



APPRAISAL REPORT

REF/011.06/2024.MAKUNA

CLIENT

FIRSTCARIBBEAN INTERNATIONAL BANK

WARRENS, ST. MICHAEL, BARBADOS



SUBJECT

DWELLING

NILE ROAD, MAHO VILLAGE, LOWLANDS, SINT MAARTEN

**DAVID MORRISON
ASSOCIATES NV**

Architects & Appraisers

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REQUIREMENTS & INDEX

CLIENT

FirstCaribbean International Bank, attn. Roxanne Roach,
Credit Risk Management, Head Office, Warrens, St. Michael, Barbados.

DATE

Date of inspection : 21 May 2024
Effective date : 25 June 2024.

SUBJECT

Dwelling at, Nile Road ("MARSEVEN"), Maho Village, Lowlands, Sint Maarten.

TITLE

Leasehold in name of Makuna A.V.V., Aruba, through 29 December 2027.
Cadastral description : *Mbrn. # LL-145/1973* (rmg. lands), 080/1999 & 033/1982.
Site gross area : **1009** m². (*Approx. 1/4 acre*).

OBJECT

Market & quick-sale (forced sale) value (3# combined parcels);
Appraisers : David Morrison.

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LIMITING CONDITIONS & DEFINITIONS

This report is confidential and is for the sole use of the client and his/their professional advisors: the information therein has been assembled, interpreted and prepared with all reasonable diligence by experienced professionals.

The report, either in whole or in part, may not be reproduced, published or otherwise disseminated in any way without the express written permission of the authors.

The information and conclusions provided in this report are time sensitive and should be subject to re-evaluation from time to time, as circumstances require. Valuations are made notwithstanding external market forces which may affect the island.

All reasonable care has been taken in the inspection of the property concerned : however, no responsibility is taken by the authors as to its/their precise location(s), conformity to codes, whether or not planning or construction permits have been obtained, nor if improvements (if any) conform to such permissions.

It is thus presumed, but not verified, that the applicable planning and construction permits have been issued for any development of the property and that construction (if any) has been executed according to such permissions in a proper workmanlike manner and in accordance with all codes, regulatory requirements and general good practices.

Areas & dimensions quoted are approximate only and should not be used for purpose other than herein utilised.

Furthermore, this report does not warrant the structural integrity of the improvements (buildings & appurtenances) nor that the property is free from rot, water damage, fungal or insect infestation, or any other defect, current or latent, not immediately evident upon brief inspection.

Any legal definitions or ownership statements have been the subject of enquiry at the Island Kadaster (survey and records) Department and are reproduced dependent on same and assumed to be correct.

No investigation (other than in the above paragraphs) has been made into potential public rights-of-way, possible compulsory purchase, future changes in public access, utilities or facilities in general, nor for future local or global events which may affect the conclusions of this report.

Market Value is herein defined as the estimated amount for which a property should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where each of the parties have acted knowledgeably, prudently and without compulsion.

If a "quick sale" value is provided in this report, this term should be interpreted as an assessment of the potential value of the asset with minimal market exposure, eg. at auction,: however, it must be understood that auction sales are unpredictable and that a lesser value may result in such cases.

Dutch leasehold is the real right authorizing the leaseholder to keep and use another's property whereby the leaseholder has the use and enjoyment of the property as if he or she were the owner. The legal case of property ownership remains with the legal owner. Unless otherwise agreed, the leaseholder may rent and (sub)lease. The 'right in rem', which is leasehold, may be sold, the Market Value thereof reflecting that of freehold. There may be conditions inherent in the leasehold sold.

Where a "replacement value" is provided, this reflects the appraiser's consideration of the cost to replace the immovable property and excludes land and movable assets. It may be used as a guide for insurance risk & excludes depreciation unless specifically noted.

The appraisers hereby state that they have no undeclared interest whatsoever in the appraised property, nor with the owner thereof, nor with any other party concerned therewith in regard to the subject property.

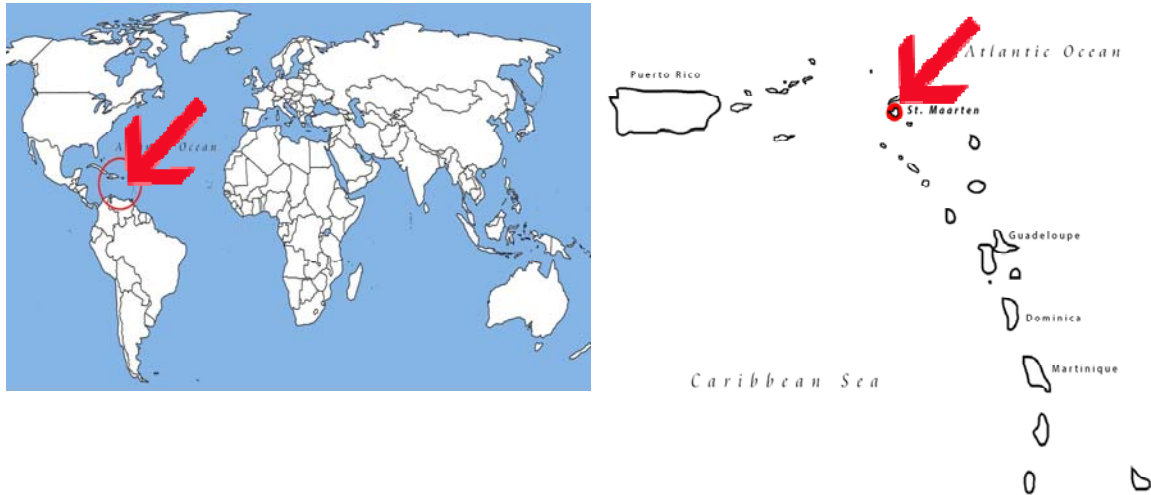
The conclusions in this report are not in any way affected by any remuneration received.



ARCHITECTS & APPRAISERS
OCEAN BUILDING - UNION ROAD - COLEBAY

David Morrison Associates N.V. is a limited liability company incorporated under the laws of Sint Maarten (1981)
Principal has been registered with the Dutch Institute of Architects (BNA) : all work is performed according to the DNR-2011

GLOBAL SITUATION



LOCATION PLAN - ISLAND CONTEXT



GLOBAL COORDINATES

18.0417 N
 63.1194 W

ELEVATION Approx. 16 m (53') above sea level

ISLAND DESCRIPTION

This Property is located on Dutch Sint Maarten which, combined with the other islands of Curaçao, Bonaire, Saba and St. Eustatius, originally made up the Netherlands Antilles, but is now an independent country within the Kingdom of Holland. Country Sint Maarten thus shares the island with the French West Indies: Sint Maarten occupies the southern part of the island while French Saint Martin (slightly larger) occupies the northern portion.

Sint Maarten has an area of 13 square miles, the highest point being Sentry Hill at 340 meters (1,200 feet). Its interior is generally hilly, with scrublands and more treed valleys : rainfall is sparse and variable, with approximately 1.2 m/annum. The coastline varies between sandy beaches and steep cliffs, with low-lying bush and salt/stormwater ponds along the littoral strip as well as the beaches.

Sint Maarten, the Dutch side, is known for its festive nightlife, beaches, exotic rum liqueurs and plentiful casinos, while Saint-Martin, known as "the French side", is known more for its naturist beaches, jewelry, clothes, shopping and rich French Créole cuisine. The island is widely known for its hundreds of gourmet (and many more moderately priced) restaurants on both sides of the island.

The Island is usually served by many airlines bringing in large jets, including Boeing 737s, 757s, 777s & Airbus A320s, 340s, bringing tourists from around the world (though mainly from N America) on a daily basis. This fuels the island's largest revenue source, tourism. Princess Juliana International Airport terminal was badly damaged in September 2017 by hurricanes Irma & Maria, but reconstruction has commenced : there is a smaller airport on the French side of the Island at Grand Case (l'Espérance) for regional flights to St Barths, Martinique and Guadeloupe.

St. Maarten/Saint-Martin is home to several world-class accommodations, including hotels, villas and timeshares, many of which are privately available for rent or sale. Whilst most larger hotels are closed for storm damage renovation, other mostly smaller inns, many located directly on beaches or in upscale shopping districts are re-opening. Villas fringe the coasts on near-white beaches, some private residences, others available for short-term rental to upscale vacationers, though many remain under repair for storm damage.

Neighbouring islands include Saint-Barthélemy (French), Anguilla (British), Saba & Sint Eustatius "Statia" (Dutch) Saint Kitts and Nevis (Independent, formerly British). All of these islands are easily visible on a clear day from Sint Maarten. Sint Maarten itself is self-governed, although it defers to Holland in matters of defence and foreign policy.

As the economic mainstay of the Island, tourism attracts in excess of a million visitors through its airports and almost twice that number through the cruise port in Great Bay, near Philipsburg, also expanded recently and now comprising two cruise piers accommodating at least six large ships, including the recently built mega-liners, and with substantial financial and passenger traffic commitment by both Carnival and Royal Caribbean Cruise Lines. A harbour shopping village and reception centre has been completed and extension thereof is imminent.

Philipsburg, the Dutch capital, has been upgraded to cater for this influx of shopping tourism, with palm-lined and cobblestoned streets, recovering fast after the '17 storms, as well as the Great Bay promenade, aka. the Boardwalk.

The location at Maho Village is very convenient for tourist facilities (including Maho Beach) and PJI Airport : it has reasonable access to general retail. In regard to schools (nearest at Cupecoy) and public facilities it is less well located.

LOCATION PLAN



District of Lowlands at Maho Village

NEIGHBOURS

NE	Access Road
SE	Nile Road
SW	Parking lot
NW	Commercial properties

LOCATION

Subject property is located on the N side of Nile Road, close to the rear of "Casino Royale" and to the west of an access road in the mainly residential subdivision known as "Maho Village".

Access is from Nile Road, presently walled & gated, originating near the Centre of Maho Plaza and is a cul-de-sac.

Y	Residential area	Y	Top class
	Commercial/retail		Middle class
	Industrial/residential		Lower class
	Undeveloped area		Below standard

Surrounding development is mixed single-family and multi-family residential, with tourist/commercial close by.

TOPOGRAPHICAL	gently sloping land
ORIENTATION	orientates SSE
SURVEY DATA	<i>meetbrieven</i> inspected - no encroachments evident
MARKET APPEAL	average (as a dwelling) to good as a development location

DESCRIPTION

A single storey dwelling, externally in less-than-good condition and fully locked down, is evident on the property, with a quarry-tiled open terrace to the west side : the gross roofed area was estimated at **320 m2**.

What appeared to be a generator house lies to the NW of the dwelling and the property is walled to the E and South, over 2 meters high, with a large rolling gate at the SW corner. Rough wire fencing lines the N boundary and there is parking (paved) adjacent to the west, but off-property.

ACCOMMODATION

Overall property	0%	50%	100%
Quality construction	[Progress bar: 0% to ~75%]		
Condition improvement	[Progress bar: 0% to ~50%]		
Room sizes/lay-out	[Progress bar: 0% to ~70%]		
Closet & storage	[Progress bar: 0% to ~60%]		
Electrical	[Progress bar: 0% to ~60%]		
Plumbing	[Progress bar: 0% to ~60%]		
Millwork & trim	[Progress bar: 0% to ~60%]		
Parking facilities	[Progress bar: 0% to ~50%]		
External Works	[Progress bar: 0% to ~30%]		

Y	Living/dining	3	Bedrooms
Y	Kitchen	2	Bathrooms
2	Covered terraces		
Y	Laundry/storage/tech.		Data from 3rd party sources.

STRUCTURAL

The buildings are constructed of reinforced concrete and masonry with timber-framed roofs clad in profiled steel.

Estimated age of existing building (yrs.)	35	Estimated remaining life of building (yrs.)	35
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NOTE that the dwelling appears to have been built and added to at various times.

INFRASTRUCTURE

The following utilities are normally available roadside:-

Y	Electricity	Y	Public water	Y	Telephone
Y	Paved roads	Y	Comms/IT	N	Com sewage

FINISHES

Walls	Mostly masonry, plastered & painted externally
Floors	Ceramic tile internally; clay tile externally.
Ceiling	Gypsumboard, painted
Doors	alum/glass; metal & wood.
Windows	alum/glass (various types, including arched fanlights)
Baths	tiled floors, walls, showers
Kitchen	not inspected
Air conditioning	split units
Terrace rails	masonry
Protection	Roll-down shutters over major glass (others plywood covered).

METHODOLOGY

An appraisal is an opinion or estimate regarding the value of a particular property as of a specific date and is defined as the amount for which an asset or liability should exchange between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and wherein parties had each acted knowledgeably, prudently and without compulsion, the aim being to determine the market value of a property – the most probable price that the property will bring in a competitive and open market.

Market price, the price at which a property actually sells, may not always represent the market value, thus the provision of a 'quick-sale' or 'auction' value, where the seller may be under duress because of the threat of foreclosure, or if a private sale is held, the property may sell below its market value.

There are three accepted methodologies for the formulation of market value.

- 1 The COST APPROACH, assessing the potential replacement cost of the property in the current market;
- 2 COMPARABLE SALES, inspecting recent sales of similar properties in the near vicinity;
- 3 The INCOME APPROACH, capitalising projected rental income, not generally applied to SF properties.

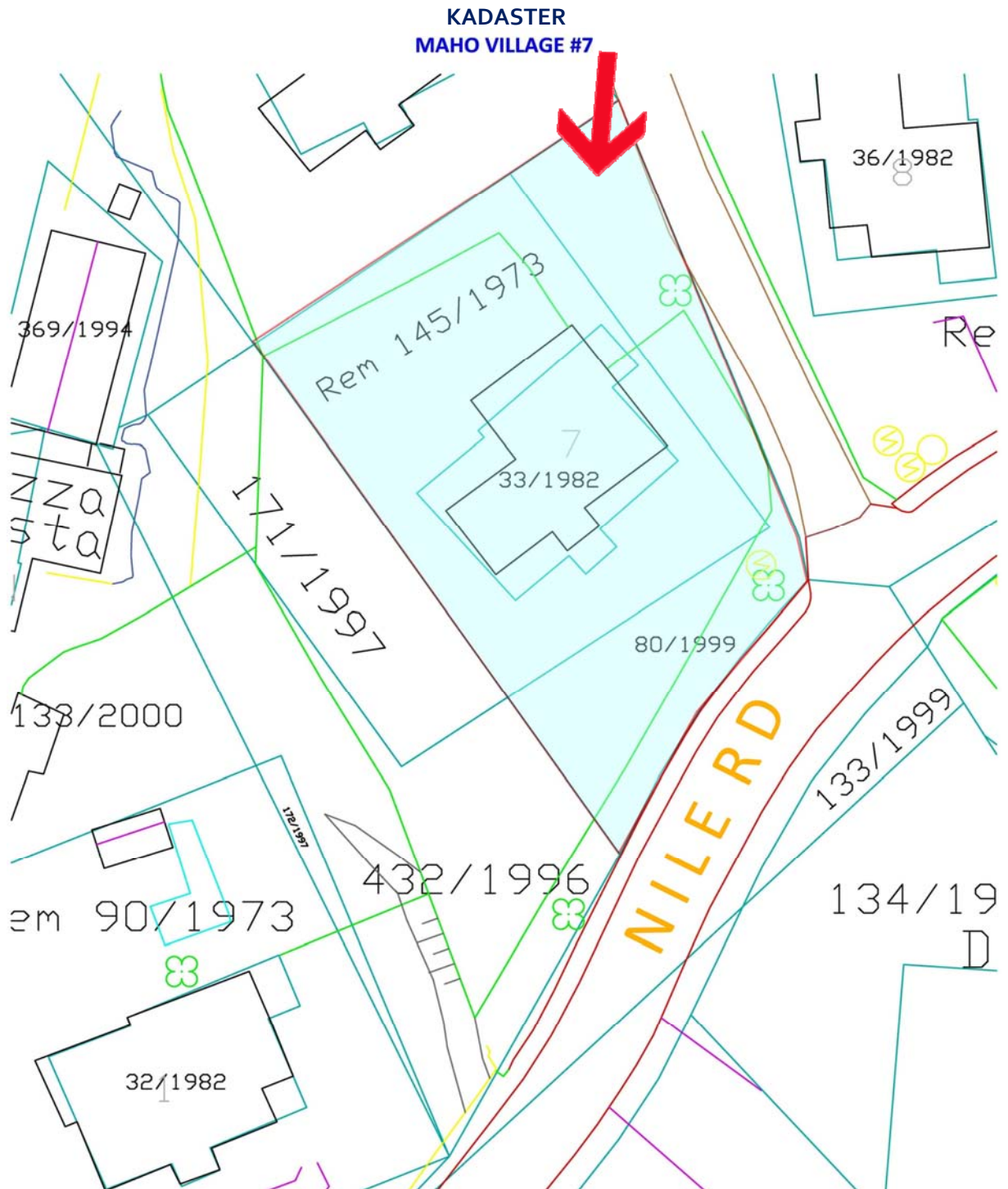
The income approach (3) is seldom of use in the assessment of SF domestic properties.

(CONT).

1. The land and building were assessed for probable replacement cost :-

IMPROVEMENTS	\$ 500,000
EXTERNAL WORKS	\$ 52,500
LAND (from comparable land sales)	\$ 555,000
TOTAL	\$ 1,107,500

NOTE : These figures should not be used for either market value or reinstatement cost (refer below).



PHOTOGRAPHS



PHOTOGRAPHS



PHOTOGRAPHS



Interior photographs from 3rd party archive

ENVIRONMENTAL CONSTRAINTS

Due to the maritime influence on the island, many properties are subject to the effects of environmental stress caused by sun, wind and a relatively saline atmosphere, as well as potential (often residual, apparent at a later date) damage due to extreme conditions created by hurricanes, tropical storms, storm-surge, seismic and volcanic activity.

Although no in-depth information is available, there would appear to be no further environmental conditions which may be detrimental to subject property which lies in a quiet residential area, other than possible evening noise from . Maho area nightclubs etc. (mostly downwind).

INFRASTRUCTURE

The following utilities are normally available roadside:-

Y	Electricity	Y	Public water	Y	Telephone
Y	Paved roads	Y	Comms/IT	N	Com sewage

DISCUSSION

An appraisal is an opinion or estimate regarding the value of a particular property as of a specific date and is defined as the amount for which an asset or liability should exchange between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and wherein parties had each acted knowledgeably, prudently and without compulsion, the aim being to determine the market value of a property – the most probable price that the property will bring in a competitive and open market.

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HOWEVER, this parcel is very close to several buildings, one a dwelling (of relatively low quality) to the east, as well a tourist facilities (night-clubs, casino, restaurants, shopping) to which it might be attached to optimise its use, although existing topography may provide obstacles.

If combined with adjoining undeveloped parcel, a total developable area would reach in the region of 1,500 m² allowi perhaps, the use of the land at its HIGHEST-AND-BEST with development such as low/medium-rise apartments. Subject parcel, as is (.3 ac.) may be redevelopable as a better dwelling or a duplex, in the reduced walled compound.

There are three accepted methodologies for the formulation of market value

1. COST APPROACH

The cost approach can be used to estimate the value of properties that have been improved by one or more buildings. This method involves separate estimates of value for the building(s) and the land, taking into consideration depreciation. The estimates are added together to calculate the value of the entire improved property. The cost approach makes the assumption that a reasonable buyer would not pay more for an existing improved property than the price to buy a comparable lot and construct a comparable building. This approach is useful when the property being appraised is a type that is not frequently sold and does not generate income, such as ecclesiastical, healthcare or educational buildings. Incomplete or damaged buildings (including dwellings) may also fall under this heading.

COMPARABLE SALES

2. The sales comparison approach is commonly used in valuing single-family homes and land as well as certain commercial properties. Sometimes called the market data approach, it is an estimate of value derived by comparing property with recently sold properties with similar characteristics. These similar properties are referred to as comparables' and in order to provide a valid comparison, each must:

- Be as similar to the subject property as possible;
- Have been sold within the last one to three years in an open, competitive market;
- Have been sold under typically prevailing market conditions.

At least three comparable sales should be used in the valuation process. The most important factors to consider when selecting comparables are the size, specific features and – perhaps most of all – location, which can have a considerable effect on a property's market value.

Since no two properties are exactly alike, adjustments to the comparables' sales prices will be made to account for dissimilar features and other factors that would affect value, including:

- Age and condition of buildings (not applicable in this case).
- Date of sale, if economic changes occur between the sales date of a comparable and the date of the appraisal
- Terms and conditions of sale, such as if a property's seller was under duress or if a property was sold between relatives (at a discounted price).
- Whether or not the transfer was a forced sale, eg. auction.
- Physical features, including lot size, contours, buildability, views, access, landscaping, etc.
- Location, since similar properties will generally differ in price from neighborhood to neighborhood.

A sample of land sales in the area or similar locations, is as follows :

AREA m ²	LOCATION	meetbrief. #	date of sale	SP	SP per m ²
721	The Vistas at Maho Reef	110/2014	03/ 2022	\$ 210,000	\$291
501	Maho Reef	167/2013	11/ 2020	\$ 130,000	\$259
501	Maho Reef	168/2013	07/ 2020	\$ 200,000	\$399
515	Maho Reef	031/2014	02/ 2020	\$ 179,200	\$348
653	Maho Reef	162/2013	12/ 2019	\$ 250,000	\$383

Potential alternate use, as outlined in the DISCUSSION above, may affect the average of these not-dissimilar land sa However, no comparable sales of dwellings in need of rehabilitation to this extent were found in the area (Kadaster).

CAPITALISATION

3. Often simply known as the **INCOME APPROACH**, based on the relationship between the rate of return an investor requires and the net income that a property produces. it is used to estimate the value of income-producing properties such as apartment complexes (or small multi-family buildings), office buildings and shopping centers. Valuations using income capitalization methods can be fairly straightforward when the subject property is generating regular income or can be expected to generate future income, and when its expenses are predictable and steady.

The above results were adjusted for size, age and location, interpolated and rounded to provide the values below.

EVALUATION

The following estimates are, in the opinion of the Appraiser(s), true and correct, and are based on current market forces on Sint Maarten derived from the calculations above, interpolated and weighted as required :-

MARKET VALUE OF REAL PROPERTY	US \$ 727,500
QUICK-SALE VALUE	US \$ 510,000
REINSTATEMENT COST	US \$ 547,500



DAVID MORRISON, B.Arch. (Hons).,
DAVID MORRISON ASSOCIATES N.V.

Good Morning David,

I hope that this email finds you well.

We advise that we are seeking to auction the below properties in which you completed
Kindly advise if you can prepare updated reports, as we intend to auction these proper

Property	Market Value	Auction Value
Residential property at Maho Village, Lowland, St. Maarten; Registered as Meetbrief #80/1999, 33/1982 Rem 145/1973	\$ 435	\$ 310
Undeveloped land located at Beacon Hill Road, Simpson Bay, St. Maarten with c/a # 63/1969	\$ 420	\$ 295
Undeveloped land located at Nile Road Maho, St. Maarten with c/a # 432/1996, 171/1997, and 172/1997	\$ 728	\$ 510

Need DRONE pix of the following compound, located on Nile Road, behind the Casino/Show
Lounge at Maho, behind a 6' wall

