

FEBRUARY 24, 2013
MEOSHI JONES - ALBURY
ML # 70003118

**APPRAISAL REPORT
ON
RESIDENTIAL DEVELOPMENT
LOT NO.16, BLOCK NO.13
ROYAL BAHAMIAN ESTATES
FREEPORT, BAHAMAS**

Requested by
FIDELITY BANK
of the city of Freeport, Bahamas,
and prepared by

**ASTON JONES & ASSOCIATES
Licensed Real Estate Appraisers
Nervee Professional Building
7A, West Mall Drive
P.O. Box F-41684
Freeport, Bahamas
tel. 242 3512061**

PURPOSE OF APPRAISAL

The appraisal was made for the purpose of estimating market value of the subject real estate to assist a financial institution.

LEGAL DESCRIPTION

All that piece parcel or tract of land legally referred to as Lot no. 16, Block no. 13 in the Royal Bahamian Estates, Subdivision in the city of Freeport, Grand Bahama.

STATEMENT OF LIMITING CONDITIONS & ASSUMPTIONS

No responsibility has been assumed for matters which are legal in nature, and this appraisal assumes marketable title. Liens and encumbrances, if any, have been disregarded and the property is valued as though free from indebtedness.

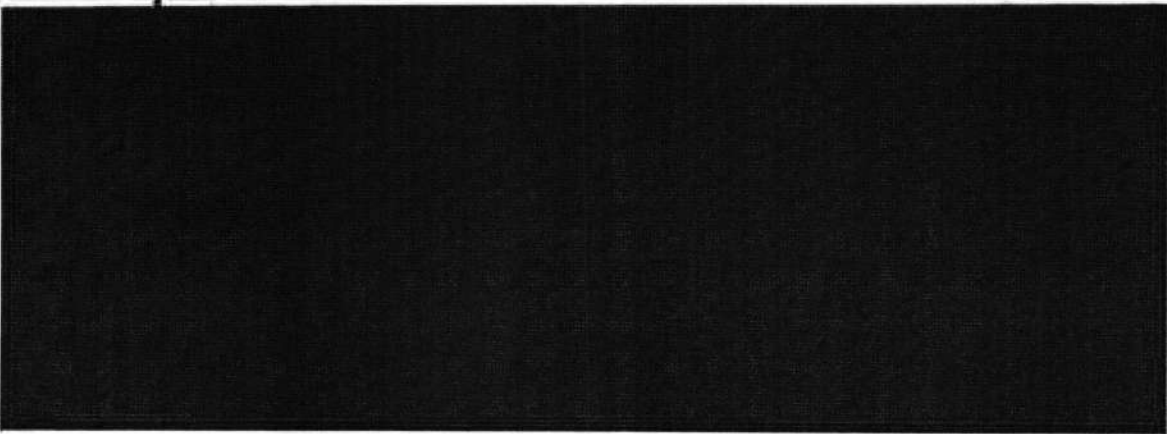
The valuation is in Bahamian Dollars. The Bahamian dollar is on par with the U.S. dollar.

No investigation was carried out to determine the magnitude, nature and strength of the strata forming the subject land.

The areas and dimensions indicated in this report are assumed to be correct.

The appraiser has made no land survey of the property and assumes no responsibility in connection with such matters. Any related drawings or identified survey of the property included in this report is only for the purpose of assisting the reader to visualize the property.

The appraiser is not required to give testimony or attendance in court by reason of this appraisal unless arrangements have been previously made.



SUMMARY OF SALIENT FACTS & CONCLUSIONS

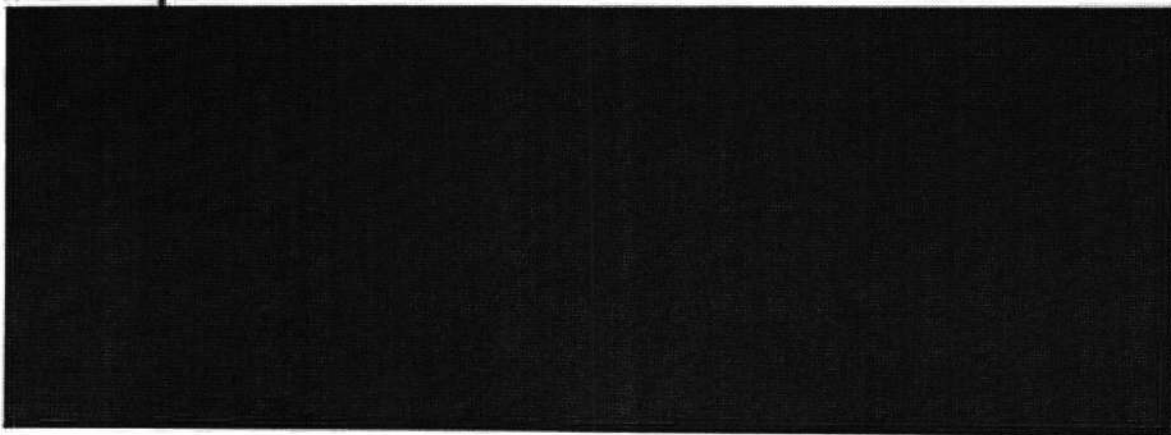
Subject Real Estate: Lot no.16, Block no.13, Royal Bahamian Estates
Subdivision, Freeport

Date of Appraisal: 24th February 2013

Appraisal Requested by: Fidelity Bank

Land Size: 0.43 acres

Assigned Market Value: \$32,000.00



CERTIFICATION AND MARKET VALUE

I hereby certify that I have inspected the land as it physically exists at the present time, whose address is herein described as Lot no.16, Block no.13, Royal Bahamian Estates, Subdivision, Freeport, Grand Bahama, and that the fair value has been developed from verified information.

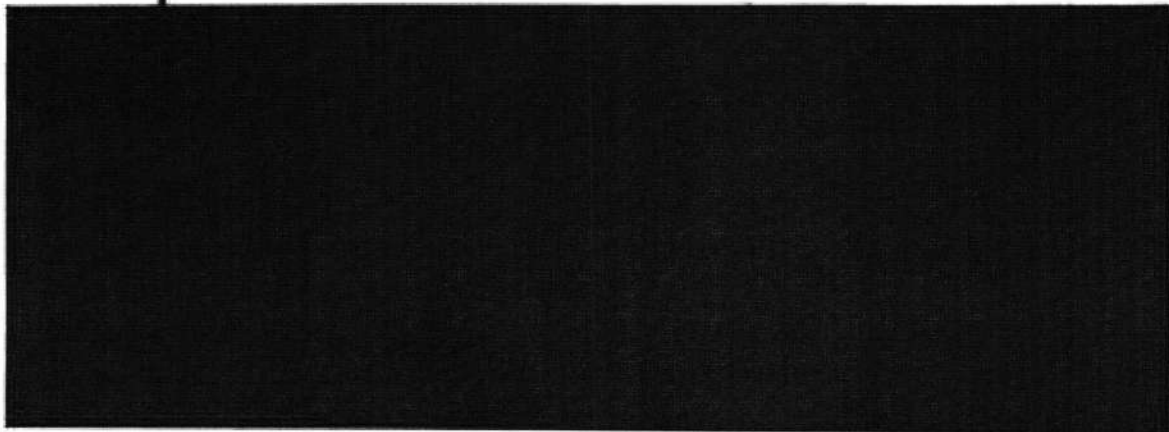
I further certify that:

The reported analysis, opinions and conclusions are limited only by the reported assumptions and limiting conditions;
the appraiser has no interest, present or prospective, direct or indirect, financial or otherwise, in the property that is the subject of this appraisal; and is not associated with any of the parties involved with the subject real estate;
the appraiser's compensation is not contingent upon an action or event resulting from the analysis, opinions or conclusions in or the use of, the appraisal.

Assessment of the real estate, whose address is given at caption, made this 24th Day of February 2013, results in an appraised market value of Thirty-two Thousand (\$32,000.00) Dollars.

Respectfully submitted,
Aston Jones & Associates


Aston Jones
Licensed Real Estate Appraiser
MAREA



AREA PROFILE

The Island of Grand Bahama

Grand Bahama is the fourth largest island among the archipelago of islands which make up the Commonwealth of the Bahamas. It is the second most populous island. It lies 100 miles north of the island of New Providence which accommodates the capital city of the nation, Nassau, and it is 87 miles to the southeast of the coast of Florida. Freeport is the main city on Grand Bahama.

The City of Freeport

Freeport occupies approximately the middle third of Grand Bahama and has a land area exceeding 233 square miles. The community is supported by a relatively broad economic base of industry, commerce and tourism. Tourism has been the major support system for the last few decades, but industry based about the Freeport Harbour Area has become more supportive to Freeport's economy. The city is known as an important transshipping point for traders, covering markets in Latin America and the Caribbean.

Freeport's harbour accommodates the largest ships in the world and its airport's runway can accommodate the world's largest aircraft. It can supply 6.5 million gallons of potable water per day. The power company has a capacity of about 60 megawatts with a current demand of 58.4 megawatts. The electricity power company has developed serious challenges with reliability and production cost--to the extent where most local businesses are concerned that it affects their competitiveness to do business compared with other regional companies.

The economy of the city of Freeport is poor. Although tourism is thought of as the major industry in the city the industrial activity based around the Lucayan Harbour (Freeport's only harbour) is what keeps the city's economy afloat: ship care facilities, crude petroleum storage, chemical manufacturing, rock and aggregate mining, container porting. The city does have in excess of two thousand hotel rooms, four active golf courses, lots of water sports, daily flights from about half a dozen cities in North America, and daily cruise ship visits. However, with a population of over fifty thousand, unemployment is presently pegged at almost twenty (20%) percent.

Freeport's strength is in its potential for business activity. Its strategic geographical position (in the midst of the best shipping route in the western hemisphere), its proximity to the mainland of the United States of America, and its existing infrastructure---roads, water, harbour and airport facilities, and communications are attractive. The Bahamas' pending membership in the World Trade Organization could easily multiply Freeport's business advantages.

Construction of a government complex valued at eighteen million dollars (\$18,000,000.00) is recently completed. Construction of additional storage facilities for crude petroleum to the tune of two hundred million dollars (\$200,000,000.00) is underway. Hopefully these projects will sustain the local economy until the world's economic recession improves to the point of causing an increase in tourist visits. Nonetheless, hope of quick economic improvement has been waning.

THE GENERAL VICINITY

The Royal Bahamian Estates Subdivision is a single-family residential development located just four miles to the southeast of downtown Freeport. Medical clinics, primary and secondary schools, churches of various denominations, food stores, restaurants and other shopping complexes are all within one-mile's distance of travel from the neighborhood. Relative to Freeport, the area is developing at a fairly rapid pace. It is already substantially populated. Infrastructural facilities available in this subdivision include paved roads, mains electricity, telephone and boosted television reception service.

The area is maintained by the Grand Bahamian Hills Company.

THE SITE

The subject lot is situated within the interior of the Royal Bahamian Subdivision. The lot is situated along the northern side of a minor street called Anguilla Road. The lot is also three blocks east of the intersection of Beachway Drive, a minor collector street. It is approximately a mile south of East Sunrise Highway a busy thoroughfare.

Directions.....travel east along East Sunrise Highway from the town area, then turn right at the third corner (Beachway Drive), then turn left at the third corner (Tahiti Drive), then turn first right onto Anguilla Road and the subject lot is the fifth on the left hand side of the street.

Lot #16 has a rectangular configuration. It has a road and rear frontage of 125 feet each and a depth of 150 feet. These lot dimensions result in a land area of 0.43 acres. The terrain of the lot is basically flat.

To date the lot has not been cleared of its natural vegetation pine and shrubbery typical to Freeport.

Boundary monuments were not seen.

THE APPRAISAL PROCESS

(a) Property Rights Appraised

The property rights appraised are all rights that are existing in fee simple on the appraisal date. These rights are the legal and economic properties of the owners that may rightfully be exchanged for money or equivalent goods.

Property rights inherent in the ownership of tangible personal property, and intangible benefits of the property itself, are not the subject of this report.

(b) Market Value

For the purpose of this appraisal, Market Value is defined as the highest price estimated in terms of money which a property will bring if exposed for sale in the open market, allowing a reasonable time to find a purchaser who buys with the knowledge of all the uses to which it is adapted, and for which it is capable of being used.

Frequently, it is referred to as the price at which a willing seller would sell and a buyer would buy, neither being under abnormal pressure. It is the price expected if a reasonable time is allowed to find a purchaser and if both seller and prospective buyer are informed. (Appraisal Terminology And Hand Book 5th Ed., American Institute of Real Estate, Appraisers, Chicago, 1973).

The generally accepted method of obtaining the market value of a parcel of property is by the use of the three (3) approaches to value. These approaches are the Cost Approach, the Income Approach, and the Market Data Approach.

The value indicated by each approach is carefully reviewed and that approach, which in the judgment of the appraiser most adequately reflects all the circumstances in connection with the property under appraisal and the purposes for which the appraisal is being made, will be selected as the best indication of Market Value.

In this appraisal, we apply the **market data approach** using comparable nearby land sales to prove **land value** of the subject property.

We apply the **cost approach**, and the **comparable sales approach** with respect to the **site improvements**.

ZONING and HIGHEST AND BEST USE

The subject lot of land exists in a vicinity which is zoned for single-family residential development. Its geographical location is such that it enjoys peace and privacy and it is within convenient proximity to most services a resident will require in a city such as Freeport.

LAND EVALUATION MARKET DATA APPROACH

The developers of this subdivision relisted their lot prices a few years ago. Recently though, land value in Freeport has increased. The subject lot now has a listed base value of Seventy-two Thousand Dollars (\$72,000.00) per acre. This figure varies slightly with respect to location. Lot no.16 now has an assigned value of Thirty-two Thousand Dollars (\$32,000.00).

Physical condition

To date the lot has not been cleared of its natural vegetation pine and shrubbery typical to Freeport.

VALUE OF IMPROVEMENTS - COMPARABLE SALES APPROACH

AREA VALUES

The real estate in question is situated in a single-family only residential neighborhood. House sizes range from 1,400 square feet to in excess of 3,000 square feet. Replacement values on single-family developments (without land value) would range between \$127,000.00 and \$550,000.00.

ANALYSIS, CORRELATION and CONCLUSIONS

The purpose of the appraisal is to arrive at a fair market value.

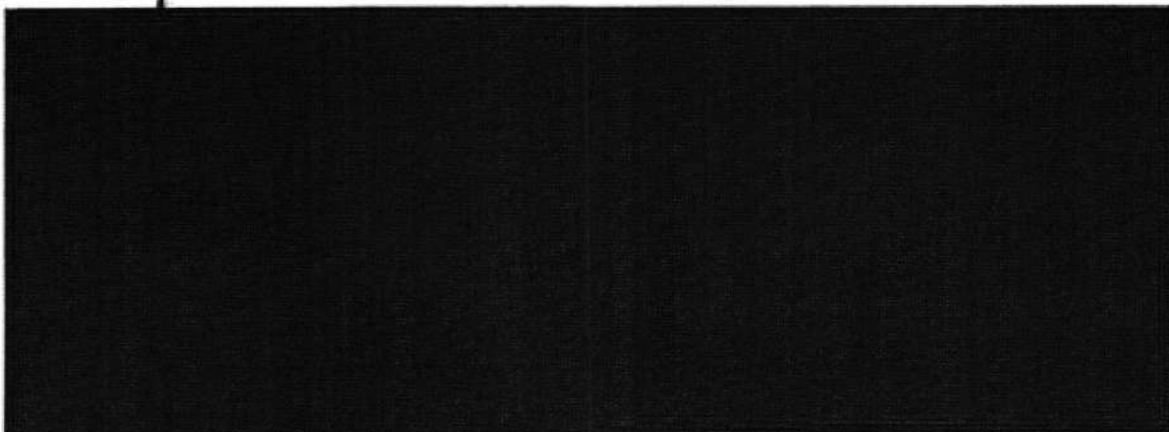
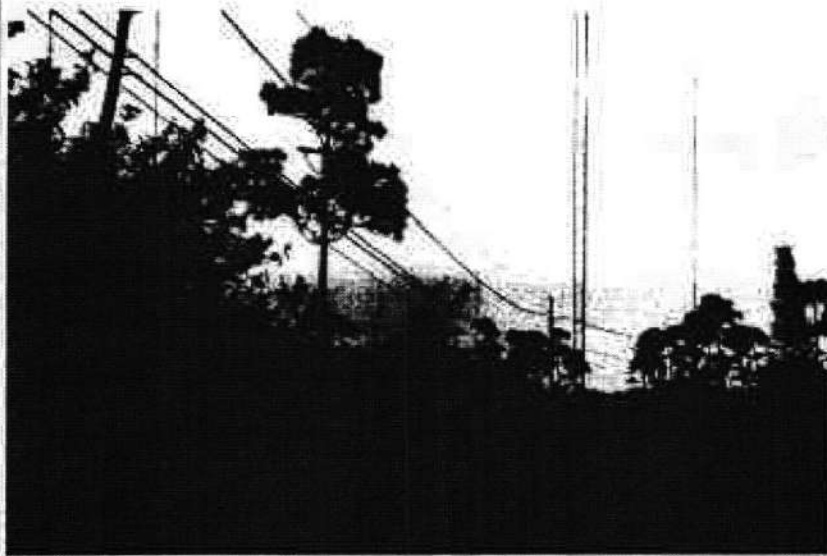
The cost approach is usually a useful guide to replacement value but gives no consideration to neighborhood influences. Unless comparable value and/or income value is known, one cannot determine whether a property is underdeveloped or overdeveloped.

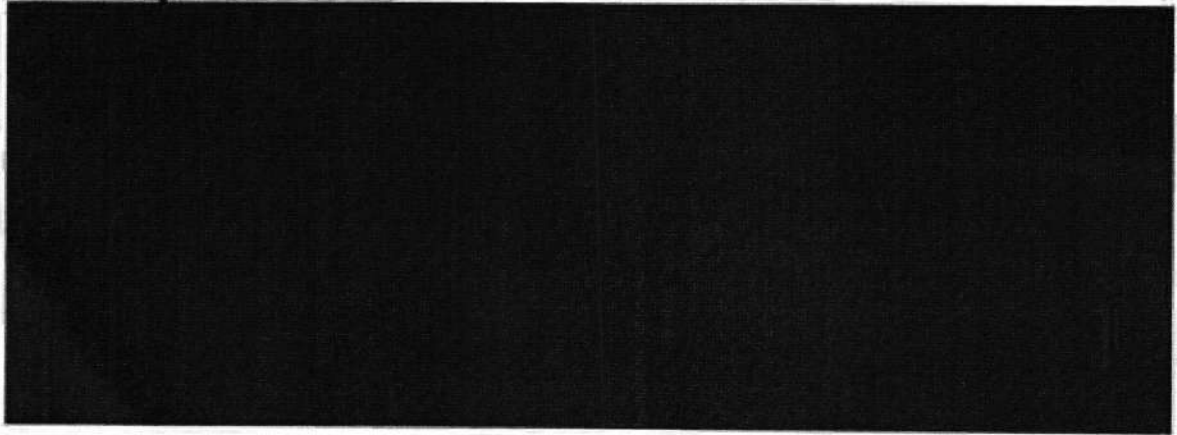
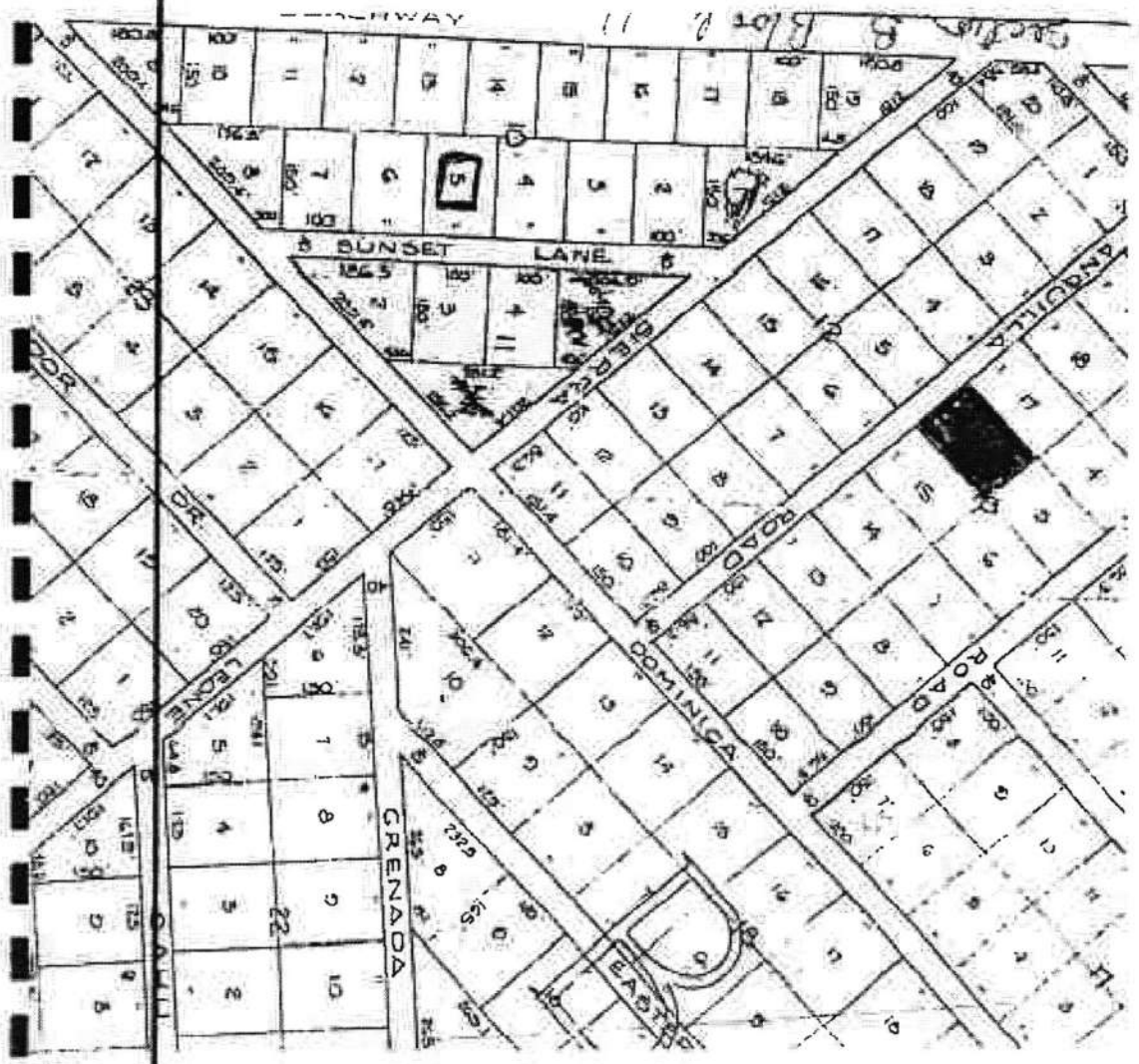
The income approach, when available, serves as a good comparison with the cost approach when comparable sales data is not available.

In the subject appraisal the comparable sales value, or value by market data is available. This serves as the most accurate of the three approaches to appraising.

Consequently, the writer assigns the value from comparable sales of **Thirty-two Thousand (\$32,000.00) Dollars.**


Aston Jones





APPRAISAL REPORT

OF

**VACANT LAND
LOT No. 16, BLOCK 13, ANQUILLA ROAD
ROYAL BAHAMIAN ESTATES, SECTION "B"
FREEPORT, GRAND BAHAMA**

PREPARED FOR:

MEOSHI JONES-ALBURY

AS OF:

JULY 16th, 2007

PREPARED BY:

**BERT E. LIGHTBOURNE, PRRA, CCRA
PROFESSIONAL RESIDENTIAL REAL ESTATE APPRAISER
P. O. BOX F- 40693
FREEPORT, GRAND BAHAMA
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TABLE OF CONTENTS

	PAGE NO.
Letter of Transmittal.....	1
Purpose of the Appraisal.....	2
Definition of Value.....	2
Property Rights.....	2
Highest and Best Use.....	2
City Data.....	3
The Subdivision.....	4
Site Data.....	4
Zoning.....	4
Amenities.....	4
Market Study.....	4
Market Value.....	4
Underlying Assumptions.....	5
Certificate of Appraisal.....	6
Qualification of Appraiser.....	7

APPENDIX

- Exhibit "A" Plot Plan
- Exhibit "B" Photographs

APPRAISAL CERTIFICATE

I hereby certify that upon application for valuation by:

MEOSHI JONES-ALBURY
FREEPORT, GRAND BAHAMA

The undersigned personally inspected the following described Property:

All that piece, parcel or lot of land known as **LOT No. 16, BLOCK 13, ANQUILLA ROAD, ROYAL BAHAMIAN ESTATES, SECTION "B"**, located in the eastern section of the city of Freeport, on the island of Grand Bahama, an island in the Commonwealth of the Bahamas, recorded in the Registrar General's Office, Nassau, Bahamas.

And to the best of my knowledge and belief the statements contain in this report are true and correct, and neither the employment to make this appraisal nor the compensation is contingent upon the value reported, and that in my opinion the **MARKET VALUE** as of the 16th day of **JULY, 2007** is:

THIRTY THOUSAND DOLLARS (\$30,000)

The property was appraised as a whole, owned in fee simple title and unencumbered, subject to the contingent and limiting conditions outlined herein.


BERT E. LIGHTBOURNE, PRRA, CCRA
PROFESSIONAL RESIDENTIAL REAL ESTATE APPRAISER