S. based discount rates as a guide.

We considered the PwC survey in selecting an appropriate IRR for the subject. The results of the most recent National Land Development Market survey for the second quarter 2024 indicated a range of 14% to 30% overall, with an average of 19.13%, which is down 7 basis points from the discount rate reported one prior year and 6 months before.

Finally, we have also considered the second quarter 2024 survey prepared by RealtyRates.com. The following tables summarize current IRR's for residential subdivisions in the United States:

Table DVL-2  
**DISCOUNT RATES (IRRs)<sup>a</sup>**

2Q23	12.00% – 30.00%	19.20%
4Q23	12.00% – 30.00%	19.20%
2Q24	14.00% – 30.00%	19.13%

a. Rate on unleveraged, all-cash transactions; including developer's profit

RealtyRates.com DEVELOPER SURVEY - 2nd Quarter 2024						
National - Subdivisions & PUDs						
	Actual Rates			Pro-Forma Rates		
	Min	Max	Avg	Min	Max	Avg
<b>Site-Built Residential</b>	14.48%	50.37%	32.59%	13.90%	48.35%	31.28%
-100 Units	14.48%	43.42%	29.10%	13.90%	41.68%	27.93%
100-500 Units	14.84%	47.78%	31.46%	14.25%	45.85%	30.80%
500+ Units	15.21%	49.93%	32.73%	14.60%	47.94%	32.67%
Mixed Use	15.57%	50.37%	33.13%	14.95%	48.35%	33.07%
<b>Manufactured Housing</b>	14.94%	55.04%	35.86%	14.34%	52.84%	33.76%
-100 Units	14.94%	47.88%	32.19%	14.34%	45.94%	30.30%
100-500 Units	15.32%	52.64%	34.03%	14.70%	50.54%	33.44%
500+ Units	15.69%	55.04%	36.25%	15.06%	52.84%	35.19%
<b>Business Parks</b>	14.90%	51.11%	33.84%	14.30%	49.09%	31.96%
-100 Acres	14.90%	44.47%	30.42%	14.30%	42.69%	28.64%
100-500 Acres	15.27%	48.91%	32.89%	14.66%	46.96%	31.58%
500+ Acres	15.64%	51.11%	34.22%	15.02%	49.09%	33.50%
<b>Industrial Parks</b>	14.98%	44.33%	30.43%	14.38%	42.61%	29.27%
-100 Acres	14.98%	38.60%	27.46%	14.38%	37.06%	25.90%
100-500 Acres	15.35%	42.48%	29.63%	14.74%	40.76%	28.50%
500+ Acres	15.73%	44.33%	30.81%	15.10%	42.61%	29.06%

\*1st Quarter 2024 Data

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- CBRE 12% to 25%
- PwC-Realty Rates 14% to 30% (average 19.13%)
- Realty Rates 14.48% to 43.42% (average 29.10%)

Risk is comprised of several varying factors that weigh on the potential success of a proposed development. Location, density, price point, etc. all contribute to the likelihood of success or risk of a proposed development. The following analysis is based upon discussions and interviews with builders, developers, agents, and architects in Mexico as well as our analysis of various developments around the country and their performance based on these factors. We have seen successful developments in tough times and poor developments in good times and have thus utilized the characteristics of all of these developments in this analysis. The following chart indicates the risk rate of the subject based on this technique.

RISK RATE ANALYSIS			
Risk Factor	Subject Position	Subject Rating	
Product Type	condominium units	Low	1
Product Quality	Excellent	Low	1
Product Pricing	> \$80,000,000	High	3
Product Demand	Moderate	Moderate	2
Location	Mexico City	Low	1
Density	Low	Low	1
Entitlements	Full	Low	1
Project Amenities	Pools, restaurants, bars, spa, gym, sports courts, kids club	Low	1
Quality of Construction	Excellent	Low	1
Absorption timeline	4 to 5 Years	Moderate	2
Submarket Maturity	Well established	Low	1
Maturity of Project	Developing	Moderate	2
Availability of Financing	Moderate	Moderate	2
<b>Overall Risk Conclusion</b>		<b>Low</b>	<b>1.5</b>
Compiled by CBRE			

The subject is gauged to be within the high-end limit of the low-risk rate based on these factors. Based upon the preceding information regarding risk rates and our many appraisals and feasibility studies we have conducted in Mexico over the past years, the following assigns the risk rating to actual discount rates.

DISCOUNT RATE MATRIX		
Risk	Range	
Low	12% to 15%	1 to 1.5
Moderate	15% to 18%	1.5 to 2
High	18% to 25%	2 to 3
Compiled by CBRE		

Low risk projects would be a good quality existing single-family development in an established market such as Mexico City, Monterrey, Guadalajara, Queretaro in Mexico. Moderate risk projects would be a proposed good quality single-family development with entitlements in place. A high-risk project would be a proposed overage quality single-family development with no entitlements in place.

The subject is located within a well-established market being the main city in the country. Mexico City has historically attracted wealthy buyers.

Based on the historical sales, quality of the project, the expected time for completion the development of the subject, the credit quality of the owner as well as a low to moderate level of uncertainty surrounding the Mexico City market, and the ranges previously discussed, we have used a 15.0% discount rate for the following cash flow analyses based on risk.

## Cash Flow Projection

**CEROSCIEN  
CONDOMINIUMS  
ASSUMPTIONS**

Inventory	Units	AC Area (m <sup>2</sup> )	Built Area (m <sup>2</sup> )	Total Area (m <sup>2</sup> )
Average Condominium Unit	40	21,423.00	30,414.00	1,216,560.00
<b>Total</b>	40	21,423.00	30,414.00	1,216,560.00

SALES ABSORPTION	YEAR	1	2	3	4
<b>Units Sold per Year</b>	<b>Units Sold</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>
Average Condominium Unit	40	10	10	10	10

SALES PRICE (MX\$)	YEAR	1	2	3	4
	Price				
Initial Sale Price (MX\$ / m <sup>2</sup> )					
Average Condominium Unit	\$93,700,000	\$97,448,000	\$101,345,920	\$105,399,757	\$109,615,747
WGTD. AVG. SALE PRICE (MX\$)*	<b>\$93,700,000</b>	<b>\$97,448,000</b>	<b>\$101,345,920</b>	<b>\$105,399,757</b>	<b>\$109,615,747</b>
Increase in Prices (4.0% Annually)		4.00%	4.00%	4.00%	4.00%

PROFORMA	YEAR	1	2	3	4
<b>REVENUE</b>					
Average Condominium Unit		\$974,480,000	\$1,013,459,200	\$1,053,997,568	\$1,096,157,471
<b>Total Revenue</b>		<b>\$974,480,000</b>	<b>\$1,013,459,200</b>	<b>\$1,053,997,568</b>	<b>\$1,096,157,471</b>
<b>UNITS SOLD</b>					
Collection & Pending Collection Sold Units	\$3,977,236,479				
<b>EFFECTIVE COLLECTION</b>					
Condo Units					
First Payment (%)	100%	\$974,480,000	\$1,013,459,200	\$1,053,997,568	\$1,096,157,471
<b>Total Collection</b>		<b>\$974,480,000</b>	<b>\$1,013,459,200</b>	<b>\$1,053,997,568</b>	<b>\$1,096,157,471</b>
<b>OPERATING EXPENSES</b>					
Administrative & General		4.0%	4.0%	4.0%	4.0%
Marketing & Advertising		2.0%	2.0%	2.0%	2.0%
Sales Commissions		5.0%	5.0%	5.0%	5.0%
Property Taxes		2.0%	2.0%	2.0%	2.0%

	YEAR	1	2	3	4
<b>COSTS (%)</b>					
- Hard Costs	100.0%	100%	0%	0%	0%
TOTAL:	100.0%	100%	0%	0%	0%
Increase in Construction Costs (4.0% Annually)	4.0%	4.00%	4.00%	4.00%	4.00%
<b>COSTS (MX\$)</b>					
- Hard Costs	\$449,671,058	\$467,657,901	\$0	\$0	\$0
TOTAL:	\$449,671,058	\$467,657,901	\$0	\$0	\$0

**CERO5CIEN  
CONDOMINIUMS  
(MX\$)**

Item / Year	PROFORMA						Total	%
	0	1	2	3	4			
<b>REVENUE</b>								
- Collection & Pending Collection Sold Units	\$3,977,236,479						\$3,977,236,479	
- Effective Collection Condo Units		\$974,480,000	\$1,013,459,200	\$1,053,997,568	\$1,096,157,471	\$4,138,094,239		
Total Revenue	\$3,977,236,479	\$974,480,000	\$1,013,459,200	\$1,053,997,568	\$1,096,157,471	\$8,115,330,718	100.0%	
<b>Costruction Costs</b>	\$0	\$467,657,901	\$0	\$0	\$0	\$467,657,901	5.8%	
<b>GROSS PROFIT</b>	<b>\$3,977,236,479</b>	<b>\$506,822,099</b>	<b>\$1,013,459,200</b>	<b>\$1,053,997,568</b>	<b>\$1,096,157,471</b>	<b>\$7,647,672,817</b>	<b>94.2%</b>	
<b>OPERATING EXPENSES</b>								
Administrative & General	\$159,089,459	\$38,979,200	\$40,538,368	\$42,159,903	\$43,846,299	\$324,613,229	4.0%	
Marketing & Advertising	\$79,544,730	\$19,489,600	\$20,269,184	\$21,079,951	\$21,923,149	\$162,306,614	2.0%	
Sales Commissions	\$198,861,824	\$48,724,000	\$50,672,960	\$52,699,878	\$54,807,874	\$405,766,536	5.0%	
Property Taxes	\$0	\$19,489,600	\$20,269,184	\$21,079,951	\$21,923,149	\$82,761,885	1.0%	
Total Expenses	\$437,496,013	\$126,682,400	\$131,749,696	\$137,019,684	\$142,500,471	\$975,448,264	12.0%	
<b>NET OPERATING INCOME PV PER YEAR</b>	<b>\$3,539,740,467</b>	<b>\$380,139,699</b>	<b>\$881,709,504</b>	<b>\$916,977,884</b>	<b>\$953,657,000</b>	<b>\$6,672,224,554</b>	<b>82.2%</b>	
<b>Net Present Value as of July 01, 2024 @ Discount Rate: 15% annual</b>	<b>\$5,685,180,000 (Rounded)</b>							

## Development Approach Conclusion – ‘As Is’ Value

Based on our analysis, we estimate the ‘As Is’ Value of the subject property using the Development Approach to be **\$5,685,180,000 Pesos** equivalent to \$71,097.63/ m<sup>2</sup> of saleable area.

# Prospective Value Upon Completion

Per request of the client, we have also estimated the Prospective Value of the project 'Upon Completion'. Based on the information provided. It is expected that the project to be completed by the end of February 2025.

We have used the Development Approach outlined in the previous section to estimate this value, with the following key adjustments:

- Effective Date: we have used February 28<sup>th</sup>, 2025
- Construction Costs: Since the property is assumed to be fully completed, construction costs have not been included
- Pricing: Since the property is assumed to be fully completed, a +15% adjustment has been considered in the price of the units

## Cash Flow Projection

### CEROSCIE CONDOMINIUMS ASSUMPTIONS

Inventory	Units	AC Area (m <sup>2</sup> )	Built Area (m <sup>2</sup> )	Total Area (m <sup>2</sup> )
Average Condominium Unit	40	21,423.00	30,414.00	1,216,560.00
<b>Total</b>	40	21,423.00	30,414.00	1,216,560.00

SALES ABSORPTION	YEAR	1	2	3	4
<b>Units Sold per Year</b>	<b>Units Sold</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>
Average Condominium Unit	40	10	10	10	10

SALES PRICE (MX\$)	YEAR	1	2	3	4
<i>Initial Sale Price (MX\$ / m<sup>2</sup>)</i>	Price				
Average Condominium Unit	\$107,755,000	\$112,065,200	\$116,547,808	\$121,209,720	\$126,058,109
WGTD. AVG. SALE PRICE (MX\$)*	<b>\$107,755,000</b>	<b>\$112,065,200</b>	<b>\$116,547,808</b>	<b>\$121,209,720</b>	<b>\$126,058,109</b>
<i>Increase in Prices (4.0% Annually)</i>		4.00%	4.00%	4.00%	4.00%

PROFORMA	YEAR	1	2	3	4
<b>REVENUE</b>					
Average Condominium Unit		\$1,120,652,000	\$1,165,478,080	\$1,212,097,203	\$1,260,581,091
<b>Total Revenue</b>		<b>\$1,120,652,000</b>	<b>\$1,165,478,080</b>	<b>\$1,212,097,203</b>	<b>\$1,260,581,091</b>
<b>UNITS SOLD</b>					
Collection & Pending Collection Sold Units	\$3,977,236,479				
<b>EFFECTIVE COLLECTION</b>					
Condo Units					
First Payment (%)	100%	\$1,120,652,000	\$1,165,478,080	\$1,212,097,203	\$1,260,581,091
<b>Total Collection</b>		<b>\$1,120,652,000</b>	<b>\$1,165,478,080</b>	<b>\$1,212,097,203</b>	<b>\$1,260,581,091</b>
<b>OPERATING EXPENSES</b>					
Administrative & General		4.0%	4.0%	4.0%	4.0%
Marketing & Advertising		2.0%	2.0%	2.0%	2.0%
Sales Commissions		5.0%	5.0%	5.0%	5.0%
Property Taxes		2.0%	2.0%	2.0%	2.0%

**CERO5CIEN  
CONDOMINIUMS  
(MX\$)**

Item / Year	PROFORMA						Total	%
	0	1	2	3	4			
<b>REVENUE</b>								
- Collection & Pending Collection Sold Units	\$3,977,236,479						\$3,977,236,479	
- Effective Collection Condo Units		\$1,120,652,000	\$1,165,478,080	\$1,212,097,203	\$1,260,581,091	\$4,758,808,375		
Total Revenue	\$3,977,236,479	\$1,120,652,000	\$1,165,478,080	\$1,212,097,203	\$1,260,581,091	\$8,736,044,854	100.0%	
<b>Costruction Costs</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%
<b>GROSS PROFIT</b>	<b>\$3,977,236,479</b>	<b>\$1,120,652,000</b>	<b>\$1,165,478,080</b>	<b>\$1,212,097,203</b>	<b>\$1,260,581,091</b>	<b>\$8,736,044,854</b>	<b>100.0%</b>	
<b>OPERATING EXPENSES</b>								
Administrative & General	\$159,089,459	\$44,826,080	\$46,619,123	\$48,483,888	\$50,423,244	\$349,441,794	4.0%	
Marketing & Advertising	\$79,544,730	\$22,413,040	\$23,309,562	\$24,241,944	\$25,211,622	\$174,720,897	2.0%	
Sales Commissions	\$198,861,824	\$56,032,600	\$58,273,904	\$60,604,860	\$63,029,055	\$436,802,243	5.0%	
Property Taxes	\$0	\$22,413,040	\$23,309,562	\$24,241,944	\$25,211,622	\$95,176,167	1.1%	
Total Expenses	\$437,496,013	\$145,684,760	\$151,512,150	\$157,572,636	\$163,875,542	\$1,056,141,101	12.1%	
<b>NET OPERATING INCOME</b>	<b>\$3,539,740,467</b>	<b>\$974,967,240</b>	<b>\$1,013,965,930</b>	<b>\$1,054,524,567</b>	<b>\$1,096,705,549</b>	<b>\$7,679,903,752</b>	<b>87.9%</b>	
<b>PV PER YEAR</b>	<b>\$3,539,740,467</b>	<b>\$847,797,600</b>	<b>\$766,703,917</b>	<b>\$693,367,020</b>	<b>\$627,044,957</b>			
<b>Net Present Value as of February 28, 2025</b> <b>@ Discount Rate: 15% annual</b>	<b>\$6,474,650,000 (Rounded)</b>							

## Development Approach Conclusion – Prospective Value ‘Upon Completion’

Based on our analysis, we estimate the Prospective Value ‘Upon Completion’ of the subject property using the Development Approach to be **\$6,474,650,000 Pesos** equivalent to \$80,970.57/ m<sup>2</sup> of saleable area.

# Replacement Cost New

## Bylaws

The subject building is assumed to conform to the current land use bylaw. Replacement Cost New is calculated for replacement of the building, as it exists with the same use and configuration, and in accordance with current building standards.

## Replacement Cost New of Improvements

Replacement cost is the estimated cost to construct, as of the effective appraisal date, a substitute for the building being appraised using contemporary materials, standards, design, and layout.

For the purpose of estimating the Replacement Cost New of the subject improvements, we have utilized the complete version of the Cost Approach. In estimating the replacement cost new of the subject's improvements, we have conducted various interviews with active developers throughout the country as well as consulted the Costos Paramétricos – IMIC cost manual.

Base costs within the cost manual are revised monthly and adjustment factors are provided to reflect main Mexican cities cost variations. The published costs include all direct costs for the base structure. Additionally, the following indirect costs have been included in our analysis:

1. Plans, specifications, and building permits, including engineer's and architect's fees.
2. Contractor's overhead and profit, including worker's compensation, fire and liability insurances, unemployment insurance, etc.
3. Developer overhead, property taxes, permanent loan fees, legal costs, developer fees, contingencies, and lease-up and marketing costs.
4. Site Improvement Costs: Landscaping, asphalt paving, walkways, etc.

Based upon our discussions with developers in the local market, the indirect costs account for 15.00% of the adjusted direct costs (after apply adjustment factor). A factor of 8.00% for plans and projects and 7.00% for licenses and permits have been chosen to be used in our analysis.

### **Entrepreneurial Profit**

Entrepreneurial profit represents the return to the developer for taking the construction and lease-up risk. Based upon our discussions with developers in the local market, this figure tends to range between 10.00% to 15.00% of base Building costs plus site improvement costs and other indirect costs. We have chosen to use 12.00% in our analysis.

### **Accrued Depreciation**

Given we are estimating only the Replacement Cost New, no depreciation is considered in our analysis.

### **Construction Progress**

As previously mentioned, the complex being analyzed is currently under construction. As of the effective date of valuation, the property has reached an estimated construction percentage progress of 90.43%. This percentage has been taken into consideration in our analysis.



<b>REPLACEMENT COST NEW - COST APPROACH ANALYSIS</b>			
<b>Areas</b>	<b>Surface</b>		
	( m <sup>2</sup> )	( ft <sup>2</sup> )	
Gross Area (Covered)			
Residential units + circulations	73,521.16	791,375.18	
Underground Parking	68,590.15	738,298.23	
Amenities, Services and Administration (Covered)	7,408.46	102,089.88	
Amenities, Outdoor Pools, Sports Fields (Open-Air)	3,465.97	37,307.39	
<b>Total Gross Area:</b>	<b>152,985.74</b>	<b>1,646,724.80</b>	
Open-Air Area	26,059.22	280,499.11	
<b>COSTS</b>			
<b>Concluded Values (US\$)</b>			
<b>Areas</b>	<b>Total</b>	<b>\$ / m<sup>2</sup></b>	<b>(m<sup>2</sup>)</b>
Residential units + circulations	\$1,415,282,330	\$19,250	73,521
Underground Parking	\$857,376,875	\$12,500	68,590
Amenities, Services and Administration (Covered)	\$132,611,434	\$17,900	7,408
Amenities, Outdoor Pools, Sports Fields (Open-Air)	\$40,898,446	\$11,800	3,466
Exterior Works	\$33,876,986	\$1,300	26,059
<b>SUBTOTAL:</b>	<b>\$2,480,046,071</b>		<b>179,045</b>
Adjustment Factor			
Local Area:	1.000		
<b>Adjusted Direct Cost</b>			\$2,480,046,071
<b>Indirect Cost (15% of Adjusted Direct Cost)</b>			\$372,006,911
<b>Plans &amp; Projects (8.0% of Adjustment Direct Cost + Indirect Cost)</b>			\$228,164,239
<b>License &amp; Permits (7.0% of Adjustment Direct Cost + Indirect Cost)</b>			\$199,643,709
<b>Entrepreneurial Profit (12.0% of Adjustment Direct Cost + Indirect Cost)</b>			\$342,246,358
<b>REPLACEMENT COST NEW</b>			<b>\$3,622,107,287</b>
<b>TOTAL REPLACEMENT COST NEW (RCN)</b>			
<b>TOTAL VALUE (Rounded)</b>			<b>\$3,622,107,000</b>
<b>Per m<sup>2</sup> of residential units area (Rounded):</b>			<b>\$49,270</b>
<b>Construction progress as of July 02, 2024</b>		<b>90.43%</b>	
<b>REPLACEMENT COST NEW (RCN) @ July 02, 2024 (Rounded)</b>			<b>\$3,275,400,000</b>

## Replacement Cost New Conclusion

Based on our analysis, we estimate the subject property's Replacement Cost New value using the Cost Approach to be **\$3,275,400,000 Pesos** equivalent to \$40,961.44/ m<sup>2</sup> of saleable area.

# Land Value

As per requested by the client, we have also estimated the market value of the underlying land. The Direct Comparison Approach will be the primary method for valuing the land comprising the subject property. The Direct Comparison Approach is based on the “Principle of Substitution” which maintains that a prudent purchaser would not pay more for a property than what it would cost to purchase a suitable alternative property that exhibits similar physical characteristics and location.

Within this approach, the property being valued is compared to properties that have sold recently or are currently listed and are considered to be relatively similar to the subject property. The direct comparison approach is applicable when there are sufficient recent and reliable transactions to indicate value patterns or trends in the market. Typically, a unit of comparison (i.e. sale price per square meter, sale price per hectare) is used to facilitate the analysis. In the case of properties similar to the subject, the sale price per square meter is commonly used.

## Description of the underlying land

Based on information provided by the client, the land area of the property analyzed is 55,834.29 m<sup>2</sup> or 600,995.25 ft<sup>2</sup>. The topography is generally level above street level and features an irregular configuration.

## Selection of Comparable Land Sales

As one sale is not necessarily indicative of value, an appraiser examines a number of market transactions. When properly reconciled, trends emerge, leading to the estimate of value of the property being appraised.

We have researched the surrounding area for similar sized land sales and listings. It should be noted that information related to closed sales transactions is generally very difficult to uncover in Mexico given that many transactions do not involve the brokerage community and vendors and purchasers are very reluctant to disclose any details related to closed sales, the flow of information is very weak and there is a lack of transparency in the market.

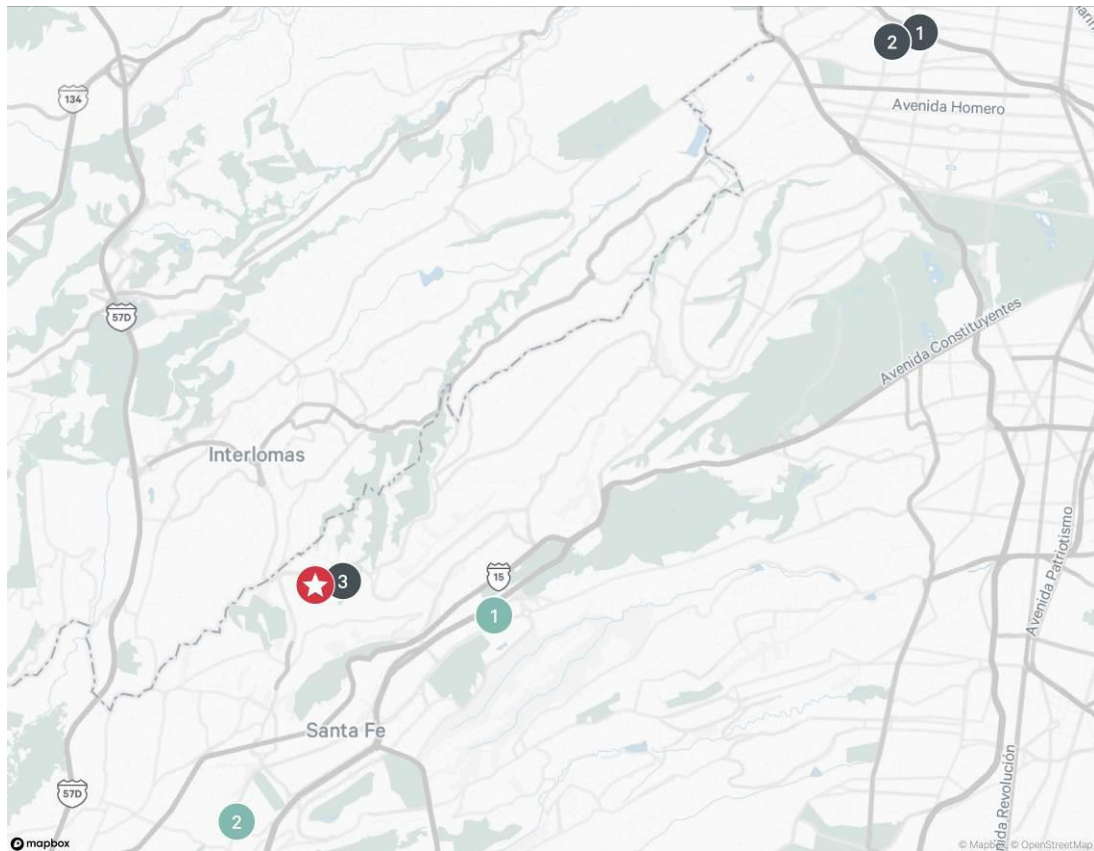
We have investigated and analyzed sales of vacant lands located in the Mexico City area. Our investigation disclosed three closed transactions and two listings that in our opinion provide sufficient information from which to determine the value of the subject. Our survey is shown on the following page and provides an overview of these transactions which range in size from 13,935 m<sup>2</sup> to 55,834 m<sup>2</sup> and establish an overall unadjusted unit rate range from \$38,800.00 pesos/ m<sup>2</sup> to \$79,566.89 pesos/ m<sup>2</sup>. They are located in the general vicinity of the subject.

The comparable sales are shown on the table of the following page.

### Summary of Comparable Land Sales

SUMMARY OF COMPARABLE OCEAN FRONT LANDS - LOS CABOS										
Index	Address	Transaction		Site Area		Density	Density (m <sup>2</sup> )	Sale Price (US\$)	Sale Price (US\$)	
		Type	Date	(m <sup>2</sup> )	(ft <sup>2</sup> )				per m <sup>2</sup>	per ft <sup>2</sup>
1	Av. Río San Joaquín No. 498, Col. Ampliación Granada, 11529, Mexico City	Sale	Sep-23	13,935	149,993	7.0x	97,544	\$700,000,000	\$50,233.95	\$4,666.89
2	Lago Neuchatel 55, Col. Granada, Miguel Hidalgo, 11529, Mexico City	Sale	Mar-20	29,550	318,076	7.0x	206,852	\$2,351,220,000	\$79,566.89	\$7,392.01
3	<b>Av. Loma de la Palma No. 18, Col. Lomas de Vista Hermosa, Cuajimalpa de Morelos, Mexico City (Subject)</b>	<b>Sale</b>	<b>Mar-17</b>	<b>55,834</b>	<b>600,995</b>	<b>1.4x</b>	<b>80,310</b>	<b>\$2,166,382,000</b>	<b>\$38,800.21</b>	<b>\$3,604.66</b>
<b>CURRENT LISTINGS</b>										
4	Vasco de Quiroga S/N, Zedec Santa Fe, Alvaro Obregón, Mexico City	Listing	Current	15,090	162,427.41	1.8x	26,408	\$792,225,000	\$52,500.00	\$4,877.41
5	Autopista Mexico-Marquesa, Santa Fe, Alvaro Obregón, Mexico City	Listing	Current	18,200	195,903.17	4.5x	81,900	\$841,750,000	\$46,250.00	\$4,296.77

### Location Map



Summary of Adjustments

CHART OF ADJUSTMENTS					
Comparable	1	2	3	4	5
<b>Transaction Type</b>	Sale	Sale	Sale	Listing	Listing
<b>Sale Date</b>	Sep-23	Mar-20	Mar-17	Current	Current
<b>Area m<sup>2</sup></b>	13,935	29,550	55,834	15,090	18,200
<b>Sale Price (US\$)</b>	\$700,000,000	\$2,351,220,000	\$2,166,382,000	\$792,225,000	\$841,750,000
<b>Price per m<sup>2</sup></b>	\$50,233.95	\$79,566.89	\$38,800.21	\$52,500.00	\$46,250.00
<b>ADJUSTMENT GRID</b>					
<b>Property Rights Conveyed</b>	Similar	Similar	Similar	Similar	Similar
<b>Financing Terms</b>	Similar	Similar	Similar	Similar	Similar
<b>Conditions of Sale</b>	Similar	Similar	Similar	Superior	Superior
<b>Market Conditions</b>	Slightly Inferior	Inferior	Inferior	Similar	Similar
<b>Location</b>	Superior	Superior	Similar	Inferior	Inferior
<b>Size</b>	Superior	Superior	Similar	Superior	Superior
<b>Access</b>	Superior	Slightly Inferior	Similar	Similar	Similar
<b>Configuration</b>	Slightly Superior	Similar	Similar	Superior	Superior
<b>Land Use</b>	Superior	Superior	Similar	Similar	Slightly Superior
<b>Overall</b>	<b>Slightly Superior</b>	<b>Superior</b>	<b>Inferior</b>	<b>Superior</b>	<b>Slightly Superior</b>

## Conclusion Land Value

Overall, after analyzing the above information, it is our opinion that the subject property, as though vacant, given its location, size and physical condition, could achieve a value between \$44,000 pesos/square meter to \$45,000 pesos/square meter. Therefore, a unit rate of \$44,600 pesos/square meter is appropriate for the subject’s underlying land. The table below shows the calculation of the land value.

DIRECT COMPARISON APPROACH	
<b>Land Area</b>	<b>55,834</b>
Concluded Unit Value (pesos/m <sup>2</sup> )	\$44,600
<b>Market Value</b>	<b>\$2,490,209,156</b>
<b>Total Market Value Estimate (Rounded)</b>	<b>\$2,490,200,000</b>

Based on a unit value of \$44,600 pesos/square meter we have estimated the corresponding subject property's land value to be **\$2,490,200,000 Pesos**.

# Certification

Valuation of an industrial facility located at Av. Loma de la Palma No. 18, Col. Lomas de Vista Hermosa, Cuajimalpa de Morelos, Mexico City, Mexico

We certify to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and represents our personal, unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report and have no personal interest or bias with respect to the parties involved.
4. Our compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event, such as the approval of a loan.
5. This appraisal assignment was not based upon a requested minimum valuation, a specific valuation or the approval of a loan.
6. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Global Edition of the RICS Valuation-Global Standards 2022 (Red Book).
7. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
8. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
9. Chris Maugeri has completed the requirements of the continuing education program of the Appraisal Institute of Canada.
10. As of the date of this report, Carlos Ceja has completed the Standards and Ethics Education Requirements for Candidates of the Appraisal Institute.
11. Carlos Ceja and Ricardo Cortés inspected the subject property on July 2, 2024. Chris Maugeri didn't participate in the inspection.
12. Ricardo Cortés has provided professional assistance to the persons signing this report.

It is our professional opinion that the market value of the 100% Fee Simple Interest in the subject property, subject to the extraordinary assumptions and limiting conditions mentioned before is:

Appraisal Premise	Effective Date		
As Is Market Value	July 2, 2024	Five Billion Six Hundred Eighty-Five Million One Hundred Eighty Thousand Pesos	MX\$5,685,180,000
Prospective Value Upon Completion	February 28, 2025	Six Billion Four Hundred Seventy-Four Million Six Hundred Fifty Thousand Pesos	MX\$6,474,650,000
Prospective Aggregate Value	February 28, 2025	Eight Billion Two Hundred Eighty-Eight Million Six Hundred Thousand Pesos	MX\$8,288,600,000
Replacement Cost New Value Upon Completion*	February 28, 2025	Three Billion Six Hundred Twenty-Two Million One Hundred Seven Thousand Pesos	MX\$3,622,107,000
Land Value	July 2, 2024	Two Billion Four Hundred Ninety Million Two Hundred Thousand Pesos	MX\$2,490,200,000

\*Note: The Replacement Cost New Upon Completion excludes the land value

This value estimate is predicated on an exposure period of nine to twelve months preceding the effective date of valuation and assumes a cash to vendor sale.



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Carlos Ceja, Candidate for Designation, Appraisal Institute

Sr. Appraiser | Valuation & Advisory Services

Phone: 52(55) 8526 8726



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Chris G. Maueri, AACI, P.App, MRICS

Senior Managing Director | Valuation & Advisory Services – Latin America

Phone: 52(55) 5284 3293

# Appendix A

## Terms Of Reference

### Purpose of the Appraisal/ Intended Use/ Objective of the Assignments/Instructions

The appraisal estimates the current Market Value of the subject property, subject to the Critical Assumptions included herein. The report is an Appraisal Report and has been prepared in accordance with the standards set forth by the Global Edition of RICS Valuation-Global Standards 2022, commonly referred to as the Red Book. The report has been requested by GICSA.

### Ownership and Property History

According to the information provided by the owners, the land where the project under analysis is being developed was acquired by D.I. Metropolitano, S.A.P.I., through deed no. 75,299 dated March 23<sup>rd</sup>, 2017, to Procter & Gamble Mexico, S. de R.L. de C.V., for a total consideration of US \$113,520,000 (MX \$2,166,381,624). The total land area is 55,834.29 square meters, resulting in US \$2,033/m<sup>2</sup> (MX \$38,800/m<sup>2</sup>). Additionally, according to deed number 17,994 dated November 20<sup>th</sup>, 2018, the land was contributed to Trust 3,766, with a value of MXN\$ 3,005,404,000.

According to our information, the property has not been sold nor has it been offered for sale on the open market during the last three years.

### Definition of Value/Basis of Value

Market value is defined as follows:

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

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in MX Pesos / U.S. Dollars or in financial arrangements comparable thereto; and
- 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."

### Premise of the Appraisal

The following table illustrates the various dates associated with the valuation of the subject, the valuation premise(s) and the rights appraised for each premise/date:



PREMISE OF THE APPRAISAL		
Item	Date	Interest Appraised
Date of Report	July 30, 2024	
Date of Inspection	July 2, 2024	
Date of Value		
'As Is' Market Value	July 2, 2024	
Prospective Value 'Upon Completion'	February 28, 2025	Fee Simple Interest
Prospective Aggregate Value	February 28, 2025	
Replacement Cost New Value	July 2, 2024	

Compiled by CBRE

## Interest Appraised

The value estimated represents the Fee Simple Estate equivalent and is defined below:

Fee Simple Estate – The absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat.<sup>4</sup>

## Extent to Which the Property is Identified

The property is identified through the following sources:

- José Hazan Cohen, Director de Construcción
- postal address
- legal description

## Extent to Which the Property is Inspected

The extent of the inspection included an interior and exterior inspection of the subject and surrounding area on July 2, 2024. This inspection was considered an adequate representation of the subject property and is the basis for our findings.

## Intended Use of Report

This appraisal is to be used for financing purposes and no other use is permitted.

## Client

The Client is GICSA

## Intended User of Report

This appraisal is to be used by GICSA

## Extent of Investigation

The Client provided all factual information including physical information and historical sales data that was relied upon by the appraiser. See extraordinary assumptions section for further information.

## Scope of the Assignment/ Terms of the Engagement

The following steps were completed by CBRE for this assignment:

<sup>4</sup> Appraisal Institute, The Dictionary of Real Estate Appraisal, 6<sup>th</sup> ed. (Chicago: Appraisal Institute, 2015), 90.

- Inspection of the site, improvements and neighborhood
- Interview with the Construction Director of the project
- Verify current land use and zoning regulations
- Examine market conditions and analyze their potential effects on the property
- Confirm all data relied upon in the valuation process, where possible

In this case, the development method is the most appropriate and most commonly accepted approach for a development project. The Sales Comparison Approach is utilized within this method in order to obtain an indication of value for the inventory to be developed. Additionally, the Cost Approach has been used to obtain the Replacement Cost Upon Completion.

## Survey Work

- Closing price analysis in comparable properties
- Construction costs for development of similar projects
- Comparable sales transaction analysis

## Report Format

- Appraisal Report

## Exposure Time

Current appraisal guidelines require an estimate of a reasonable time period in which the subject could be brought to market and sold. This reasonable time frame can either be examined historically or prospectively. In a historical analysis, this is referred to as exposure time. Exposure time always precedes the date of value, with the underlying premise being the time a property would have been on the market prior to the date of value, such that it would sell at its appraised value as of the date of value. On a prospective basis, the term marketing time is most often used.

The exposure/marketing time is a function of price, time, and use. It is not an isolated estimate of time alone. Exposure time is different for various types of real estate and under various market conditions. In consideration of these factors, we have analyzed the following:

- Exposure periods for comparable sales used in this appraisal.
- Exposure/marketing time information from the CBRE, Inc. National Investor Survey and the PwC Real Estate Investor Survey
- The opinions of market participants

Based on the foregoing analysis, an exposure time of twelve to fifteen months is reasonable. CBRE assumes the subject would have been competitively priced and aggressively promoted nationally and internationally.

## Data Resources Utilized in the Analysis

- Asset description and surfaces
- CBRE data bases
- Survey
- Deeds

## Assumptions And Limiting Conditions

1. Unless otherwise specifically noted in the body of the report, it is assumed that title to the property or properties appraised is clear and marketable and that there are no recorded or unrecorded matters or exceptions to total that would adversely affect marketability or value. CBRE is not aware of any title defects nor has it been advised of any unless such is specifically noted in the report. CBRE, however, has not examined title and makes no representations relative to the condition thereof. Documents dealing with liens, encumbrances, easements, deed restrictions, clouds and other conditions that may affect the quality of title have not been reviewed. Insurance against financial loss resulting in claims that may arise out of defects in the subject property's title should be sought from a qualified title company that issues or insures title to real property.
2. Unless otherwise specifically noted in the body of this report, it is assumed: that the existing improvements on the property or properties being appraised are structurally sound, seismically safe and code conforming; that all building systems (mechanical/electrical, HVAC, elevator, plumbing, etc.) are in good working order with no major deferred maintenance or repair required; that the roof and exterior are in good condition and free from intrusion by the elements; that the property or properties have been engineered in such a manner that the improvements, as currently constituted, conform to all applicable local, provincial, and federal building codes and ordinances. CBRE professionals are not engineers and are not competent to judge matters of an engineering nature. CBRE has not retained independent structural, mechanical, electrical, or civil engineers in connection with this opinion and, therefore, makes no representations relative to the condition of improvements. Unless otherwise specifically noted in the body of the report: no problems were brought to the attention of CBRE by ownership or management; CBRE inspected less than 100% of the entire interior and exterior portions of the improvements; and CBRE was not furnished any engineering studies by the owners or by the party requesting this opinion. If questions in these areas are critical to the decision process of the reader, the advice of competent engineering consultants should be obtained and relied upon. It is specifically assumed that any knowledgeable and prudent purchaser would, as a precondition to closing a sale, obtain a satisfactory engineering report relative to the structural integrity of the property and the integrity of building systems. Structural problems and/or building system problems may not be visually detectable. If engineering consultants retained should report negative factors of a material nature, or if such are later discovered, relative to the condition of improvements, such information could have a substantial negative impact on the conclusions reported in this opinion. Accordingly, if negative findings are reported by engineering consultants, CBRE reserves the right to amend the opinion conclusions reported herein.
3. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraisers. CBRE has no knowledge of the existence of such materials on or in the property. CBRE, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation, contaminated groundwater or other potentially hazardous materials may affect the value of the property. The value estimate 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 any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.
4. We have inspected, as thoroughly as possible by observation, the land; however, it was impossible to personally inspect conditions beneath the soil. Therefore, no representation is made as to these matters unless specifically considered in the opinion.
5. All furnishings, equipment and business operations, except as specifically stated and typically considered as part of real property, have been disregarded with only real property being considered in the report unless otherwise stated. Any existing or proposed improvements, on or off-site, as well as any alterations or repairs considered, are assumed to be completed in a workmanlike manner according to standard practices based upon the information submitted to CBRE. This report may be subject to amendment upon re-inspection of the subject property subsequent to

repairs, modifications, alterations and completed new construction. Any estimate of Market Value is as of the date indicated; based upon the information, conditions and projected levels of operation.

6. It is assumed that all actual data furnished by the client, property owner, owner's representative, or persons designated by the client or owner to supply said data are accurate and correct unless otherwise specifically noted in the opinion report. Unless otherwise specifically noted in the opinion report, CBRE has no reason to believe that any of the data furnished contain any material error. Information and data referred to in this paragraph include, without being limited to, numerical street addresses, lot and block numbers, land dimensions, square footage area of the land, dimensions of the improvements, gross building areas, net rentable areas, usable areas, unit count, room count, rent schedules, income data, historical operating expenses, budgets, and related data. Any material error in any of the above data could have a substantial impact on the conclusions reported. Thus, CBRE reserves the right to amend conclusions reported if made aware of any such error. Accordingly, the client-addressee should carefully review all assumptions, data, relevant calculations, and conclusions within 30 days after the date of delivery of this report and should immediately notify CBRE of any questions or errors.
7. The date of value to which any of the conclusions and opinions expressed in this report apply, is set forth in the Letter of Transmittal. Further, that the dollar amount of any value opinion herein rendered is based upon the purchasing power of the US Dollar on that date. This opinion is based on market conditions existing as of the date of this opinion. Under the terms of the engagement, we will have no obligation to revise this report to reflect events or conditions which occur subsequent to the date of the opinion. However, CBRE will be available to discuss the necessity for revision resulting from changes in economic or market factors affecting the subject.
8. CBRE assumes no private deed restrictions, limiting the use of the subject property in any way.
9. Unless otherwise noted in the body of the report, it is assumed that there are no mineral deposit or subsurface rights of value involved in this opinion, whether they be gas, liquid, or solid. Nor are the rights associated with extraction or exploration of such elements considered unless otherwise stated in this opinion report. Unless otherwise stated it is also assumed that there are no air or development rights of value that may be transferred.
10. CBRE is not aware of any contemplated public initiatives, governmental development controls, or rent controls that would significantly affect the value of the subject.
11. The estimate of Market Value, which may be defined within the body of this report, is subject to change with market fluctuations over time. Market value is highly related to exposure, time promotion effort, terms, motivation, and conclusions surrounding the offering. The value estimate(s) consider the productivity and relative attractiveness of the property, both physically and economically, on the open market.
12. Any cash flows included in the analysis are forecasts of estimated future operating characteristics are predicated on the information and assumptions contained within the report. Any projections of income, expenses and economic conditions utilized in this report are not predictions of the future. Rather, they are estimates of current market expectations of future income and expenses. The achievement of the financial projections will be affected by fluctuating economic conditions and is dependent upon other future occurrences that cannot be assured. Actual results may vary from the projections considered herein. CBRE does not warrant these forecasts will occur. Projections may be affected by circumstances beyond the current realm of knowledge or control of CBRE.
13. Unless specifically set forth in the body of the report, nothing contained herein shall be construed to represent any direct or indirect recommendation of CBRE to buy, sell, or hold the properties at the value stated. Such decisions involve substantial investment strategy questions and must be specifically addressed in consultation form.
14. Also, unless otherwise noted in the body of this report, it is assumed that no changes in the present zoning ordinances or regulations governing use, density, or shape are being considered. The property is appraised assuming that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, provincial, nor national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report is based, unless otherwise stated.
15. This study may not be duplicated in whole or in part without the specific written consent of CBRE nor may this report or copies hereof be transmitted to third parties without said consent, which consent CBRE reserves the right

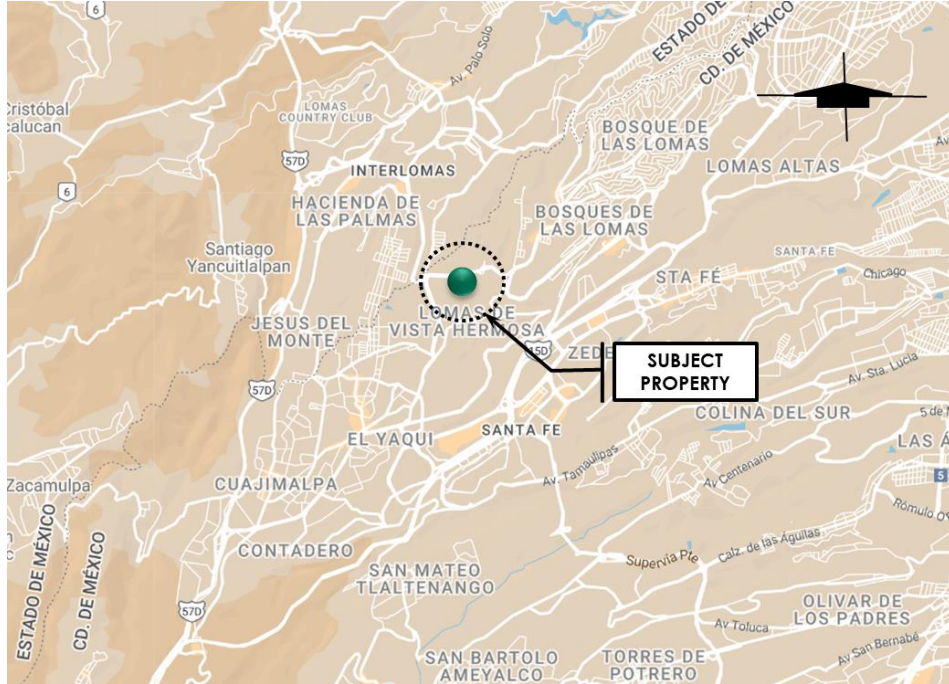
to deny. Exempt from this restriction is duplication for the internal use of the client-addressee and/or transmission to attorneys, accountants, or advisors of the client-addressee. Also exempt from this restriction is transmission of the report to any court, governmental authority, or regulatory agency having jurisdiction over the party/parties for whom this opinion was prepared, provided that this report and/or its contents shall not be published, in whole or in part, in any public document without the express written consent of CBRE which consent CBRE reserves the right to deny. Finally, this report shall not be advertised to the public or otherwise used to induce a third party to purchase the property or to make a “sale” or “offer for sale” of any “security”. Any third party, not covered by the exemptions herein, who may possess this report, is advised that they should rely on their own independently secured advice for any decision in connection with this property. CBRE shall have no accountability or responsibility to any such third party. This entire paragraph is subject to the points noted in the Intended Use of Report section.

16. Any value estimate provided in the report applies to the entire property, and any pro ration or division of the title into fractional interests will invalidate the value estimate, unless such pro ration or division of interests has been set forth in the report.
17. The distribution of the total valuation in this report between land and improvements applies only under the existing program of utilization. Component values for land and/or buildings are not intended to be used in conjunction with any other property or opinion and are invalid if so used.
18. The maps, plats, sketches, graphs, photographs and exhibits included in this report are for illustration purposes only and are to be utilized only to assist in visualizing matters discussed within this report. Except as specifically stated, data relative to size or area of the subject and comparable properties has been obtained from sources deemed accurate and reliable. None of the exhibits are to be removed, reproduced, or used apart from this report.
19. No opinion is intended to be expressed on matters which may require legal expertise or specialized investigation or knowledge beyond that customarily employed by real estate appraisers. Values and opinions expressed presume that environmental and other governmental restrictions/conditions by applicable agencies have been met, including but not limited to seismic hazards, flight patterns, decibel levels/noise envelopes, fire hazards, hillside ordinances, density, allowable uses, building codes, permits, licenses, etc. No survey, engineering study or architectural analysis has been made known to CBRE unless otherwise stated within the body of this report. If the Consultant has not been supplied with a termite inspection, survey or occupancy permit, no responsibility or representation is assumed or made for any costs associated with obtaining same or for any deficiencies discovered before or after they are obtained. No representation or warranty is made concerning obtaining these items. CBRE assumes no responsibility for any costs or consequences arising due to the need, or the lack of need, for flood hazard insurance.
20. Acceptance and/or use of this report constitutes full acceptance of the Contingent and Limiting Conditions and special assumptions set forth in this report. It is the responsibility of the Client, or client’s designees, to read in full, comprehend and thus become aware of the aforementioned contingencies and limiting conditions. Neither the Appraiser nor CBRE assumes responsibility for any situation arising out of the Client’s failure to become familiar with and understand the same. The Client is advised to retain experts in areas that fall outside the scope of the real estate opinion/consulting profession if so desired.
21. CBRE assumes that the subject property analyzed herein will be under prudent and competent management and ownership; neither inefficient nor super-efficient.
22. It is assumed that there is full compliance with all applicable federal, provincial, and local environmental regulations and laws unless noncompliance is stated, defined and considered in the opinion report.
23. No survey of the boundaries of the property was undertaken. All areas and dimensions furnished are presumed to be correct. It is further assumed that no encroachments to the realty exist.

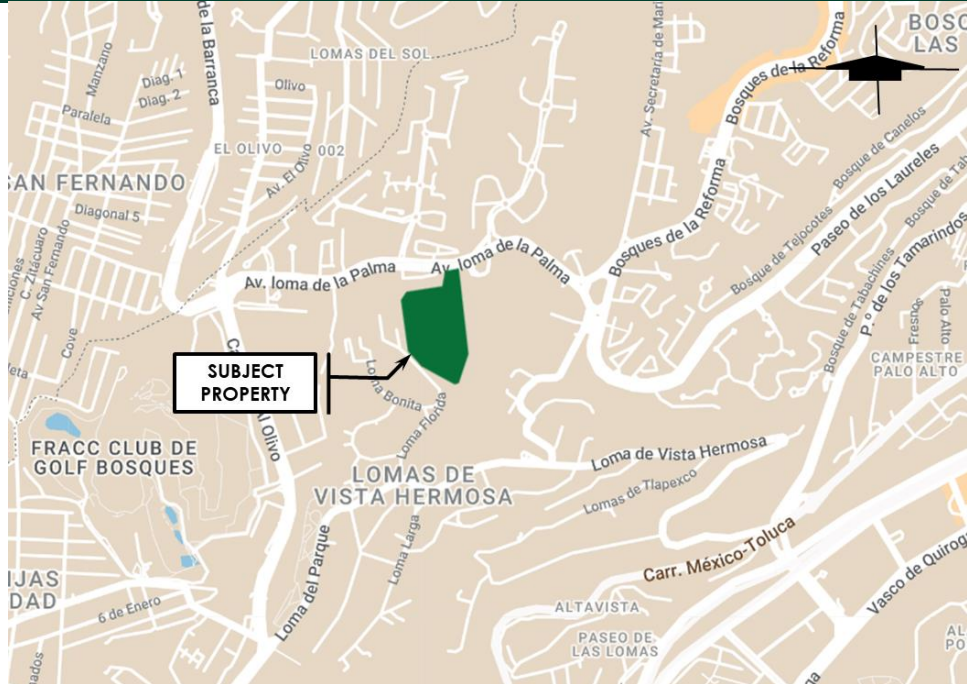
Client shall not indemnify Appraiser or hold Appraiser harmless unless and only to the extent that the Client misrepresents, distorts, or provides incomplete or inaccurate opinion results to others, which acts of the Client proximately result in damage to Appraiser. The Client shall indemnify and hold Appraiser harmless from any claims, expenses, judgments or other items or costs arising as a result of the Client’s failure or the failure of any of the Client’s agents to provide a complete copy of the opinion report to any third party. In the event of any litigation between the parties, the prevailing party to such litigation shall be entitled to recover from the other reasonable.

# Appendix B

## Maps



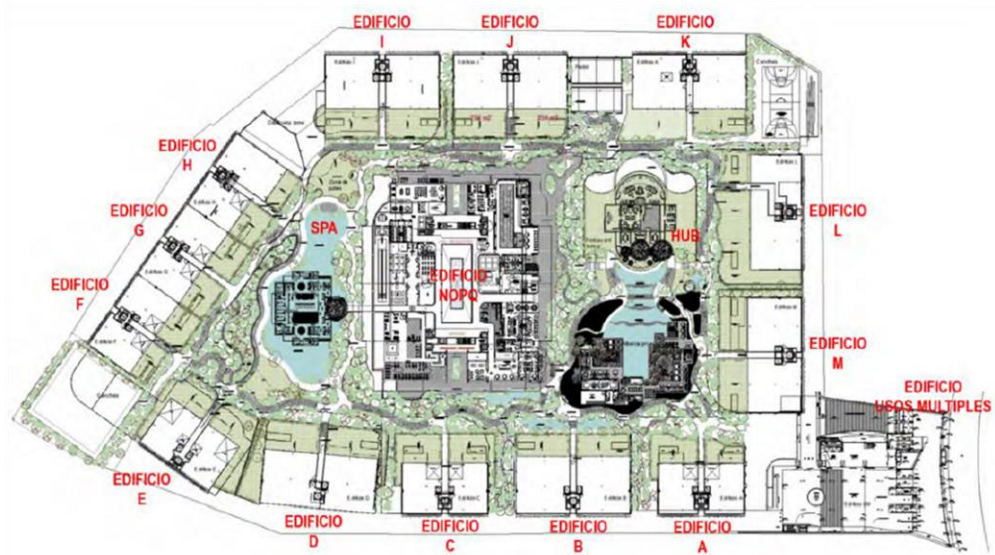
**Regional View**



**Location View**



**Aerial View**



**Assembly drawing**

# Appendix C

## Photographs



**Showroom: Living room**



**Showroom: Main access**



**Showroom: Kitchen**



**Showroom: Bathroom 1**



**Showroom: Bed Room 1**



**Showroom: Bedroom 2**





Showroom: Main Bedroom



Showroom: Main Bedroom



Showroom: Dressing room



Showroom: Roof - Swimming pool



Showroom: Roof Garden



Showroom: Office



**Main access, Building M**



**Complex View**



**Building I**



**Garden**



**Building K**



**Interior Corridor**



**Building F**



**Building H**



**Interior corridor**



**Interior corridor**



**Amenities - Entertainment Center**



**Amenities - Spa**

# Thank you

For more information

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