

Appraisal Report of Property on John F. Kennedy Drive

Nassau, Bahamas
1st April, 2015



SUBJECT PROPERTY



Bay & Deveaux Streets
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1st April, 2015

Mr. Carlos Fawkes
C.E.O.
The Atavus Group Ltd.
Nassau, Bahamas

Dear Sirs:

Re: Appraisal – John F. Kennedy Drive Property

In reference to your request for an appraisal of the property located on John F. Kennedy Drive, I have conducted the required investigation, gathered the necessary data, and made certain analysis that has enabled me to form an opinion of the market value of the subject property.

Based upon my investigation of the property and analysis undertaken, I am of the opinion that as of 1st April, 2015, the subject property has a market value of:

Three Million, Seven Hundred and Fifty Thousand (B\$3,750,000) Dollars

The narrative appraisal report that follows sets forth the identification of the property, the assumptions and limiting conditions and the conclusion of value.

Yours sincerely,
MARIO CAREY REALTY LTD.
Mario A. Carey CRS, CIPS, CLHMS
Broker/Appraiser

A handwritten signature in black ink, appearing to read 'Mario A. Carey', is written over a faint, light blue circular watermark that contains the letters 'MCR'.

For and on behalf of:
Mario Carey Realty Ltd.

MAC/rpa

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ADDENDA

Survey Plan
Location Maps
Photographs
Satellite Image

SALIENT FACTS:

Address:	On the southwestern corner of John F. Kennedy Drive and Gladstone Road, about 1 mile south of the entrance to Baha Mar
Requested By:	Mr. Carlos Fawkes, C.E.O. The Atavus Group Ltd.
Type of Property:	Hilltop vacant parcel of land
Site Area:	Approximately 6.5 acres
Zoning:	Open
Highest and Best Use:	Commercial development
Date of Property Inspection:	1 st April, 2015
Appraisal Value:	B\$3,750,000
Effective Date of Appraisal:	1 st April, 2015

1. **PURPOSE OF APPRAISAL:**

On 1st April, 2015, the undersigned was requested to prepare an appraisal at the instance of **Mr. Carlos Fawkes, C.E.O., The Atavus Group Ltd.** for the purpose of estimating the Fair Market Value of the subject property. The property is situated on the corner of **John F. Kennedy Drive and Gladstone Road**, in the Western District of New Providence, Bahamas, of which Nassau is the capital.

2. **DEFINITION OF MARKET VALUE:**

"Market Value means the most probable price which a property should bring in a competitive and open market under all conditions 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 a specified date and the passing of title from seller to buyer under conditions whereby:

- 1) Buyer and seller are typically motivated;
- 2) Both parties are well informed or advised, and acting in what they consider their own best interest;
- 3) A reasonable time is allowed for exposure in the open market;
- 4) Payment is made in terms of cash in Bahamian dollars or in terms of financial arrangements comparable thereto; and
- 5) 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".

3. **DESCRIPTION OF PROPERTY:**

All that piece, parcel or lot of land situated on the southwestern corner of John F. Kennedy Drive and Gladstone Road having such boundaries, shape and size as indicated on the attached plan and coloured in Pink.

The lot is irregular in shape, is on a hilltop and contains approximately 6.5 acres. Boundary markers were not seen. However, the layout of the property appears

BAHAM NATIONAL SPIRITUAL ASSEMBLY

JOHN F. KENNEDY DRIVE

OLD GLADSTONE ROAD

AREA = 6,500 ACRES.

AREA = 7,386 ACRES.

GLADSTONE ROAD

NEW GLADSTONE ROAD

W/O FORMERLY CAVES COMPANY LIMITED

LANDVIEW MEMORIAL PARK

GRID NORTH

ROLAND JOHN SURVEYING CO. LTD.
 MONTROSE AVENUE & LUDLOW STREET,
 P.O. BOX N-9415 NASSAU, BAHAMAS.
 PHONE/FAX: (242) 325-0955

 PLAN BY: R.C.J.

CERTIFICATE:-
 I ROLAND JOHN OF NASSAU, A SURVEYOR REGISTERED AND LICENSED IN THE BAHAMAS HEREBY CERTIFY THAT THIS PLAN HAS BEEN MADE FROM SURVEYS EXECUTED BY ME, THAT BOTH THE PLAN AND THE SURVEY ARE CORRECT AND HAVE BEEN MADE IN ACCORDANCE WITH THE LAND SURVEYORS ACT, 1979, AND THE LAND SURVEYORS REGULATIONS 1979, HAVE THEREUNTO.

ROLAND JOHN (REG. NO. 050)

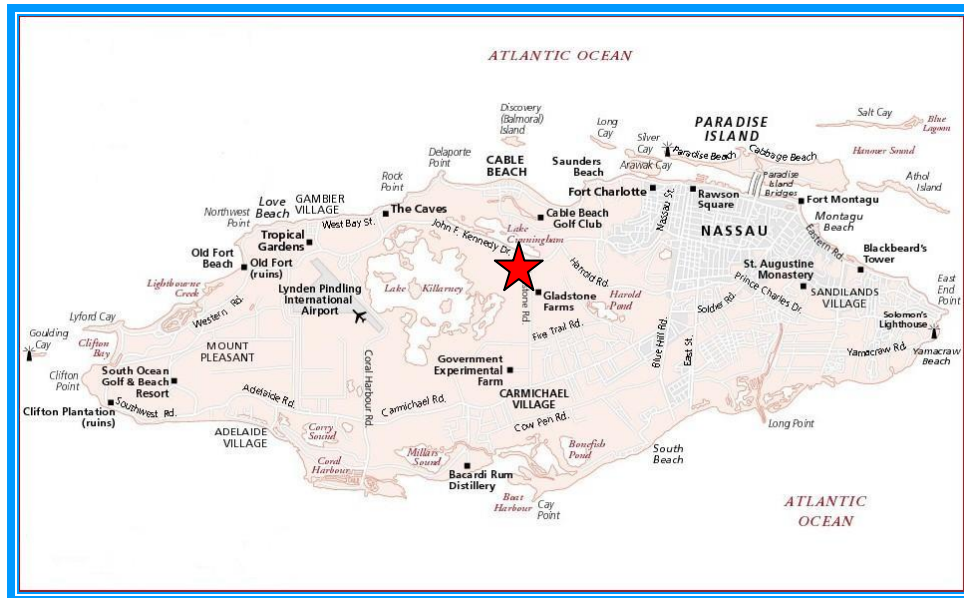
SURVEY PLAN
 SHOWING
 TWO PARCELS OF LAND
 SITUATE
 AT THE SOUTH-WESTERN JUNCTION OF THE OLD GLADSTONE ROAD
 AND THE NEW GLADSTONE ROAD IN THE WESTERN DISTRICT OF
NEW PROVIDENCE ISLAND - BAHAMAS
 PREPARED AT THE INSTANCE OF CAVES COMPANY LIMITED.
 DATE : DECEMBER 11, 2014 SCALE : 1 INCH = 200 FT.

1 INCH = 200 FT.

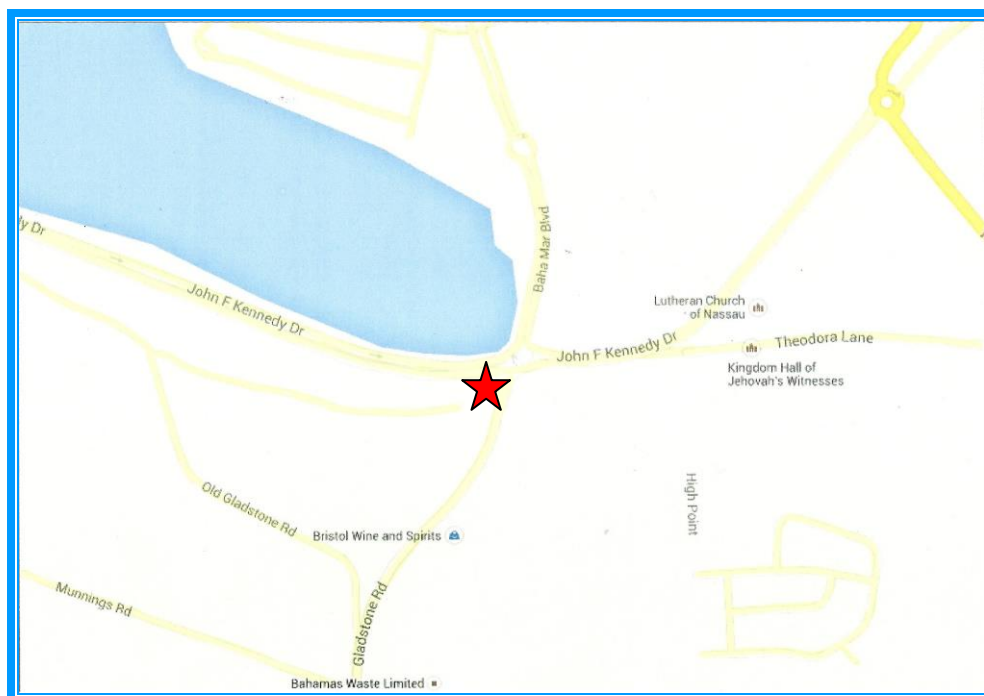
4. **TYPE OF PROPERTY:**
Hilltop vacant parcel of land.
5. **ZONING:**
Open.
6. **HIGHEST AND BEST USE:**
Commercial development is the highest and best use for the land.

7. **LOCATION:**

On the southwestern corner of John F. Kennedy Drive and Gladstone Road, about 1 mile south of the entrance to Baha Mar.



Map of New Providence



Location Map

8. **SERVICES:**

City water, electricity and telephone lines. Cable television service.

9. **NEIGHBOURHOOD:**

A well-established commercial area, about sixty percent in large homes and office buildings, with most buildings being new to ten years old. The trend is improving commercially. Values therein range from \$750,000 to approximately \$7,000,000 for developed properties. Distances to grade school: ¼ mile; high school: 3 miles; shopping: 1/8 mile; and downtown Nassau: 5 miles.

10. **OFF-SITE IMPROVEMENTS:**

John F. Kennedy Drive and Gladstone Road are asphalt paved and have street lights.

11. **REMARKS:**

The subject property is ideally located at the intersection of John F. Kennedy Drive and Gladstone Road. This location leads onto Baha Mar Boulevard that leads to the gateway to the \$3.5billion development. Gladstone Road has become a major warehouse/commercial district. These factors have a positive effect on market value.

12. **METHODS OF VALUATION:**

In determining the market value of a property the Cost Approach, the Income Approach and the Sales Comparison Approach are normally used.

Cost Approach:

The Cost Approach gives an analysis showing the fee simple value of the land, the value of the site improvements and the cost to construct the building at current building rates. Physical depreciation is then deducted from the construction cost. Functional obsolescence and economic depreciation are also factored in depreciation if applicable.

Income Approach:

The Income Approach calculates the potential or actual gross annual income for an income producing property based on current market rentals in the area; deducts expenses such as insurance, property tax, maintenance and vacancy loss which normally range from approximately 12% to 35% of the gross annual income dependent on the type of property; and capitalizes the net annual income of 7% to 9% which reflects a return on investment that would be typically expected by an investor in a commercial property. This approach is not applicable as the subject property is vacant land.

Sales Comparison Approach:

The Sales Comparison Approach is used when there are known recent sales of comparable properties in the neighbourhood.

13. ESTIMATE OF VALUE BY THE COST APPROACH:

LAND: 6.5 acres at \$550,000 per acre: \$3,575,000
Rounded to: \$3,600,000

14. ESTIMATE OF VALUE BY THE SALES COMPARISON APPROACH:

	Subject Property	Sale No. 1 Blake Road	Sale No. 2 Blake Road	Sale No. 3 Gladstone Road
Sales Price:	N/A	\$2.125m	\$2.0m	\$1.2m
Sales Date:	N/A	Pending	Jan 2015	Nov 2014
Location:		Inferior +\$400k	Inferior +\$400k	Similar
Size:	N/A	5 acres +\$800k	5 acres +\$800k	2.32 acres -\$2.3m
View:	Lake	Inferior	Inferior	Inferior

		+\$400k	+\$400k	+\$400k
Elevation:	Hilltop	Low land +\$200k	Low land +\$200k	Level grade +\$100k
Zoning:	Commercial	Similar	Similar	Similar
Adjusted Price:	N/A	\$3.925m	\$3.9m	\$4.0m

Market Value using the Sales Comparison Approach: **\$3,900,000**

15. **RECONCILATION OF VALUES:**

An average has been taken between the two forms of valuation.

16. **VALUATION:**

In the opinion of the Appraiser the Market

Value of the subject property is: **B\$3,750,000**

17. **CERTIFICATE OF APPRAISAL:**

I certify that I have personally inspected the subject property on 1st April, 2015 and that according to my knowledge and belief, all statements and information in the report are true and correct, subject to the underlying assumptions and contingent conditions. Based upon the information contained in this report and upon my general experience as an appraiser, it is my opinion that the market value as defined herein, as of 1st April, 2015 is **Three Million, Seven Hundred and Fifty Thousand (B\$3,750,000) Dollars.**

18. **ASSUMPTIONS AND LIMITING CONDITIONS:**

Assumptions:

1. The instructing client is familiar with the subject property, its location and surrounding area.

2. No responsibility is assumed for the legal description or for matters including legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
3. The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.
4. Responsible ownership and competent property management are assumed.
5. The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.
6. All engineering is assumed to be correct. The plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.
7. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
8. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered in the appraisal report.
9. It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
10. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.

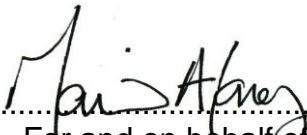
Limiting Conditions:

1. The valuation excludes all fixtures, fittings and movable furniture.
2. The valuation is in Bahamian dollars.

3. The value amount is based on a gross basis which includes a realtor's commission, half the government stamp tax and legal fees for the vendor.
4. The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
5. The appraisal assignment was not based on a requested minimum valuation, a specific valuation or approval of a loan.
6. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser.
7. The appraiser herein by reason of this appraisal is not required to give further consultation, testimony, or be in attendance in court with reference to the property in question unless arrangements have previously been made.
8. The appraiser assumes no liability for any changes that may occur on the property between the date of the inspection and the date of the completed appraisal report.

19. **QUALIFICATIONS OF APPRAISER:**

Mr. Mario A. Carey is a graduate of Florida State University with a Bachelor of Science degree in Real Estate. He is the former vice-president of The Bahamas Real Estate Association and is a member of the National Association of Real Estate Appraisers. He has actively been appraising for over twenty-five years. He is presently the President and CEO of the newly formed luxury real estate brokerage firm Mario Carey Realty Limited. His appraisals are accepted at banks, insurance companies and loaning institutions throughout The Bahamas.


For and on behalf of:
Mario Carey Realty Ltd.



View of Property from Gladstone Road



Eastern Boundary of Property Bordering Gladstone Road



Northern Boundary of Property Bordering Old Gladstone Road



View of Lake and John F. Kennedy Drive



Satellite Image

