

What is Base Realignment and Closure (or BRAC)?

BRAC is a process of the United States federal government directed at the administration and operation of the Armed Forces, used by the United States Department of Defense ("DoD") and Congress to close and dispose of excess military installations and realign the total asset inventory in order to save money on operations and maintenance, aimed at achieving maximum efficiency in line with Congressional and DoD objectives. More than 350 installations have been closed in the first four BRAC rounds of 1989, 1991, 1993 and 1995. The most recent round of BRAC was completed in the fall of 2005 with the commission's recommendations becoming law in November of 2005.

What is "Roosevelt Roads" and "Portal del Futuro"?

**"Roosevelt Roads":** The former Naval Station Roosevelt Roads ("NSRR") is one of the largest singularly owned coastal properties in Puerto Rico, encompassing a sweeping 8,300 acres on mainland Puerto Rico, plus two smaller islands; Isla Piñeros, and Isla Cabeza de Perro that together represent an additional approximate 350 acres. For nearly 60 years, NSRR was one of the largest naval facilities in the world, encompassing more than 100 miles of paved roads and more than 30 tenant commands. It's 1,300 plus buildings were home to more than 7,000 military and civilian personnel. NSRR was named after the then Assistant Secretary of the Navy, Franklin D. Roosevelt, who conceived the idea of a large naval facility at the location during a surveying trip to Puerto Rico in 1919. The station was first commissioned as a US Naval Operations Base in 1943. The newly constructed naval operating base was to become the keystone of the Caribbean Defense System with a well-protected anchorage, a major air station and an industrial establishment capable of supporting 60 percent of the Atlantic Fleet under wartime conditions. There were rumors that if the British Empire ever fell to Axis powers during World War II, Roosevelt Roads would become the new operating base for the British Fleet. By early 1943, it was clear that with Allied Operations focusing on Europe and the Pacific, a major defense hub on the island of Puerto Rico would be unnecessary. Construction on the base was halted, and in March of 1944, Naval Operating Base Roosevelt Roads was put in a maintenance status with a Public Works Officer, a small detachment of Navy Seabees and a large civilian workforce. Over the next 14 years, the base closed seven times and was reopened eight. In early 2003, the Secretary of the Navy ordered the cessation of training operations taking place on the nearby Island of Vieques and in January 2004, plans were formalized to relocate U.S. Naval Forces Southern Command from Naval Station Roosevelt Roads, Puerto Rico, to Naval Station Mayport, Florida. Although NSRR was not an installation evaluated for closure in earlier BRAC rounds, the Navy's geographic repositioning of its military assets in this region resulted in Special Legislation directing the closure of the NSRR in March 2004 in a manner pursuant to the policies and procedures of the Base Realignment and Closure Act. In early 1st quarter of 2008, approximately 2,900-acres of former NSRR will be made available for private ownership through a planned public sale. These portions of the entire 8,650 acre property will be marketed by Colliers International, Inc. ("Colliers") simply as "Roosevelt Roads" in recognition of the unique history of the property and legacy of the servicemen and women who served there over many years. Roosevelt Roads, (also "Roosey Roads" or "Property") is one of the largest singularly owned coastal properties on the island Commonwealth of Puerto Rico. The Property, located on Puerto Rico's eastern coastline contiguous to the towns of Ceiba and Naguabo, is approximately 40 miles southeast of Puerto Rico's capital city of San Juan and approximately 35 miles east of the Luis Munoz Marin International Airport. It takes about an hour and 15 minutes to drive from the airport to Roosevelt Roads. The towns of Luquillo, and Humacao are within a 10 to 25 minute drive from Roosevelt Roads. Immediately to the north is the town of Fajardo, home to the world famous El Conquistador Resort & Golden Door Spa. Roosevelt Roads is within easy reach (boat and aircraft) of some of the Caribbean's most beautiful vacation destinations and white sand beaches including the islands of Culebra, Vieques and the U.S. and British Virgin Islands. There is simply NO

similarly featured property available for sale anywhere on the U.S. eastern seaboard or in the Caribbean with a comparable amount of coast line (21+ miles), a naturally protected anchorage via “twin peninsulas,” and other naturally occurring incomparable features and amenities. Additionally Roosevelt Roads is adjacent to a well maintained and functional “heavy aircraft capable” airfield reported to contain the longest runway in the Caribbean. The Property contains all needed infrastructure and other improvements enabling it to operate with relative autonomy.

“Portal del Futuro”

“[Gateway to the Future](#)” - Certain portions of the Roosevelt Roads property, to include the former Navy airfield operations and other areas along the beautiful and enormous waterfront district, will be transferred to the various agencies of the Commonwealth of Puerto Rico. Among the many visionary reuses described by the Roosevelt Roads Local Redevelopment Authority, will be the new and exciting “Portal del Futuro,” one of the key components of the Triangle of Success economic development strategy now being implemented by the Commonwealth. With a \$6.7 billion investment, Portal del Futuro projects will generate approximately 20,000 jobs, with another 50,000 jobs being created during subsequent construction phases. Together with the Commonwealth of Puerto Rico, the future owner/developer(s) of Roosevelt Roads will have the opportunity to express a unified vision that will be admired and enjoyed by many generations to come.

Who is responsible for the sale of Roosevelt Roads and how will this be accomplished?

The current disposal (transfer) of the approximate 8,650-acre former NSRR is being implemented and managed by the Department of Navy’s “Base Realignment and Closure Program Management Office” (“BRAC PMO”). Colliers, acting under the direction of the BRAC PMO, has been tasked to bring to market for sale approximately 2,900 acres of the Property to the general public, and to sell the Property to the highest bidder via an online auction platform. Leading up to and during the online auction sale process, Colliers is available to assist all prospective and registered bidders as well as their due diligence consultants and all other interested parties to obtain information and guidance surrounding the property and the public sale process. Colliers encourages all interested parties to [register](#) at the project website to receive pertinent periodic updates on the public sale plans as well as news updates.

How do I get started?

If you or your firm’s interests are in exploring any or all of the many development opportunities the Property has to offer, the Roosevelt Roads Bidder Support Center can assist in you by providing much of the needed due diligence information and other relevant data and support. The best way to begin learning more about the Roosevelt Roads opportunity is to [register](#), or the contact the Roosevelt Roads Bidder Support Center at 800.434.5880.

### PROPERTY BACKGROUND:

What is the status of the Property's Zoning, Future Land-use and Entitlements?

The Local Redevelopment Authority & Department of Economic Development and Commerce for the Commonwealth of Puerto Rico commissioned a reuse plan for the former NSRR soon after its closure. The "Naval Station Roosevelt Roads Reuse Plan - December, 2004", is made available to prospective bidders at in the [Virtual Due Diligence Library](#). The plan outlines various mixed use development opportunities at Roosevelt Roads, some of which include:

- Residential, single and multifamily
- Golf and Recreation
- Boat Marina
- Resort Hotel, Casino and Gaming
- Moderate Lodging
- Light Industrial
- Retail and Food Service
- Science Park / R&D
- Waterfront-oriented Commercial
- Ecotourism Activities
- Adjacent to future airport
- Waterfront Cargo and Passenger Ferry Operations

Given the immense scale and incredible Caribbean oceanfront location, Roosevelt Roads is indeed an opportunity of a lifetime. By working closely with the local government, the future property owner/developer(s) will be able to bring to life a vision that could be unrivaled by any project in the U.S. eastern seaboard or in the Caribbean. Ultimately, development entitlements will need to be procured directly from the Planning Board ([Junta de Planificación de Puerto Rico](#)). Presently, the Local Redevelopment Authority is working closely with the Planning Board to formalize the potentially available entitlements via a "Special Zoning Regulation" for the whole of the Roosevelt Roads property.

Will the Property be sold in one parcel or more than one parcel?

The designated Roosevelt Roads public sale parcels will be sold via three (3) separate parcels. Three separate, but potentially concurrent auctions will be held; one for each of the parcels. When registering as an interested bidder, please designate which parcel auction(s) you or your firm is interested in participating. The parcels are described as follows, with "Zone" references as contained in the Roosevelt Roads Land Reuse Plan of December 2004, as follows: **Sale Parcel I - Bundy**: Sale Parcel I is approximately 1,518 acres and potential reuses are as follows: **Zone 2** "Bundy" (moderate lodging and residential) **Zone 4** "Downtown" (residential, mixed use, university related and public school., **Zone 3** "Golf Course"; **Zone 1B** "Industrial" (adjacent to the airfield) and **Zone 9** "Conservation". Primary road access is via Gate 3. **Sale Parcel II - Capehart**: Sale Parcel II is approximately 495 acres and potential reuses include **Zone 5** "Residential", with ancillary uses to include the reuse of the high school and gymnasium. From the exterior of the former NSRR, all road access to Sale Parcel II is indirect via Sale Parcels I and III. **Sale Parcel III - Forrestal**: Sale Parcel III is approximately 935 acres and potential reuses include **Zones 1B** and **6A** "Industrial", **Zone 6** "Port" related, **Zone 7**, "Science Park and Conference Center", **Zone 8** "North Gate - Open Space" and **Zone 9**, "Conservation". Access to Parcel III is accomplished via Gate 1 and indirectly via Parcel I's Gate 3. Please also see the [detailed parcel descriptions](#)

What can you tell me about the utilities available on the public sale parcels?

Generally, the entire Sale Property is served by a network of utilities constructed by the Government. All utilities may require repair or replacement to conform to Uniform Building Code standards.

- **Water** - The property is served by a single water treatment plant that receives its source water from Rio Blanco. The water treatment plant will be transferred to the Portal del Futuro Authority, which will provide water services to future property owners. Waterlines service all portions of the property and are in generally good condition.
- **Wastewater** - Each of the three sale properties is serviced by a separate wastewater treatment plant. The three wastewater treatment plants will be owned and operated by the Portal del Futuro.
- **Electricity** - Electrical service is provided by PREPA and available to all Sale Parcel areas. The existing substations within NSRR will require upgrades by PREPA; and subsequently, transformers and distribution lines within the sale parcels may need some additional upgrades. Properties and facilities are not currently metered.
- **Telephone** - ALL Property owners will need to purchase their own service from PRTC.
- **Natural Gas** - There is no natural gas service to any of the Sale Properties.
- **Fuel Lines** - The former Naval Station Roosevelt Roads was host to both airport and port operations. A large fuel farm exists on property to be conveyed to the Commonwealth. There are existing fuel lines that transported fuel from the fuel farm to both the airfield and waterfront port. The lines have all been cleaned and abandoned, but remain in place in portions of Sale Parcel III.

What is happening to the balance of the Property non-sale parcels?

(See also, [Portal del Futuro](#)). Before, during and after the planned public sale, certain portions of the Property, to include the former Navy airfield operations and other areas along the beautiful and enormous waterfront district, will be transferred to various agencies of the Commonwealth of Puerto Rico to include the Puerto Rico Port Authority, through a variety of transfer mechanisms to include Public Benefit Conveyances (approximately 1,880 acres), Economic Development Conveyances (approximately 300 acres), Conservation Parcels via Public Benefit Conveyances (approximately 3,300 acres), and Fed-to-Fed transfers (approximately 270 acres). Federal agencies to receive properties include the Department of Homeland Security, the Puerto Rico Army National Guard, and the U.S. Customs and Border Patrol.

How can interested investors/developers gain access to the Property for inspection and general site tours?

Colliers may grant pre-qualified interested parties with escorted access to the Roosevelt Roads Property upon request. The former NSRR property is closed to the general public and; therefore, all tours will be guided by Government officials. As such, Colliers will require considerable notice prior to scheduling tours. Requests for Government guided tours of the Property must be arranged by contacting the Roosevelt Roads Bidder Support Center at 800.434.5880 or via the [Contact Us](#) section of the website. Because NSRR is still federally-owned property, it remains within federal jurisdiction. Visitors will not be allowed to enter the property with weapons. All vehicles are subject to search by base police at any time.

What is available in the way of Due Diligence information?

Many of the Due Diligence materials that will be sought by prospective bidders and/or their consultants will be available electronically via download in the Property's website [Virtual Due Diligence Library](#). To access these electronic documents, simply click on the [registration link](#) and complete the registration form. Registering on the Roosevelt Roads website also provides all registered users with periodic e-mail updates on planned events and announcements on the availability of new information and materials, as well as reminders on the auction's scheduled commencement. Materials not available electronically may be acquired directly through contacting the [Roosey Roads Bidder Support Center](#). Concerning any informational and data needs of an environmental nature, please see the Environmental section of this FAQ document below.

**SALE PROCESS:**

When and how are the auctions to be held?

(Also, please see related Auction questions below) The Property's auction process begins with the issuance of the Invitation for Bids (IFB). The IFB is essentially the Government's Solicitation Offering, which describes the Property being offered for sale as well as provides other important details and all general and specific terms of sale. The IFB includes information regarding the auction process and the anticipated auction start date and time. The IFB was first issued to the public on August 8, 2007. An Amendment #1 to the IFB was subsequently issued on October 15, 2007. Due to significant changes to the sale strategy of Sale Parcels I and II, the Government has decided to cancel the IFB issued on August 8, 2007. A revised version of the IFB will be issued in February 2008. All persons [registered on the www.Roosey-Roads.com website](#) will receive all updates regarding the IFB via e-mail. The IFB will also be available for downloading, or by contacting the Roosevelt Roads Bidder Support Center at 800.434.5880 when it becomes available. Sale Parcels I and II are now scheduled to sold via a sealed bid auction which is anticipated to occur in April 2008 with an exact date to be announced on the website as well as through e-mail notifications to those who are registered through the website. The sealed bid auction process for Sale Parcels I and II will be run simultaneously. The sale of Sale Parcel III will be announced at a date to be determined by the Government. Interested parties who have registered on the Roosevelt Roads website will also receive frequent updates via e-mail. General information pertinent to the auction's structure is also provided in the Auction section of the FAQs.

**What is the Current Schedule?**

More specific dates will be provided as available. The Government reserves the right to update the project timeline as necessary.

August 8, 2007	Invitation For Bids (IFB) Publication and Distribution
4th quarter CY 2007 thru 1st quarter CY 2008	Bidder registrations and deposits accepted and auction platform/passwords issued
2nd Quarter CY 2008	Sealed bid auction commencements for Sale Parcels I and II
2nd quarter CY 2008	Escrow Opens for Sale Parcels I and II. Winning Bidder(s) finalizes financing and environmental due diligence. Navy executes and delivers to escrow holder quit claim deeds for the Roosevelt Roads Property.
3rd quarter CY 2008	Escrow Closes for Sale Parcels I and II
TBD	Anticipated auction commencement for Sale Parcel III
TBD	Escrow Opens for Sale Parcel III
TBD	Escrow Closes for Sale Parcel III

**Will real estate commissions and/or referral fees be available?**

No real estate commission or referral fees are being offered or are otherwise available to real estate brokers/agents or other third parties from the Government and/or Colliers for the procurement or referral of a successful bidder. Persons seeking commissions and/or fees for their services in connection with the sale of the Property should seek compensation directly from their client or the person(s)/entity(s) for which they are providing services. Neither the Government, nor Colliers shall be a party to or otherwise facilitate such fee agreements as a part of this public land sale offering. Moreover, all intended active participants in the online auction will be required, via their agreement to the terms and conditions of the IFB, to indemnify and hold harmless the Government and Colliers for any and all third party claims for fees and/or commissions that may arise from their involvement in the public sale of the Property.

**What are the roles of the Government and Colliers International prior to and during the planned online auction?**

Public Law 108-87 directed the closure of Naval Station Roosevelt Roads. Section 8132(b) of this law specified that the closure and subsequent disposal be carried out in accordance with the procedures and authorities contained in the Defense Base Closure and Realignment Act of 1990. The BRAC PMO, acting on behalf of the U.S. Government, was delegated the authority to dispose of surplus real property identified for closure under the Defense Base Realignment and Closure Act of 1990 in accordance with federal real property disposal laws. The BRAC PMO has contracted with Colliers to provide the following services:

- Provide all marketing and bidder support services as needed;
- Conduct investor/developer site tours and online sale seminars;
- Support and manage the bidder registration process;

- Assist bidders and their consultants in all “appropriate” areas of due diligence;
- Implement, manage and conclude the online auction pursuant to the terms of the IFB;
- Arrange and manage all necessary escrow services; and
- Perform project phase-out tasks and activities.

Will the Government consider providing “Seller Financing”?

No. Pursuant to the terms of the Invitation for Bids, the Property will be only be sold on an ALL CASH basis. The IFB registration process will memorialize the registered bidders acceptance and agreement of all terms and conditions therein, to include the all-cash nature of the sale. Upon the conclusion of the auction, the Government’s issuance of the Notice of Acceptance of the winning bid will be predicated on all of the terms and conditions of the IFB.

## **ONLINE AUCTION**

When are the auctions going to occur?

The sealed bid auctions for Sale Parcels I and II are scheduled to be due in April 2008. The auction date for Sale Parcel III is to be determined by the Government.

How many land parcels will be sold?

There will be three (3) parcels made available for sale via individual auctions. Each of the three parcels includes two or more non-contiguous sub-parcels although sub parcels are linked by existing roads.

What are the advantages of an online auction?

An online auction:

- Allows bidders to electronically and anonymously submit bids online via remote computer.
- Enables a bidder to submit numerous subsequent bids over an undefined timeframe rather than a single bid in a single day vis-à-vis the “Government Sealed Bid” alternative.
- Permits bidders to bid anytime from virtually anywhere in the world.
- Allows bidders more time to assess their next or future bid strategy in-lieu of having to react within seconds as would be the case in a live-auction.
- Allows bidders, by their actions, to end the online auction.

Will the online auction for Sale Parcel III be held through the [www.Roosey-Roads.com](http://www.Roosey-Roads.com) Website?

Yes. Prospective bidders interested in Sale Parcel III will be required to complete the Roosevelt Roads Online Auction Registration Form which is contained in the IFB. Once the Government reviews and approves a party’s registration and is in receipt of the required auction registration deposit, they will be issued a unique password, which when used together with the bidder’s username (determined and indicated by the prospective bidder on the auction registration form), will allow access to the Roosevelt Roads Online Auction Platform section of the [www.Roosey-Roads.com](http://www.Roosey-Roads.com) website. Non-

bidders may also observe the up-to-the-minute auction status and activity via a restricted view within the Roosevelt Roads website.

How can I learn more about the auction process in advance of the auction commencement?

All interested parties may contact the Roosevelt Roads Bidder Support Center to learn more about the process of the online auction by calling 1-800-434-5880.

What is the timing and process governing the online auctions and how can I be kept updated?

Colliers has held several [online webinars](#) during the course of the summer and fall of 2007 to help describe additional information to bidders and answer questions relating to the sale, auction and due diligence process. Please refer to the [Webinar](#) page for recorded archives of the Webinars available for your review.

How will we know when the online auction officially start?

Colliers will provide early and ample notification of the online auction commencement of Sale Parcel III through e-mail and phone call notifications to those who have [registered](#) on the website.

How long is the online auction process?

The sealed bid auctions for Sale Parcels I and II are currently scheduled to commence in April 2008. The date for the auction of Sale Parcel III is to be determined by the Government. The online auction for Sale Parcel III does not have a pre-determined end date although it is expected to reach a conclusion within thirty (30) to forty-five (45) days from the date of auction commencement. During the auction, the BRAC PMO and Colliers will continuously monitor the bidding activity level daily. When it appears that the online bidding has slowed significantly, Colliers will issue an announcement through the auction platform and both print and electronic mediums, that the online auction will be closed as of a date and time certain, and upon that defined date and time, the highest bidder(s), who meets the requirements of the IFB, will be declared the "Winning Bidder(s)". Subject to the sole discretion of the BRAC PMO, if a subsequent higher bid (subject to a predetermined bid increment) is received prior to the announced auction close date/time, the auction clock will reset itself with a rescheduled close date/time on the next business day. This process will continue until such time no higher bids have been received within a twenty four (24) hour period. Thus, it is the bidders who determine the auction close date by virtue of their bidding activity. Please refer to the IFB for further clarification on the online auction process.

What do I need to do to qualify as a bidder?

The IFB includes information related to all bidder registration and deposit requirements as well as the terms and conditions under which the sealed bid and online auction will be held. The IFB contains a form for the bidder's registration, including a Corporation Certification in the event the bidder is acting on behalf of a Corporation.

How do I bid? Will there be a reserve or minimum bid? What will the bid increment be?

The IFB will address the bid structure and methodology in detail. There will be an established minimum bid for the online auction of Sale Parcel III which may be adjusted throughout the auction proceedings as seen fit to the Government's interest.

How do I determine the current bid amount?

The Roosevelt Roads project web site will contain a [portal](#) into the online auction platform, through which both registered bidders and non-registered visitors will pass through to log access the online auction platform. Registered bidders will be able to logon and then post their bid(s) and monitor all other auction activity to include the current bid amount. Non-registered parties will also pass through the same portal, but will not be able to access the “Registered Bidder” section. Non-registered visitors will, however, be able to view the current bid amount and real-time bid activity. The information posted will include the current bid, time and date of the current bid, and the next allowable bid based upon the current bid increment.

What happens if I decide to withdraw from the online auction?

Prior to the auction commencement, registered bidders may submit a written notice of withdrawal and should include in such notice a request for return of their deposit. After the commencement of the online auction, registered bidders may withdraw from the auction via the same written notification, providing, however, that the bidder desirous to withdraw has not yet posted a bid that qualifies them as the then current high-bidder or the second highest bidder at the time of the written request. Unless a registered bidder has indicated their withdrawal from the auction as noted above, all bidder deposits will remain in the Roosevelt Roads Online Auction Trust until the online auction closes. Post auction, all remaining deposits will be returned as soon as possible after the Winning Bidder(s) is announced, with the exception of the second highest bidder, who will be designated “Backup Winning Bidder(s),” and whose deposit will be retained until the close of escrow.

What is the absolute latest that a prospective bidder can register for the auction and still take part in the auction process?

A prospective bidder may register at any time prior to the announced Close of Auction. However, since there is not a set date for the auction closing, and that once the “Call for Final Bids” has been issued (See the IFB for further details) the auction may close within 24 hours from the last bid received, it is strongly recommended that all interested parties register as soon as possible.

Who determines when the auction will end?

The online auction is structured to have bidders, by their bidding activity, determine the end of the auction. The auction utilizes a soft close feature where a set date and time is NOT established at the start of the auction. When the bidding appears to have waned or slowed to a point where it looks like the bidding has reached a plateau, the Government will announce a Call for Final Bids with at least three (3) days prior notice. This notice will be posted on the project website and Colliers will notify all registered bidders by email and by phone that this announcement has been made. For this call for final bids, the Government will set a date and time - 5 PM EDT in this case — for the auction to close. If no bids are received on that date, the auction will close and the Government will consider the high bid for award of the sale parcel(s). If the Government does receive a timely bid on that date, the auction will rollover to the next business day and the auction would then be scheduled to close on that date at 5 PM EDT. This pattern will continue until no higher bids are received. In that way, the bidders by their bidding activity determine the actual closing date of the auction.

In what ways does a Public Sale of the Sale Parcels benefit the local communities and taxpayer?

The public sale process will benefit the local communities and taxpayers in a couple of very direct ways. First, the auction process will immediately return funds to the U.S. Government, thereby providing for federal funds to pay for the ongoing environmental remediation of other U.S. Navy installations. Further, the public sale process and subsequent land transfers put these portions of the Property into the hands of the private sector for redevelopment purposes, resulting in renewed economic development over time with cash flows from property tax revenues and jobs benefiting the local communities.

## **TITLE AND ESCROW**

What about matters related to Title and Escrow including fees?

The Winning Bidder(s), at its sole cost and expense, will procure any title evidence that the said bidder may desire. The Government will; however, cooperate with the Winning Bidder or its authorized agent in this connection, and will permit examination and inspection of such deeds, abstracts, affidavits of title, judgments in condemnation proceedings, or other documents relating to the title of the premises and property involved, as it may have available. The Government will not, however, be obligated to pay for any expense incurred in connection with title matters or survey of the property. The Government will convey its real property and improvement interests to the Winning Bidder(s) by a Quitclaim Deed, of which a template will be provided as part of the revised IFB when it is issued in February 2008. The Government does not pay for title insurance, but the purchaser is encouraged to acquire a title insurance policy from a local title company. The Winning Bidder(s) shall pay all taxes and fees imposed on this transaction and shall obtain at its own expense and affix to all instruments of conveyance and security documents such revenue and documentary stamps as may be required by Federal, Commonwealth, or local law. All instruments of conveyance and security documents shall be placed on record in the manner prescribed by local recording statutes at the Winning Bidder(s) expense.

How long will the process take from close of auction to close of escrow?

The sealed bid auctions for Sale Parcels I and II are scheduled to commence in April 2008. The date for the auction of Sale Parcel III is to be determined by the Government. Once an auction has closed, the Government will award the Property, in writing (A Notice of Acceptance), to the winning bidder(s). From the date of award, the winning bidder(s) will have approximately ninety to a hundred twenty (90-120) calendar days to close the transaction, by providing the balance of the purchase price.

Is any interest accrued on deposits and what is the disposition of the interest?

Registration Deposit checks will be cashed and funds will be placed in an interest bearing Trust account. When registration deposits are returned to the unsuccessful bidders after the close of the auctions, the appropriate amount of interest will be calculated and included in funds returned to bidders. The interest accrued on the Winning Bidder's registration deposit and additional deposit made within fifteen (15) days after notification will be applied towards the property's purchase price.

How will title to the Properties be conveyed?

All properties sold via public auction will be conveyed via Quitclaim Deed.

What type of deed restrictions and covenants can the new Property owner expect?

The only restrictions and covenants placed on the Property by the Quitclaim Deed will those required for environmental and cultural resource protection. A more detailed listing of these restrictions and covenants will be made available as amendments to the IFB .

## **ENVIRONMENTAL**

**NOTE: In that the subject of the environmental condition of the Roosevelt Roads property is both highly technical and expansive; the FAQ section of this web site pertinent to environmental matters is limited to the information below. Additional specific and detailed environmental information may be obtained, however, via the web links provided herein:**

Who will be responsible to clean up the remaining environmental sites on the Property? What are the responsibilities of the Winning Bidder(s) as it relates to the environmental clean up responsibilities?

Environmental sites requiring further remediation or monitoring work are currently located within portions of Sale Parcels I and III that will be publicly sold, as well as within other parcels to be conveyed from the Department of the Navy to the Commonwealth of Puerto Rico. All sites that are located on the former NSRR will continue to be managed and ultimately remediated to the specific requirements of the appropriate regulatory agency to include the U.S. Environmental Protection Agency (U.S. EPA) and Puerto Rico Environmental Quality Board (EQB). The Navy will either retain cleanup responsibility for sites within parcels to be transferred to the Commonwealth or negotiate a mechanism to transfer the cleanup responsibility to the Commonwealth. The Navy has decided to dispose of Sale Parcels I and III with a "Lease in Furtherance of Conveyance" (LIFOC) for specific sites located within the parcels which require environmental remediation/monitoring of the corrective action plans in place. This means that the Navy will retain remediation/monitoring responsibilities for the environmental sites located within Sale Parcels I and III, at the time of the transfer of the property to the Winning Bidder(s). Once the environmental remediation on the LIFOC areas is completed and a Finding of Suitability of Transfer (FOST) has been signed, the LIFOC areas will be conveyed in FEE to the Winning Bidder(s) or subsequent owners of the property. Please contact the Roosevelt Roads Bidder Support Center at 800.434.5880 for additional information on the changes to the environmental responsibilities associated with the sale of the property.

Where can I obtain more information regarding environmental matters on the Property?

The best place to begin communicating *any* informational needs for the Roosevelt Roads Property is to [register](#) and/or contact the Colliers International's Roosevelt Roads Bidder Support Center at 800.434.5880. Please be advised that in addition to the [Virtual Due Diligence Library](#) there is also a specific environmental website with links to numerous environmental sources hosted by Baker Environmental, the Department of the Navy's environmental consultant relating to Roosevelt Roads. The link is located within the Virtual Due Diligence Library.

Who will pay for environmental cleanup of sites within each of the Sale Parcels?

The environmental cleanup responsibilities for Sale Parcels I and III will be retained by the Government and the environmental sites will be conveyed to the Winning Bidder(s) of the Sale Parcels via a Lease in Furtherance of Conveyance (LIFOC) until the remediation is completed, at which point the property will be conveyed in FEE to the Winning Bidder at that time. Sale Parcel II is CERFA clean and there are no costs/remediation responsibilities expected of the Winning Bidder.

What is a RAB and what does it do?

The Roosevelt Roads Restoration Advisory Board (RAB) is an advisory group made up of about twenty community volunteers along with members of the following agencies: The Department of the Navy, U.S. Environmental Protection Agency (EPA), Puerto Rico Environmental Quality Board (EQB), Puerto Rico Conservation Trust (PRCT), the mutual municipalities of Ceiba/Fajardo/Naguabo and Portal del Futuro, the Local Redevelopment Agency. The RAB is a vital link between the Navy, the agencies and the community, by providing a mechanism for two-way communication about the current and future environmental cleanup program through open public meetings. The Navy, EPA and EQB are legally responsible for making cleanup decisions for property that is currently under Navy ownership. RAB members will review and comment on cleanup documents, share community views with the agencies' decision-makers, and report information back to the community. RAB members will function by providing the much-needed local perspective and the community's point of view. When property title is transferred to the successful bidders, they will assume environmental cleanup responsibility through terms of the RCRA 7003 Order.

Will the RAB be involved with reuse decisions for the three sale parcels?

No, the RAB is only asked to provide advice about environmental cleanup. Portal del Futuro, as the official local reuse authority, is responsible for carrying out the approved reuse plan for the former Navy base.

Is asbestos and/or lead-based paint present in the housing areas?

**Asbestos:** An asbestos-containing material (ACM) inspection of military family housing in the eight NAPR residential communities was performed in January and February 2005 in anticipation of property transfer. According to the June 2005 Final Asbestos Inspection Report for Military Family Housing, Naval Activity Puerto Rico, Ceiba, Puerto Rico (Baker, 2005a) which is part of the Due Diligence Library, NAPR housing was reportedly constructed between 1960 and 1975. Twenty-seven of the housing units in the Manatee Bay community are of original construction and the remaining 935 NAPR units were renovated to varying degrees beginning in 1989. Renovation of some of the units included removal of ACM. While ACM was identified in all of the residential communities except Rainbow Hill (which is the only housing area not in Sale Parcel II), no friable, accessible and damaged (FAD) ACM hazards were identified in the housing units that were inspected. Not all units in NAPR housing were inspected. Instead, a representative number of units were inspected in each housing community. Detailed information about the units inspected and the materials identified and sampled during the asbestos inspection, including summary tables, location drawings, photographs and laboratory reports is included in the report. As mentioned in the asbestos inspection report, if renovation of housing units is scheduled following transfer, a more comprehensive ACM inspection should be conducted to attempt to identify hidden ACM (e.g., behind walls, above ceilings, etc.) that would not have been identified during the non-destructive, baseline asbestos study. While this potential ACM does not pose a hazard to site users, future demolition and/or subsurface work

performed by the transferee could result in FAD ACM hazards. Thus, the transferee will be required to use best management practices during any future renovation/demolition activities or underground utility work, and to comply with all applicable laws relating to ACM management in order to ensure future protection of human health and the environment. **Lead-based paint:** A lead-based paint (LBP) inspection and risk assessment of military family housing at NAPR was performed in conjunction with the ACM inspection described above. According to the June 2005 Final Lead-Based Paint Inspection/Risk Assessment Report for Military Family Housing, Naval Activity Puerto Rico, Ceiba, Puerto Rico (Baker, 2005c), which is part of the Due Diligence Library, NAPR housing was reportedly constructed between 1960 and 1975. Twenty-seven of the housing units in the Manatee Bay community are of original construction and the remaining 935 NAPR units were renovated to varying degrees beginning in 1989. Renovation of some of the units included removal of LBP. In accordance with U.S. Department of Housing and Urban Development regulations, the Navy is required to inspect and assess NAPR housing for LBP and LBP hazards and disclose the results to the next owner. Because the housing units were constructed in 1960 and later, LBP hazards are not required to be abated before the sale of the properties. LBP hazards were identified in the Algodones Apartments, Coast Guard, Manatee Bay, and Mangrove Manor housing communities only, and included deteriorated LBP on various components and slightly elevated lead in dust on floors. Hazards related to friction surfaces, impact surfaces, chewable surfaces, and soil were not identified in these communities. No LBP hazard of any type was identified in the Caribe Breeze, Cascajo Point, or FDR Drive communities. Not all units in NAPR housing were inspected. Instead, a representative number of units were inspected in each housing community. Detailed information about the inspection and risk assessment methodologies, units inspected and the materials identified and sampled during the LBP inspection, including summary tables, location drawings, photographs, laboratory reports, and LBP control options is included in the report. (Baker, 2005)

## **IMPORTANT ENVIRONMENTAL HIGHLIGHTS**

### National Environmental Policy Act:

The Government has prepared an Environmental Assessment (EA) to analyze the potential impacts of the disposal of the Property. The EA entitled, Environmental Assessment for the Disposal of Naval Activity Puerto Rico (Formerly Naval Station Roosevelt Roads) was concluded with a “Finding of No Significant Impact” (FONSI). The EA and FONSI are available in a downloadable format within the [Virtual Due Diligence Library](#).

### Environmental Condition of Property (ECP):

The Government has completed an Environmental Condition of Property (ECP) report. The ECP report discloses available, factual, environmentally relevant information regarding the condition of the Property. The ECP is based on results of property investigations, interviews with persons familiar with historic operations at the Property, and review of available information and data related to storage, release, treatment, or disposal of hazardous substances or petroleum products. The report is available in a downloadable format within the [Virtual Due Diligence Library](#) at the website.

### Covenant Deferral Request:

The Government has prepared a Covenant Deferral Request (“CDR”) for “early transfer” of the property, that is, to sell or otherwise convey Government owned real property prior to the final approved environmental cleanup actions being completed. In addition, the CDR describes the

proposed property transfer mechanisms; the nature and extent of hazardous substance contamination; intended future land use and the land use controls needed to prevent unacceptable exposure to contaminants under the future use scenarios; work remaining to be completed at the sites and the process for ensuring it is completed; and the proposed deed language that will ensure the requirements and assurances of CERCLA 120(h)(3)(C) are met. The CDR is currently in the process of being submitted to the Governor of the Commonwealth of Puerto Rico for his approval and signature. The CDR will provide the Government with the authority to transfer the title of the Property prior to the completion of the cleanup of regulated environmental cleanup sites. The draft final copy of the CDR is available in a downloadable format within the [Virtual Due Diligence Library](#).

Information regarding RCRA:

The Resource Conservation and Recovery Act (RCRA) of 1976, which amended the Solid Waste Disposal Act, was the first substantial effort by Congress to establish a regulatory structure for the management of solid and hazardous wastes. Subtitle C of the RCRA addresses “cradle-to-grave” requirements for hazardous waste from the point of generation to disposal. Subtitle D of the RCRA contains less restrictive requirements for non-hazardous solid waste. The Hazardous and Solid Waste Amendments (HSWA) of 1984 established additional waste management requirements, such as the corrective action (cleanup) of solid waste management units and added Subtitle I, which imposes management requirements for underground storage tanks (USTs) that contain petroleum or hazardous substances. Most RCRA requirements are not industry specific but apply to any company that transports, treats, stores, or disposes of hazardous waste.

**MISCELLANEOUS**

What if I have more questions?

Please email us at [info@Roosey-Roads.com](mailto:info@Roosey-Roads.com) or contact the Roosevelt Roads Bidder Support Center at 800.434.5880.