



**Drive By Appraisal of Land plus Improvements
Located
10 Nile Road, Maho, St. Maarten**

**REPORT DATE
AS AT
December 13, 2024**



LEGAL DATA

LEGAL OWNER : 

STREET ADDRESS : 10 Nile Road

CERT. OF ADMEASUREMENT : SXM LL 214/1982

DISTRICT : Lowlands

SIZE : 170m2

TITLE : Not stipulated in the deed

APPRAISER : Sherrylle Horsford

APPRAISAL REQUESTED BY : Republic Bank

OBSERVER : None – Drive by

DATE DRIVE BY INSPECTION : December 13, 2024

DATE OF APPRAISAL : December 18, 2024

DESCRIPTION OF THE PROPERTY

SITE

FLAT NORMAL AVERAGE SLOPE STEEP SLOPE VALLEY VIEW
 BEACH VIEW OCEAN VIEW LAGOON VIEW POND VIEW
 VIEW OF A NEIGHBOURING ISLAND(S)
 STREET VIEW

AREA

RESIDENTIAL/TOURISTIC TOP CLASS
 COMMERCIAL/RESIDENTIAL UPPER MIDDLE CLASS
 INDUSTRIAL/RESIDENTIAL LOW INCOME
 UNDEVELOPED AREA BELOW STANDARDS

SERVICES

ELECTRICITY GEBE-WATER GEBE-UTILITY METER
 SATELITE/ CABLE TELEPHONE ALL UNDERGROUND

ROADS

PAVED ROADS VERY GOOD
 DETERIORATED GOOD
 DETERIORATED AVERAGE
 DETERIORATED FAIR
 DETERIORATED UNPAVED

SCOPE OF WORK

We have been commissioned to prepare a DRIVE BY inspection appraisal report showing the property values based on the Cost Approach, Income Approach and Fair Market Value, Auction Value and Reconstruction Values as well as can be ascertained from an exterior inspection only.

USPAP identifies “scope of work” as the type and extent of the research and analyses in an assignment. We have considered the intended use of the appraisal, the need of the users, the applied valuation methodology necessary, the interior/exterior inspection of the property, the availability of the information and other pertinent factors in arriving at the shown values.

GENERAL DESCRIPTION OF THE SUBJECT PROPERTY AND AREA:

Our exterior inspection of the property which measures 170m2 appears to be improved with a two storey concrete building within a fully fenced yard within the gated and guarded residential community in Maho known as Maho Villas.

The property is registered as 6 Maho Villas but the number on the outside of the residence says #10 and is on the Nile Road.

There appears to be more than one building on the property however, due to the property being fully fenced and gated we were not able to get a close look at the building (s). The building (s) appear to be in average condition and from a distance we could not see any cracks or mold. The building is well painted with no peeled paint or deferred maintenance observed. All visible windows and doors appeared to be in good condition. The garden is well manicured and the area is clean.

No running water or garbage was noticed in the area and most homes in the area appear to be large multi storey homes all within fenced and gated well manicured yards.

The area is highly desired being located in the direct vicinity of the Maho entertainment area, casino's, café's, award winning restaurants, Mullet Bay Beach and a 5 minutes drive to Princess Juliana International Airport.

MEASUREMENTS (estimated from google maps)

685.64m2 (assuming 2 storey's)

QUALITY OF CONSTRUCTION AND FINISHES

| | |
|------------------|---------------------------------------|
| Construction | Appears to be good |
| External Works | Good |
| Appeal to Market | Good (6 – 9 month marketing exposure) |

ENVIRONMENTAL MATTERS:

Subject is inland and interior and exterior finishes of subject are less susceptible to damage from the high salt content of the ocean air than units/properties that are closer to the ocean.

Due to the close proximity of the ocean around the island, some storm action can be anticipated in hurricane or bad weather.

CONTAMINATION

Although no reporting is available, there is no obvious evidence for risk of contamination or hazardous substances on the property. There is no running water/sewage in the streets and household garbage is disposed of in large bins which are then emptied by designated waste management companies. The area is close to the airport and there is some noise pollution from overflying aero planes.

HIGHEST AND BEST USE

The property is located within a residential/touristic area and use as an income generating residence is the highest and best use.

DEVELOPMENT (PRESENT AND POTENTIAL ETC)

The property appears to be fully developed and no further development is likely.

VALUATION PAGE

COST APPROACH

| | |
|---------------------|--------------|
| Land | US\$ 132,518 |
| Improvements | US\$ 463,000 |
| Land & Improvements | US\$ 595,518 |

INCOME APPROACH (Based on the estimated size and location of the property)

| Apartment Type | Monthly Rent | Annual Rent |
|----------------|--------------|----------------|
| Main House | US\$ 8,000 | US\$ 96,000 |
| Cap Rat 8% | | US\$ 1,200,000 |

FAIR MARKET VALUE

| | |
|---------------------------------|----------------|
| Land, Building and Improvements | US\$ 1,450,000 |
| Auction Value | US\$ 1,015,000 |

APPRAISER COMMENT

In arriving at the stated value we have taken the location and estimated size of the building into consideration.

COMPARABLES – Land Sales

| Location | Sales Price | Land Size | Price M2 | Sales Date | |
|----------|--------------|-------------------|-------------|--------------|---------|
| Lowlands | US\$ 100,000 | 193m ² | US\$ 518.13 | Jun 20, 2024 | Similar |
| Lowlands | US\$ 100,000 | 106m ² | US\$ 943.40 | Feb 22, 2024 | Similar |
| Lowlands | US\$ 108,750 | 124m ² | US\$ 877.02 | Feb 22, 2024 | Similar |

AVG. US\$ 779.52

RECONSTRUCTION VALUE (for insurance purposes only)

US\$ 925,614

Cadastral extract (object)

Registration update through 11-8-2010
Extract per 18-12-2024
Reference Sherryle Horsford(CornerStone17-12-2024 BR
Extract price ANG 55,00

Cadastral code object

Identification **SXM LL 214/1982**
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Object details

Area 170 m²
Description
Origin Meetbrief
Location

Entitled person**0/0 Ownership****Rights**

Right obtained by C register volume/number 180/42
Type of deed Sale and purchase
purchase price USD 270.000,00
(acquired with more real estate)
registered on 25-9-2002 0:00:00
executed at 24-9-2002 before notary F.J.L.M. Steeman

Entitled person**0/0 Ownership**

Name
Born
Sex
Marital status



Stichting Kadaster & Hypotheekwezen St. Maarten
Backstreet 118, Philipsburg, St. Maarten

Cadastral extract (object)

Profession
Place of birth
Country of birth
Residence

**Rights**

Right obtained by C register volume/number 180/42
Type of deed Sale and purchase
purchase price USD 270.000,00
(acquired with more real estate)
registered on 25-9-2002 0:00:00
executed at 24-9-2002 before notary F.J.L.M. Steeman

Mortgages and seizures

Mortgage B register volume/number 159/48
principal sum NAF 320.000,00
Mortgage
registered on 25-9-2002 0:00:00
executed at 24-9-2002 before notary F.J.L.M. Steeman
Creditor The Bank of Nova Scotia N.V.

Stichting Kadaster & Hypotheekwezen St. Maarten
Backstreet 118, Philipsburg, St. Maarten



PHOTO'S



APPRAISAL EXPLANATORY NOTES

In general, Comerstone Real Estate Sales & Services valuations are conservative since in our views there is a variety of market forces on the island between the purchasing power of island visitors (tourists), foreign investors, the local investors and inhabitants. These market forces influence the real estate market.

To arrive at market values of houses and villas we apply sales comparables of land as obtained via the Kadaster land register offices and the cost approach of the improvements. These data form the basis for the appraiser to conclude a market value. To be noted is that comparable sales of Government lease land alone are generally not registered since they require an approval of the Government and may not be granted. Comparables of houses and villas are almost impossible due to a variety of design, shape and quality of the building and its finishing of the interior, of which the latter often times is subject to the personal taste of the owner.

For apartments and condominiums, we use sales comparables as a guideline where available.

The cost approach is based on our expertise in estimated construction cost taken into consideration the quality, state and appearance of the construction of the buildings and exterior works. These estimates are based on square meter prices of construction.

Commercial properties as well as certain commercially operated condominium developments are generally valued on the income approach capitalized over 8 years, allowing a discount for operation. This method is equal to : Value = yearly net income divided by a cap rate of 8%.

The cost and income approach do have generally certain variations and cannot be compared, while comparables are subject to the market in certain periods of time. The market trend fluctuates and is carefully observed by the appraiser.

Our values indicated in the report are:

Market value

Consisting of the land and value of the improvements on the land.

The land value is generally derived from sales comparables, while improvements represent the value of all that has been developed on the parcel of land.

This market value can be considered realistic and a fair market value providing buyer and seller are prepared to come to a deal. Whereas the buyer does not have any restraints in financing the property and the seller is not forced to sell the property.

Auction Value

Generally, 70% to 80% of the market value can be considered the quick sale below the market value, but also an auction (forced sale) value where as the seller or financer (mortgagor) of the property is forced to liquidate the property.

Reconstruction Cost

These costs represent the replacement cost of the improvements

Rental Value

Rental values are generally applied for commercial properties indicating a gross rental income per month. These rental values are derived from the subject or comparable properties, and form the basis for the income approach.

Our appraisals are based on visual observations and are not technical reports, neither an opinion on the structural soundness of the structures. If we noticed any discrepancies that should be brought to the attention of the interesting parties for the appraised value, we will indicate such in the appraisal report. Recommendations for an additional survey by a structural engineer will be indicated if the observed defects of the building appear to be more serious during the inspection by the appraiser.

The overall rating in the report gives the appraisers impression of the inspected property.

St. Maarten, December 13, 2024

Cornerstone Real Estate Sales & Services N.V.



DEFINITION OF MARKET VALUE

Market Value, as used in this report, is defined as:

The most probable price which a property should bring in a competitive and open market under the condition's requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeable and assuming the price is not affected by the undue stimulus. Implicit in this definition is the consummation of a sale as a specific 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 well advised, and each acting in what he considers his own best interest.
- 3) A reasonable time is allowed for exposure in the open market
- 4) Payment is made in term of cash in US dollars, in Netherlands Antillean Guilders or in terms of financial arrangements comparable thereto.
- 5) The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions* granted by anyone associate with the sale

*

Adjustments to the comparable must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by seller as a result of tradition or law in a market area: these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to finance terms offered by a third party institutional lender that is not already involved in the property of transactions. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar or Netherlands Antillean Guilders amount of any adjustment should approximate the market's reaction to the financing or concession based on the appraiser's judgment.

UNDERLYING ASSUMPTIONS AND LIMITING CONDITIONS

1. I assume no responsibility for matters of a legal nature affecting the property appraised or the title thereto, nor do I render any opinion as the title, which is assumed to be marketable. The property is appraised as though under reasonable ownership.
2. The sketches in this report are included to assist the reader in visualizing the property, and I assume no responsibility for the accuracy.
3. I am not required to testify or appear in court on matter contained herein, unless previous arrangements have been made.
4. I assume that there are no hidden or un-apparent conditions of the property more or less valuable. I assume no responsibility for such conditions or of engineering which might be required to discover such factors.
5. The information, estimates and opinions furnished to me and contained in this report were obtained from sources considered reliable and believe to be true and accurate. However, no responsibility for accuracy can be assumed by me.
6. neither all nor any part of the contents of this report (especially any conditions, the identity of the appraiser or the Firm with which it is connected) shall be reproduced, published or disseminated to the public through advertising media, public relations media, news media, sales media or any other public means of communication without the prior written consent and approval of the Appraiser.
7. On all appraisals, subject to satisfactory completion, repairs or alterations, the appraisal report and value conclusion are contingent upon completion of the improvements in a workmanlike manner.
8. This report shall not be valid if it does not have any original signature. No allowance has been made for the effects of unpredictable future events involving terrorism or dislocations consequent upon changes in political or economic policies in relation to St. Maarten or elsewhere in the world. Due to the current uncertainty within the financial markets, the information contained within this report is subject to change through this volatile time
9. The information and conclusion in this report should be regarded as valid for a limited period of time and should be subject to examination at regular intervals.
10. This report has been prepared for the information of our client and for presentation to relevant third parties. It may not be published, reproduced or quoted in part or in whole, nor may it be used as a basis of any contract, prospectus, agreement or other document without prior consent, which will not be unreasonably withheld.

CERTIFICATION

The appraiser certifies and agrees that:

1. The Appraiser has no present nor contemplated future interest in the property appraised; and neither the employment to make the appraisal nor the compensation for it, is contingent upon the appraised value of the property.
2. The Appraiser has no personal interest in or bias with respect to the subject matter of the appraisal report or the participants to the sale. The "Estimate of Market Value" in the appraisal report is not based in whole or in part upon the race, color or national origin of the prospective owners or occupants of the property appraised, or upon the race, color or national origin of the present owners or occupants of the properties in the vicinity of the property appraised.
3. The Appraiser has personally inspected the property to the best of the Appraiser's knowledge and belief, all statements and information in this report are true and correct and the Appraiser has not knowingly withheld or overlooked any significant information.
4. All contingent and limiting conditions are contained herein (imposed by the terms of the assignment or by the undersigned affecting the analyses, opinion and conclusions contained in the report)
5. This Appraisal Report has been made in conformity with and is subject to the requirements of the code of Professional Ethics and Standards of Professional Conduct of the appraisal organization according USPAP
6. All conclusions and opinions concerning the real estate that are set forth in the appraisal report were prepared by the Appraiser whose signature appears on the appraisal report. No change or any item in the appraisal shall be made by anyone other than the Appraiser, and the Appraiser shall have no responsibility of any such unauthorized change
7. The Appraiser's employment and his compensation are not contingent upon the valuation found.
8. The value of the property is the amount indicated as of the date indicated above.

Sincerely yours,
Cornerstone Real Estate Sales & Services N.V.



Ms. Sherrylle Horsford
Appraiser BBA