

**APPRAISAL REPORT
ON
REAL ESTATE
@
LOT NO.19, BLOCK NO.2
FORTUNE POINT, UNIT NO.2
FREEPORT, GRAND BAHAMA**

Requested by
FIDELITY BANK (BAHAMAS) LIMITED
OF THE CITY OF FREEPORT
FOR


of the city of Freeport,
and prepared by

JUNE 28, 2013

**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

This appraisal was made for the purpose of estimating market value of the subject real estate.

LEGAL DESCRIPTION

All that piece parcel or tract of land legally referred to as Lot no.19, Block no.2, Unit 2 in the Fortune Point 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.

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.19, Block no.2, Fortune Point, Unit 2, 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 28th Day of June, 2013~~ results in an appraised market value of **Eighty-three Thousand (\$83,000.00) Dollars.**

Respectfully submitted,
ASTON JONES AND ASSOCIATES



Aston Jones
Licensed Real Estate Appraiser
MBREA

SUMMARY OF SALIENT FACTS & CONCLUSIONS

Subject Real Estate: Lot no.19, Block no.4 Fortune Point, Unit 2,
Subdivision, Freeport

Date of Appraisal: 28th June 2013

Appraisal Requested by: Fidelity Bank (Bahamas) Limited

Land Size: 0.95 acres

Assigned Market Value: \$83,000.00

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

Fortune Point Subdivision, Unit 2, is located to the east of Freeport, approximately ten miles from the town's business center. The subdivision lies to the south side of one of the main arterial roads in the Lucaya area called Midshipman Road.

Fortune Point Subdivision, Unit 2, is residentially bi-zoned for 'Multi-family' and 'Multi-family Hi-rise' developments. It is surrounded by other residential communities to the north and to the west, but with a tourist commercial area (Discovery Bay and Fortune Beach) to the east and to the south respectively. Presently a multi Million Dollar development is proposed for the Discovery Bay area. The land was cleared some time ago but presently work seems to be at a stand still. Proposed for this area are town houses and a 330 room Hotel.

The subject real estate lies in a 'Multi-family' zone. The closest shopping and entertainment district is about six miles away.

Most areas about the subdivision are serviced with infra-structural facilities. These include city running water, mains electricity and paved roads. Telephone lines and cables carrying boosted television reception service are not as yet available in the subject section of the subdivision. However, these aerially strung lines are along the northern side of Midshipman Road.

THE SITE

The subject real estate is addressed at Lot No. 20, Block No. 1 Fortune Point Unit 2. This lot is situated within the interior of the subdivision along the eastern side of a minor street called Captain Hill Square. The lot is bounded to the east by Tract B. The lot is about 300 yards south of Midshipman Road (an arterial road). The lot also lies about 500 yards east of Fortune Bay Drive, a neighborhood collector street.

Directions....travel east along Midshipman Road from the Port Lucaya area, then turn first right after passing Fortune Bay Drive (a well known collector street) onto Captain Hill Square, at the "T" junction turn left and after passing a minor unnamed cul-de-sac on the left the subject lot is the fifth on the left hand side of the street.

The immediate area is void of individual lot development except for a newly constructed multi-family building and an incomplete multi-family building about 400 yards east of the subject lot. The surfaces of the remaining lots contain the mature growth of natural vegetation typical to the island of Grand Bahama. Similar vegetation exists about the surface of the subject lot.

The terrain of the lot in question is flat. Its configuration has four unequal sides. The front road boundary has a total length of 153 feet, the rear boundary has a length of 204 feet, the northern side boundary has a length of 215 feet and the southern side boundary has a length of 250 feet. These lot dimensions result in a land area of 0.95 acres.

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 multi-family residential development. Its geographical location is such that it enjoys peace and privacy and it is not within convenient proximity to most services a resident will require in a city such as Freeport. The subject land may, thus, be considered with proposed development which maximizes its potential.

LAND EVALUATION MARKET DATA APPROACH

The Development Company is the developer of the subdivision in question. (The developers have no more lots remaining in their inventory).

The value of real estate in the Fortune Point Subdivision, Unit 2 has the potential to increase due to the Discovery Bay project.

Lots in the Fortune Point Subdivision, Unit 2, now have a base sales value of eighty-seven thousand (\$87,000.00) dollars per acre of land. This given base value, however, is affected by features such as land elevation, site orientation, development of adjacent properties, lot configuration etc.

Consequently, the writer assigns a market value of **—Eighty-three Thousand (\$83,000.00) Dollars to the lot in question.**

Physical condition

To date, the lot has not been cleared of its natural vegetation.

AREA VALUES

The real estate in question is situated in a multi-family residential neighborhood. The occupied building has an area of approximately 6,000 square feet. The replacement value on this multi-family development (without land value) is approximately Seven Hundred and Twenty Thousand (\$720,000.00) Dollars.

ANALYSIS, CORRELATION and CONCLUSIONS

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

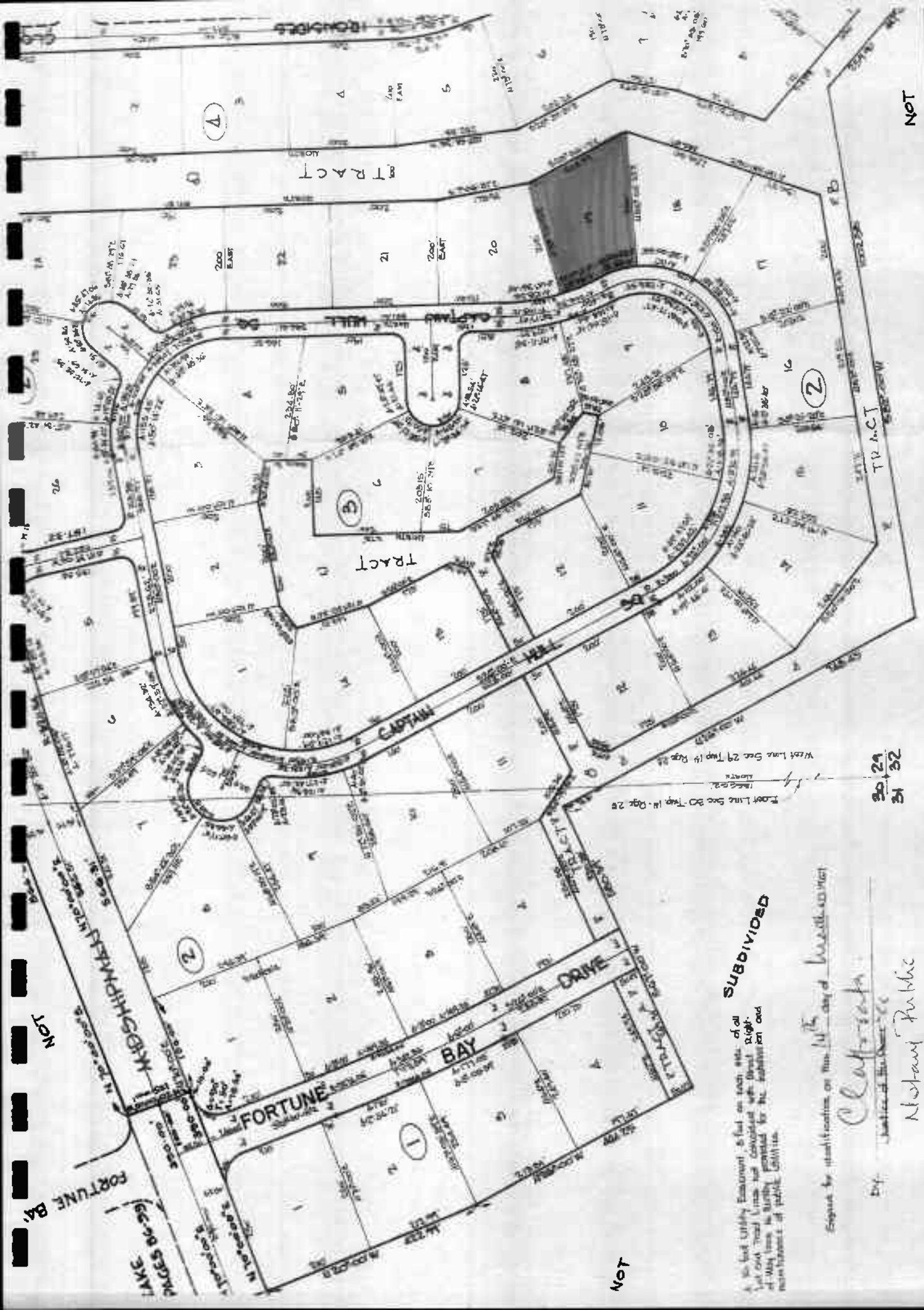
The cost approach is usually a useful guide to replacement value but gives no consideration to neighborhood influences. Unless comparable value and/or income value is known, one cannot determine whether a property is underdeveloped or overdeveloped.

In the subject appraisal, because 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, **Eighty-three Thousand (\$83,000.00) Dollars.**



Aston Jones



NOT

TRACT

TRACT

SUBDIVIDED

A 20-foot utility easement is filed on each side of all street front lines and converted with street right-of-way from its original location for the subdivision and maintenance of public utilities.

Engine by identification on this plat any of the following:

Clayton

By: *Clayton*

Notary Public

20/21
31/32

NOT

