

APPRAISAL REPORT

LOT NO. 112, SITUATE IN
SILVER COVE SUBDIVISION, SECTION 1
FREEPORT, GRAND BAHAMA ISLAND
COMMONWEALTH OF THE BAHAMAS

DATE: 28th SEPTEMBER, 2007



APPRAISER: MELVERN JOHNSON CRA, RA

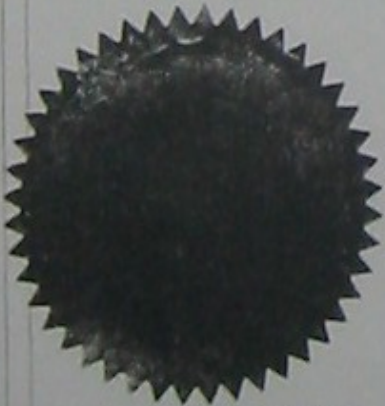
APPRAISAL REPORT DATED THIS 28TH DAY OF
SEPTEMBER, A.D. 2007

EVALUATION OF ALL THAT piece parcel of Lot of
Land being Lot No. 112 situate in the Subdivision known
as "SILVER COVE" Section 1, in Freeport, on the Island
of Grand Bahama, one of the Islands of the
Commonwealth of The Bahamas.

Delineated on the attached Plan and is coloured "PINK."

APPRAISED MARKET VALUE\$395,000.00

Appraiser's Seal



APPRAISER: Melvern Campbell Johnson, CRA, RA

COMMONWEALTH OF THE BAHAMAS

FREEPORT

GRAND BAHAMA ISLAND

**RESPONDING TO A REQUEST FOR AN APPRAISAL REPORT,
FROM MR. ANDREW F. RISSO OF BRADENTON, FLORIDA, ON
THE 28TH SEPTEMBER, 2007, I MADE A THOROUGH
INSPECTION OF A LOT DESCRIBED IN THIS REPORT, TO
DETERMINE THE FAIR MARKET VALUE THEREOF.**

A P P R A I S A L R E P O R T

APPRAISAL APPROACH:

For the purpose of this EVALUATION, THE "SALE COMPARISON METHOD" approach will be utilized. This involves, searching the Market Place for comparable properties to the one being investigated and making, on the basis of terms of sales conditions in the Market Place, at the time of the sale and the degree of comparability to the subject property, to determine the Fair Market Value.

GEOGRAPHICAL OVERVIEW:

The Bahamas, comprising of Seven Hundred (700) Islands Reef and Cays, is located Fifty (50) Miles East of the Southeastern Coast of

Florida, U. S. A. It includes a combined land and sea area of over One Hundred Thousand (100,000) square miles.

The most recent population census of the year 2000, provided by the Department of Statistics, indicates the population to be 304,913.

Publication from this Department, also indicates that from the year 1999 to the year ending December 31, 2003, the GROSS DOMESTIC PRODUCT (GDP) GREW BY 17%; OR FROM \$4.7 Billion to \$5.5 Billion.

The Bahamas is renowned for its Three (3) major industries, viz: BANKING, TOURISM AND BUILDING CONSTRUCTION.

The TAX FREE HAVEN in The Bahamas continues to attract millions of Dollars of foreign investments.

Coupled with Economic enhancement and the physical development, is the natural pristine beauty of this Island Nation. The continued increase in property value, is a true indicator of its financial worth

SUBJECT ISLAND: - GRAND BAHAMA - FREEPORT

MARKET ENVIRONMENT:

Grand Bahama is one of the most Northern Islands of the Bahamas chain of Islands; and it is the Fourth largest in the Archipelago, with dimensions of about Ninety-six miles (96) long and Seventeen miles (17) wide.

While the Island has many little Settlements, the prominent ones are West End, where Ginn Versailles Sur Mer, is developing a multi-million dollar Resort, comprising of a world class marina, golf course, private airport, world class shopping, dining, night clubs, spas and Monte Carlo-inspired casino, East End and Eight Mile Rock. Eight Mile Rock contains the largest concentration of Bahamians in the entire Bahamas. Freeport, which came into existence in the year 1955, is known as The Bahamas' Second City; the first being Nassau, New Providence.

Freeport is primarily under the jurisdiction of the Grand Bahama Port Authority, and its Group of Companies. Its legislative control is the

"Hawksbill Creek Agreement" under the auspices of The Bahamas Government.

A conglomerate, known as Hucherson Whampoe, from Hong Kong, China, recently purchased Fifty Percent (50%) of the shares of Freeport Harbour Company from the Grand Bahama Port Authority and its Group of Companies and converted the harbour into a lucrative Trans-shipment Container Port. These World Class Operators are highly recognized for similar developments such as the Port of Felixtowe in the U.K., Ports in China and Europe, including Ports as each end of the Panama Canal. This locally based container Port, which opened in July, 1997, made a significant impact of the economy of Freeport, Grand Bahama.

NEIGHBOURHOOD ENVIRONMENT:

The Subdivision in which the subject lot situates is known as SILVER COVE. It is zoned as Tourist Commercial, which translates to occupation of hotels, motels restaurants, marinas etc.

Its manmade meandering waterways enhance the natural beauty of the area. It is all developed with Tourist oriented Structures, such as Time-Shares, privately owned Hi Rise Condominium Structures, High End Apartment Buildings and a few elitist residential homes, valuing anyway from half a Million Dollars and above. One of the most successful Time-Share development situates in close proximity to the subject property.

This Subdivision has all the vital infrastructure and amenities, such as paved roads, water, power, telephones, cable, etc. Medical facilities, such as the Rand Memorial Hospital, Lucayan Medical Clinic and other private Clinics are also in close proximity to the property being appraised. There is certainly no shortage of Schools or Churches. The added attraction to this property is the fact that the beautiful white sandy beach, with its crystal water, is about eight minutes walk from this Lot in question.

The relatively large lot in this Subdivision, lends to the moderate density of the area.

BRIEF DESCRIPTION OF SUBJECT LOT:

The property being appraised is described as Lot No. 112, Silver Cove, Section 1, Freeport, Grand Bahama Island, Bahamas, having dimensions as follows:

Bounded Northwardly, by a paved road and part of a cul-de-sac, known as Silver Court and running thereon Two Hundred and Twenty-Six (226.00) feet; Southwardly, by a manmade deep water canal running thereon, Fifty (50) feet; Eastwardly, bounded by a private property, and running thereon One Hundred and Twenty (120.00) feet and bounded Westwardly by another private property, designated as Lot No. 111, in the said subdivision and running thereon One Hundred and Ninety-One and Seventy-Eight Hundredths (191.78) feet, which said piece parcel or lot of land has such positions, boundaries, shapes marks and dimensions as are shown on the plan hereto attached and coloured "Pink."

TOPOGRAPHY:

The land in Silver Cove is relatively flat, which mitigates settling of water when a deluge of rain occurs. However, the water dissipates quickly.

The manmade deep water canal is equipped with Bulk Heading, which would prevent seawater flowing on to the land in the event of a tidal wave, which is likely but not frequently in these tropical Islands.

COMPARATIVE SALES ANALYSIS:

Similar Lots in Silver Cove and the surrounding areas are being sold from One Hundred and Eighty-Nine Thousand Dollars (\$199,000.00) to about Four Hundred Thousand Dollars (\$400,000.00) depending on its proximity to the Atlantic Ocean and the beautiful white sandy Coral Beach. The subject Lot is in close proximity to the Atlantic Ocean and the mentioned beach; and its Deep Water Canal meanders into the Atlantic Ocean, taking about 5 minutes by boat. The most famous Princess Isles Elitist Gated Community, where situates the private resident of the Principles of the famous Victoria Secrets, which lot has been sold for One Million Plus, is in close proximity to the subject property, hence greatly impacting its value.

EVALUATION:

As a result of the foregoing, all things being equal, it is my deduction that the fair market price for which this property, which is designated as Lot No. 112, Silver Cove, Subdivision and which is recorded in the Registry of Records in Volume 668 at Pages 441 – 443, in The Commonwealth of The Bahamas is:-

THREE HUNDRED AND NINETY-FIVE THOUSAND DOLLARS

(\$395,000.00)

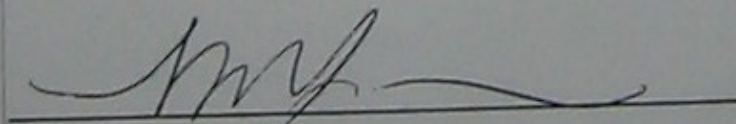
**APPRAISED EVALUATION OF PROPERTY DESIGNATED AS
LOT NO. 112, SITUATE IN THE SUBDIVISION KNOWN AS
SILVER COVE, SECTION 1, FREEPORT, GRAND BAHAMA ONE
OF THE ISLANDS OF THE COMMONWEALTH OF THE
BAHAMAS, AS AT SEPTEMBER, 2007:**

APPRAISED MARKET VALUE:-

THREE THOUSAND AND NINETY-FIVE THOUSAND

DOLLARS.

(\$395,000.00)



**Melvorn Johnson, CRA, RA
Appraiser**



CERTIFICATION OF APPRAISER:

This Appraiser obtained employment with the Bahamas Government in April, 1968; and was deployed in the Ministry of Housing. Her duties included pre-qualifying prospective Mortgagors for the purchase of dwelling homes under the Government Low Income Housing Programme, provisioned by the Housing Act, 1968; as well as assisting with the Five (5) stages of construction of a dwelling house.

As an accolade for her stellar performance, a main Road in the most developed Housing Subdivision, known as 'Yellow Elder Gardens' situate in Nassau, was named in her honour, viz; "Melvern Road".

This Appraiser took Study Leave and pursued a Course of Study in Community Development at the University of Michigan, in 1970. Her Practicum was with the Ann Arbor Housing, The agency which dealt with Housing and Urban Renewal (HUD). She was Project Manager for a Seven-storey, Senior Citizens' Hi-Rise, called Miller Manor.

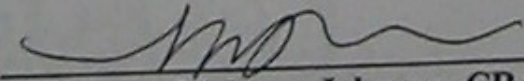
She returned to the Bahamas in 1972 and continued her deployment with the Ministry of Housing, where her land investigation technique, isolated a Tract of land which was developed into one of the most famous Housing Subdivisions, known as Elizabeth Estates, which was opened by Queen Elizabeth II and named in her honour.

This Appraiser obtained qualifications in Advance Real Estate Education, from Florida International University and Real Estate Appraisal from the College of The Bahamas & The Bahamas Real Estate Association in 1977. Certification in 'Principles & Techniques of Appraisal Review, was obtained from the National Association of Review Appraisers and Mortgage Underwriters in Minnesota, U. S., in 1999.

In 1983, this Appraiser was transferred to Freeport, Grand Bahama, to establish and manage the Freeport Branch of the Ministry of Housing. During her tenure, she developed Five (5) Government Low Income Housing Subdivisions in Grand Bahama. Included in her duties was the task of evaluating and appraising the homes erected in the Subdivisions for the Lending Institutions for the purpose of Government Guaranteed Mortgage Loans to prospective home buyers/mortgagors.

The foregoing could clearly attest to the expertise of and the experience of the undersigned.

Appraiser: _____


Melvern Johnson, CRA, RA

