FAIR MARKET VALUATION OF RIGHT OF WAY, YARD AND STATION REAL ESTATE GRANTED IN USUFRUCT TO FERROVIAS GUATEMALA

Robert F. MacSwain
76 Marine Street
St. Augustine, FL 32084

1.0 SCOPE OF ENGAGEMENT

1.1 My name is Robert F. MacSwain. I have been asked by Claimant Railroad Development Corporation ("RDC") to assess and opine on what were the reasonably expected returns on the exclusive leasing and development rights for the right of way, station and station yard real estate assets that were granted to RDC's investment enterprise, Ferrovias Guatemala ("FVG"), by the Government of Guatemala pursuant to a 50-year Onerous Usufruct (the "Usufruct"), as of the time immediately prior to the issuance of the Government's Lesivo Resolution in August 2006.

2.0 PERSONAL QUALIFICATIONS

2.1 I earned a BA at the University of Notre Dame in 1965. From 1965 to 1984, I was Assistant Vice President of the Hartford Insurance Group with responsibility for real estate development, financing and special projects. Typical developments were large downtown office buildings, golf resorts, suburban office parks and planned communities.

2.2 From 1984 to 1989, I was Senior Vice President of Guilford Transportation Industries, with the responsibility for real estate sales, disposition, leasing and development for New England's largest railroad holding company. While at Guilford, I negotiated and consummated several fiber optic right of way leasing transactions with AT&T, Sprint, MCI and local telecommunication companies.

2.3 In 1989, I founded MacSwain & Company, a real estate consulting company specializing in railroad real estate, where I worked for a variety of clients in the railroad, telecommunications and real estate industries, including Chicago Northwestern Railway, Champion Enterprises, Inc., Mellon Bank, General Cinema Corporation, AT&T, NYNEX, CSX Railway, Canadian National Railway and Florida East Coast Railway.

2.4 From 1999 until my retirement in 2005, I served as Vice Chairman of Florida East Coast Industries, the holding company for Florida East Coast Railway, and as President of Gran Central Corporation, a real estate subsidiary of Florida East Coast Industries, which owned and leased over 6.5 million square feet of office, showroom and warehouse space located in Florida. A copy of my resume is attached as **Exhibit 1**.

3.0 DATA AND INFORMATION CONSIDERED

3.1 In connection with the preparation of this report, I reviewed the business plan that FVG prepared and submitted in support of its winning bid on the Usufruct. I also reviewed FVG's Right of Way Usufruct Contract, Deed 402, which gives FVG the right to develop and earn income on alternative uses for the right of way and adjacent real estate parcels during the 50-year term of the Usufruct, as well as detailed maps of the FVG right of way and real estate parcels.

3.2 From August 12 to August 19, 2007, I personally toured and inspected the entire FVG right of way in Guatemala. While on this tour, I had discussions with various local developers, potential FVG investors and customers (*i.e.*, in 2006), and local financial institutions and real estate professionals regarding the potential commercial development of the right of way to substantiate and verify my findings, analysis and valuations that are included in this report. Subsequent follow-up conversations were done by telephone to further substantiate my conclusions. Attached as **Exhibit 2** hereto is a listing of the parties with whom I had contact and substantive discussions relating to my analysis and valuations.

4.0 METHODOLOGY EMPLOYED

4.1 The Usufruct granted FVG long-term control of right of way and adjacent properties that had strong potential for commercial leasing and development due to their central location in the large communities and small countryside towns of Guatemala. For example, the town stations along the FVG right of way, which were originally used for passenger service many years ago, now have significant commercial potential due to their central locations within these communities. As Vice Chairman of Florida East Coast Industries and President of Florida East Coast Railway's real estate subsidiary, I immediately recognized the similarities between FVG's right of way and station yards and Florida East Coast Railway's (FEC's) right of way and freight yards. Both railways run directly through the downtown communities along the right of way. FEC runs through the center of every major community on the east coast of Florida – from Jacksonville to Miami. The FVG right of way does the same in Guatemala, from Puerto Barrios through Guatemala City, and to San Jose and Tecun Uman. These are precisely the type of rights of way that attract not only immediate real estate leasing and development, but also long-term leases for utility lines, such as telecommunications, power transmission and gas lines.

4.2 At the time the Lesivo Resolution issued in August 2006, FVG had been commercializing this real estate for nearly eight years and held the legal right under the Usufruct to lease and/or develop the right-of-way and adjacent real estate for 42 more years, or until 2048. Therefore, my valuation analysis is based upon FVG's success prior to the Lesivo Resolution and a 42-year additional leasing timeline. Further, my analysis assumes the following, all of which I believe are reasonable:

a. Because of their central locations in the various towns and communities, I have valued the large parcel right of way properties as ground leases for either retail (*e.g.*, grocery, clothing, hardware, restaurants, lounges, bars, kiosks or booths) or industrial purposes (*e.g.*, warehouse, ground storage, showroom). In addition, my valuations of the properties located on the Pacific corridor segment and the rural spur lines (*i.e.*, the Mexican border at Tecun Uman through Escuintla to Puerto Queztal/San Jose, Zacapa to Anguiatú) are not dependent upon whether FVG would have opened up these segments of the railway, because the potential demand for leasing the right of way properties and easement contracts along these segments is not dependent on whether the railroad would have been in operation.

b. Although, in most instances, I have assumed immediate ground leasing of the subject properties, the final valuations in most instances include relatively high vacancy rates of 20% - 25% over the life of the leases to serve as a reasonable proxy that reflects delays in the commencement of leasing, marketing time and time loss between tenants.

c. I have assumed that simple ground leases would have to have a minimum annual rate of return of at least ten percent (10%). This is a very conservative return considering that most ground leases that are unimproved are therefore a non-depreciable asset. Unimproved ground leases are normally greater than 10%, and with any lease made by FVG, it would have to be subordinated to any mortgage financing. This type of risk would normally be rewarded with greater than a 10% return.

d. In my experience, small retail facilities typically rent for five-year terms and industrial facilities are normally rented for ten-year terms. Therefore, depending upon the specific property, I have either assumed that ground leases would be for five-year terms with five-year options until the expiration of the Usufruct, or a ten-year lease with three ten-year options. The specific type of property and its logical and economical use would dictate the terms of the lease.

e. In my experience, most easement contracts for transmission line right of way easements are for at least twenty years with two to three five-year renewal options. I am not aware of a right of way transmission line contract that did not have an initial term of at least twenty years. The cost of constructing the transmission facility necessitates that the power supplier has a long-term lease that enables the recapture of the up-front capital and also provides the lessee with an uninterrupted use with the ease of adding additional power or transmission lines as growth and need dictate. Normal rent increases for such agreements are at least a 5% increase every five years. As a result, that is what I have assumed.

f. I have not assumed that any of the FVG right of way properties would be used for housing or residential purposes. Although many of the FVG properties are well-suited for housing/residential use, obtaining normal mortgage financing would have been very difficult because FVG does not hold specific fee title to any of the land and would not have the ability to sell the land to housing developers.

g. I have conservatively assumed that the usufruct would not have been extended beyond the initial 50-year term even though the contracts allowed for extension by mutual agreement for up to an additional 50 years and such extensions are common in railway concessions. Indeed, this is exactly what has happened for RDC in Peru, where its affiliate FCCA has been granted two 5-year extensions on its 30-year concession so far.

h. I have valued certain properties beyond the simple ground lease based upon the reasonable assumption that FVG would have performed various infrastructure improvements such as installing roads, power and water which would have enabled FVG not only to obtain a normal 10% return but also to recapture the expended ground improvement costs at a return greater than the costs of borrowing and in a five or ten-year time frame. For example, if ground improvements (infrastructure) would have enhanced the ability of FVG to obtain and execute a warehouse lease transaction for a ten-year term, and those improvements would greatly enhance the likelihood of the lease options being exercised by the tenant, it would have been in FVG's economic interest to fund the infrastructure improvements. A normal infrastructure debt structure would be an 8% borrowing rate with a ten-year balloon payment and at least 3% borrowing recapture spread over borrowing interest rate as additional rent.

i. My analysis assumes very conservative cash flow valuations. In most instances, no inflation or rental increases are included for the leasing of large parcels because I learned during the course of my research and investigation that retail tenants on properties located around or near the right of way had not seen their rents increase over the last few years. Further, my analysis does not address or consider potential uses by FVG of the land rental gross/net cash flow (for example, cash could be used for track/right of way maintenance to improve train speed, equity for real estate construction projects to validate financing, etc.). In other words, this is a pure cash flow analysis.

5.0 EXISTING FVG LEASES PRIOR TO LESIVO

5.1 Long-Term Utility Easement Contracts

Prior to the Lesivo Resolution, FVG was able to execute four long-term right of way utility easement contracts for electrical and gas transmission along the right of way. From 2000-07, these contracts generated more than $700,000 in rental income for FVG. The parties and terms of these agreements are as follows:

1. Planos y Puntos/Gesur - Electric Transmission
   Started 1998 Ends 2048
   52.40 km easement
   Rent increase after 4 years in 2010; rent increases every 7 years starting in 2011
   Income – 2007-10: $80,200 per annum; 2011-17: $92,504 per annum; 2018-24: $109,113 per annum; 2025-31: $128,802 per annum; 2032-38: $151,987 per annum; 2039-45: $179,345 per annum; 2046-48: $211,626 per annum.

2. Texaco Guatemala, Inc. – Gas Transmission
   Started 1998 Ends 2046
   1.66 km easement
   No rent increases until 2023; annual rent increases from 2023-46 based upon U.S. inflation rate but cannot be less than 3% or greater than 5%
   Income – 2007-22: $4,150 per annum; 2023-46: $4,150 per annum plus average annual rent increase of 4%.

3. Zeta Gas de Centroamerica, SA – Gas Transmission
   Started 2001 Ends 2020
   18.20 meter (0.0182 km) easement
   No rent increases during entire term
   Income - $500 per annum.

4. Genor – Electric Transmission
   Started 1998 Ends 2018
   18.75 km easement
   Rent increases every 5 years according to schedule
   Income – 2007: $25,781.50 per annum; 2008-12: $28,125 per annum; 2013-18: $32,812.50 per annum.

In the case of the Zeta Gas and Genor agreements, in my opinion it is reasonable to assume that, absent Lesivo, these agreements would have been renewed and continued to be renewed up to 2048, the end of the 50-year Usufruct, and that FVG would have received annual rents with at least a 5% rent increase every 5 years.

5.2 Puerto Barrios Lease. Prior to Lesivo, in 2000, FVG entered into a long-term lease through February 2048 with Chiquita, Inc. for a large storage and loading/unloading site located at Puerto Barrios. Under the terms of this lease, Chiquita is obligated to pay rent based on 2% of the gross revenues generated at this facility until February 2015 and then, starting in March 2015 through February 2048 it is required to pay 4% of its gross revenues. Based upon Chiquita's rental payments prior to Lesivo, this translates into an estimated annualized rental income of approximately $382,684 through February 2015 and approximately $765,368 per annum thereafter through the remaining term of the Usufruct.

5.3 Short Term Rentals. As of the date of Lesivo, FVG was also receiving approximately $25,000 per annum for shack rentals, billboards and commercial booths along the right of way. It is my understanding that these payments largely ceased after the Lesivo Decree. As a result, FVG has lost at least a $25,000 per year stream of income for these types of rentals for the remaining 42 years of the Usufruct.

6.0 PRE-LESIVO INDUSTRIAL SQUATTERS

It is my understanding that, prior to Lesivo, in 2005, FVG brought two local arbitration actions against FEGUA for breaches of the Usufruct Contracts. In one of these arbitrations, FVG is claiming that FEGUA has breached Deed 402, the Right of Way Usufruct Contract, because of its failure to remove individual and industrial squatters from the right of way.

The industrial squatters are mainly private telecommunications and electricity distributors who have placed utility poles and transmission lines along the right of way without FVG's permission or compensating FVG. Unlike individual squatters (most of whom are impoverished), industrial squatters are illegal trespassers who could afford to pay rent but have failed to do so because of FEGUA's inaction. As of FVG's commencement of the local arbitration actions against FEGUA in 2005, the known industrial squatters on FVG's right of way (and the approximate year when their trespasses began) were as follows:

1. INDE (trespass began approximately 1994) and Municipalidad of Puerto Barrios (trespass began approximately 2002) in the Puerto Barrios to Bananera right of way. Both have had utility poles and transmission lines on FVG property covering 62.76 km.

2. INDE (1994) and Municipalidad Gualan (2002) in the Bananera to Gualan right of way. Both have had utility poles and transmission lines on FVG property covering 74.03 km.

3. Municipalidad Sanarate (2002) and DEORSA (2002) on the Gualan to Sanarate right of way. Both have had utility poles and transmission lines on FVG property covering 146.79 km.

4. EEGSA (1994) and DEORSA (2002) on the Sanarate to Zona 1 right of way. Both have had utility poles and transmission lines on FVG property covering 70.53 km.

5. EEGSA (1996) on Santa Maria to Tecún Umán right of way. Since 1996, utility poles and transmission lines on FVG property covering 112.65 km.

6. DEORSA (2002) on the Santa Maria to Tecún Umán right of way. Since 2002, utility poles and transmission lines on FVG property covering 16.09 km.

Additionally, in 1999-2000, the FVG right of way from Santa Maria to San Jose – a distance of 20.6 miles – was essentially confiscated by sugar industry interests and the rails and crossties were removed. The right of way was compacted and has been used as a roadway by sugar and other commercial trucks for the entire distance because it is apparently the easiest and fastest route for the sugar industry and other commercial interests to move their product. New routes would have called for land clearance and/or additional mileage. This "roadway" use represents 108,768 linear feet or 10,876,800 square feet (length x 100" width) and is clearly an illegal trespass which FVG requested FEGUA to eliminate.

7.0 REASONABLY EXPECTED VALUE OF ADDITIONAL RIGHT OF WAY EASEMENT CONTRACTS WHICH WERE LOST AS A RESULT OF THE DECLARATION OF LESIVO

7.1 Utility Easement Contracts for Puerto Barrios to Guatemala and Guatemala to Tecún Umán Rights of Way

7.1.1 Based upon FVG's success in entering into a number of long-term right of way easement contracts with utilities prior to Lesivo (not to mention the presence of several industrial/utility squatters along the right of way, discussed above), there is no doubt in my mind that there was strong demand for long-term easement contracts and that it is reasonably certain that, absent the Declaration of Lesivo, FVG would have entered into additional agreements of this kind.

7.1.2 The FVG longitudinal rights of way have considerable value based upon the unobstructed ability for telecommunications, electrical, pipeline and other utility providers to plant their utility poles and run their lines over great distances without the hindrance of negotiating with multiple landowners and, in most instances, with an ease of construction costs due to already existing land clearance. In my experience, railway rights of way have been the preferred choice of most telecommunication, energy, electrical and other utility providers because the right of way goes through and connects most communities and industrial facilities. As growth would have continued in the communities that the rights of way traverse, the need for electrical and communication facilities would have continued to expand. Continued growth requires additional power lines, telecommunication facilities and roadways. A right of way controlled by one party – FVG – would have been the most cost effective location in which to install power lines, fiber cables, transmission lines and any other longitudinal improvements.

7.1.3 The Puertos Barrios to Guatemala City right of way and the Guatemala City to Tecún Umán right of way both enable utility companies virtually to span the country with main transmission lines and pipelines that can be used to provide "feeder" lines to the rural areas of Guatemala. In addition, segments such as Zacapa to Anguiatú provide access to El Salvador, and the spurs to Port Quetzal and Santa Maria and Champerico to the Port of San Jose provide Pacific Ocean access to the main transmission line that should be constructed on the Puerto Barrios to Guatemala and Guatemala to Tecún Umán rights of way.

7.1.4 The most value to be obtained from these rights of way would be from electric transmission, electric distribution, telecommunication transmission, natural gas pipelines, fuel pipelines, cell towers and commuter rail. Immediately prior to Lesivo, FVG negotiated a preliminary agreement with the power line supplier Gesur to add 32 km to its existing easement contract that would have averaged $3,200 per km over the term of the agreement.[1] My analysis uses this negotiated $3,200 per km rate to estimate the value of the additional long-term utility easement contracts that FVG would have entered into absent the Declaration of Lesivo. Without excluding any of the other possible longitudinal uses listed above, it is reasonable to assume that the two (2) main rights of way which stretch from Puerto Barrios to Tecún Umán – a total of approximately 495 kilometers - would have had at least one electric transmission and one telecommunication main transmission line on each side of the right of way. These two (2) lines would have initially generated $1,584,000 each ($3,200 x 495 km) or $3,168,000 per annum for the first five years. The rural spurs would probably not have generated the main transmission price but would have obtained at least $1,200 per kilometer per annum, which would initially generate $222,480 each or $444,960 per annum for the first five years for the 185.40 km on the

1 As a result of the Lesivo decree, however, Gesur terminated the negotiations and declined to add the 32 km, causing FVG a lost income of $101,845 per annum for 42 years. This loss is included in the lost reasonably expected right of way leasing revenue reported in paragraph 7.1.5.

spur lines. Therefore, it is my opinion that, absent Lesivo, FVG would have earned, at a minimum, \$3,612,960 per annum for the first five years for utility easements on its right of way.[2]

7.1.5 Furthermore, as discussed above, most easement contracts for transmission lines are for at least twenty years with two to three five-year renewal options. Thus, it is my opinion that, prior to the Declaration of Lesivo, it is reasonable to expect that FVG would have entered into two (2) utility easement contracts along the right of way for an initial 20-year term with normal 5% increases every 5 years, and three (3) five (5) -year renewal options. Therefore, the two (2) main rights of way, totaling 495 kilometers, would generate the following cash flow:

495 kilometers @ \$3,200 per kilometer

Years 1-5	\$3,168,000 per annum
Years 6-10	\$3,326,400 per annum
Years 11-15	\$3,492,720 per annum
Years 16-20	\$3,667,356 per annum
Years 21-25	\$3,850,724 per annum – 1st 5-year renewal
Years 26-30	\$4,043,260 per annum – 2nd 5-year renewal
Years 31-35	\$4,245,423 per annum – 3rd 5-year renewal

The rural spur lines totaling 185.40 kilometers @ \$1,200 per kilometer would generate the following:

Years 1-5	\$444,960 per annum
Years 6-10	\$467,208 per annum
Years 11-15	\$490,568 per annum
Years 16-20	\$515,096 per annum
Years 21-25	\$540,851 per annum – 1st 5-year renewal
Years 26-30	\$567,894 per annum – 2nd 5-year renewal
Years 31-35	\$596,289 per annum – 3rd 5-year renewal

In my opinion, these assumptions are very conservative, and enable me to assert with confidence that FVG's loss in the above longitudinal revenue is reasonably certain.

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2 This amount does not take into account any other potential easement leases for gas lines, crossings, water pipes, etc.

7.2 Reasonably Expected Leasings of Large Parcels and Station Yards

Prior to the Declaration of Lesivo, FVG was engaged in several active discussions and negotiations with several parties who had expressed interest in leasing train stations, station yards and large parcels of land along controlled by FVG for commercial development. There was tremendous commercial real estate potential in station yards because they are located in downtown, high density urban areas. For example, the second largest supermarket chain in Guatemala, Grupo Unisuper, spent several months in discussions with FVG regarding a potential investment that would have converted some of the large station yards into commercial centers with supermarkets – the first being Zacapa. It is my understanding that the Lesivo Declaration, however, killed all interest in such leases and these potential commercial developers and tenants who had been in discussions and negotiations with FVG immediately backed away. Furthermore, as a result of Lesivo, FVG's ability to obtain financing was destroyed. Thus, Lesivo negated FVG's ability to increase the real estate values as a developer of a completed project. Real estate development cannot exist without the ability to obtain financing.

It is my opinion that, had it not been for the Lesivo Declaration, it is reasonably certain that FVG would have been successful in leasing the following right of way real estate parcels based upon the following estimated terms:

a. Puerto Barrios

1. Puerto Barrios is the international gateway on the Atlantic Ocean. The FVG-controlled property consists of 1,308,973.12 square feet or 30.05 acres. As discussed above, the majority of this property is presently leased to Chiquita for an annualized rental income of approximately $33,766.23 per month (the rent is presently based on 2% of the gross revenue generated at this facility but increases to 4% per month in 2015).

2. The remaining FVG property not leased to Chiquita consists of the Puerto Barrios workshop which contains 416,874.44 square feet or 9.57 acres. The workshop facility and current station has limited commercial use that would be non-railroad related. The real value of this parcel, like the area leased to Chiquita, is for the staging and loading of imported bulk cargo for preparation for shipment on the 197.4-mile segment to Guatemala City. FVG was already taking steps to secure such leases by investing approximately $90,000 for compaction and ballast to handle better bulk cargo, such as coils of flat steel and wire. This parcel is very well positioned, should be utilized for warehousing, transloading and storage and would have commanded 10-year leases with the values as follows:

Value - $2.50 p/s/f	
Value – 416,874.44 s/f @ $2.50 p/s/f	$1,042,186.00

10% Annual Return Per Annum	$ 104,218.61
Less: 25% Vacancy	$78,164 per year for 42 years
Note: $90,000 has already been expended for ground improvements.	

b. Bananera/Morales

Bananera's value is specifically tied to the railway's connection to the Port of Puerto Barrios. The 94,999.22 square feet (2.18 acres) yard presents a reasonably expected opportunity for a small warehouse facility for distribution of bulk products imported at the Port. The use would be for on-the-ground transloading of bulk cargo from rail to truck, then to be distributed to the local communities. Bananera presents a simple ground lease transaction (the risk/reward for additional infrastructure could be better utilized in other locations).

Value - $1.50 p/s/f	
Value - 94,999.22 s/f @ $1.50 p/s/f	$142,499
10% Annual Return	$ 14,250
Less: 25% vacancy	$ 10,688 per year for 42 years

c. Quirigua

This is a long narrow parcel containing 149,999.92 square feet (5.74 acres). This property closely resembles the Bananera property described above. Quirigua, however, does not have a significant width on either side of the right of way. The property, therefore, would be best utilized as a transloading area on the west side of the right of way and, on the east side of the right of way, a roadway. Most of FVG's station yards are located virtually in the center of the communities and an unobstructed roadway could be an advantage for community traffic flow.

Value $1.00 p/s/f	
Value - $249,999.22 s/f @ $1.00 p/s/f	$249,999.22
10% Annual Return	$ 24,999.92
Less: 25% vacancy	$ 18,750 per year for 42 years

d. Gualán

The Gualán station yard is extremely well located with retail and warehousing potential. The property has extensive width outside of the right of way. With its central city location, the retail opportunities are quite significant and likely. The parcel contains 244,999.71 square feet (5.62 acres) and considerable vehicle and foot traffic occur on and around the site. The land west of the right of way intersects with 4th and 5th Streets and is a very good retail location. This parcel contains about 1.3 acres. The eastern portion contains about 3.5 acres and has very good warehouse potential. I estimate a value of $2.00 p/s/f for the retail and $1.50 p/s/f for the warehouse area.

Retail 56,628 s/f @ $2.00 p/s/f	$113,256 per annum
10% Annual Return	$ 11,326 per annum
Less: 25% vacancy	$ 8,495 per annum for 42 years
Warehouse 152,460 s/f @ 1.50 p/s/f	$228,690 per annum
10% Annual Return	$ 22,869 per annum
Less: 25% vacancy	$ 17,152 per annum for 42 years

e. Zacapa

1. This 1,490,534.50 square foot (34.22-acre) parcel is an extraordinary parcel for mixed use development. It has obvious potential for street retail development, rail transloading and warehousing. The distribution capability of this property is also quite obvious. Bulk cargo from Port of Puerto Barrios could be easily transferred from rail to truck and the property would be perfect for intermodal traffic. Absent Lesivo, this is a property that FVG would have easily developed the infrastructure of the entire parcel for retail, intermodal traffic, transloading and warehouse distribution, or would have leased it to a retail real estate developer who would have developed it into the same uses. As mentioned above, the second largest supermarket chain in Guatemala, Grupo Unisuper, expressed serious interest in developing a grocery store and other potential retail at the Zacapa Station, but its interest disappeared after the Government's Lesivo action.

2. Based upon consultations with local real estate professionals and upon review of correspondence, the retail potential was obvious at Zacapa. It is conservative to establish a value for the 5.5-acre station section most appropriate for retail at $2.80 p/s/f, unimproved and with the rail oriented western and central portion of the property best suited for distribution and warehouse/storage. In fact, Maersk intended to develop a project to load containers at the Zacapa Station. The Lesivo Decree was determinative in this deal not being consummated.

Zacapa Valuation	
5.5 Acres Retail – 239,580 @ 2.80 p/s/f	$ 670,824
10% Annual Return	$ 67,082

Zacapa Improved	
Improved Retail With Infrastructure	
Financed Infrastructure Cost	$239,580
Recapture Cost @ 12% first 10 years	$ 28,750 per annum
Years 1-10 Annual 10% Return	$ 67,082

Recapture $239,580 @ 8%, Annual Debt	$ 19,166
First 10 Years Annual Rent $67,082 less $19,166 plus $28,750	$ 76,666 per annum
Less: 20% vacancy	$ 61,333 per annum
Pay Back Balloon Debt in Year 10	$ 239,580
Years 11-20	$ 75,000 per annum
Less: 20% vacancy	$ 60,000 per annum
Years 21-30	$ 80,000 per annum
Less: 20% vacancy	$ 64,000 per annum
Years 31-42	$ 85,000 per annum
Less: 20% Vacancy	$ 68,000 per annum

Zacapa	
Zacapa Improved Industrial Distribution	
28.72 Acres – 1,251,043 s/f	
1,251,043 s/f @ $2.40 p/s/f	$3,002,503
10% Annual Return	$ 300,250
Improvement Cost Approximately	$1,251,043
Assume 10 Years Debt @ 9%	$ 112,594
Recapture Improvements @12%	$ 135,113
Annual Rent Years 1-10 $300,250 less $112,594 plus $135,113	$ 322,769 per annum
Less: 20% vacancy	$ 258,215 per annum
Pay Back Balloon Debt in Year 10	$1,251,043
Years 11-20	$ 315,263 per annum
Less: 20% vacancy	$ 252,210 per annum
Years 21-30	$ 331,126 per annum
Less: 20% vacancy	$ 264,901 per annum
Years 31-42	$ 347,682 per annum
Less: 20% vacancy	$ 278,146 per annum

f. El Rancho

El Rancho is a 9.53-acre (414,999 square foot) parcel located near the Rio Grande River and only about sixty miles from Guatemala City. The property has various small buildings and shacks that are leased to individuals (see the discussion in paragraph 5.3, above). The highest and best use of the property is for distribution/warehouse and retail. Like most of FVG's station yards, the property is centrally located in the town of El Rancho. The values of El Rancho are improved by its proximity to Guatemala City and Gerona (discussed below). Various value quotes from local real estate professionals were in the range of $2.75 per square foot. Using this $2.75 rate results in the following valuation:

El Rancho – 414,999 s/f	
Value - $2.75 p/s/f	
Value – 414,999 s/f @ $2.75 p/s/f	$1,141,247
10% Annual Return	$ 114,412
El Rancho Improved	
Gross Rent – Years 1-10	$ 114,412 per annum
Finance 414,999 s/f @ $1.00 cost @ 9%	$ 37,350
Recapture @ 12%	$ 49,800
Adjusted Rent Years 1-10 $114,412 less $37,350 plus $49,800	$ 126,862 per annum
Less: 20% vacancy	$ 101,490 per annum
Pay Back Balloon Debt in Year 10	$ 414,999
Years 11-20	$ 120,133 per annum
Less: 20% vacancy	$ 96,106 per annum
Years 21-30	$ 126,140 per annum
Less: 20% vacancy	$ 100,912 per annum
Years 31-42	$ 132,447 per annum
Less: 20% vacancy	$ 105,958 per annum

g. Gerona

1. Gerona is an extremely well located property, only one mile from the center of Guatemala City. It has significant value for either parking or commercial development, and many developers expressed interest in developing it prior to the Lesivo Decree. However, the Lesivo Decree caused all of these interested developers and potential joint venture partners to retract their proposals. If FVG had been able to finance and develop or, at the very least, joint venture the development with the candidates who previously presented proposals, the reasonably expected valuation would have been:

Improved Gerona Valuation	
Value = 1,049,832 s/f @ $3.00 p/s/f	$ 3,149,496
10% Return	$ 314,950 per annum
Improvements Cost 1,049,832 s/f @ $1.00	$ 1,049,832
10-year Debt at 9%	$ 94,485

Recapture Improvements at 12%	$ 125,980
Annual Rent Years 1-10 $314,950 less $94,485 plus $125,980	$ 346,445 per annum
Less: 25% vacancy	$ 259,834 per annum
Years 11-15 with 5% increase	$ 330,698 per annum
Less: 25% vacancy	$ 248,023 per annum
Years 16-20 with 5% increase	$ 347,233 per annum
Less: 25% vacancy	$ 260,425 per annum
Years 21-25 with 5% increase	$ 364,595 per annum
Less: 25% vacancy	$ 273,439 per annum
Years 26-30 with 5% increase	$ 382,825 per annum
Less: 25% vacancy	$ 287,119 per annum
Years 31-35 with 5% increase	$ 401,197 per annum
Less: 25% vacancy	$ 300,898 per annum
Years 36-42 with 5% increase	$ 421,296 per annum
Less: 25% vacancy	$ 315,972 per annum

2. In addition, because of the new Prosecutor offices opening in 2006 on a section of FVG's Gerona Station (which was excluded from the Usufruct) in Guatemala City, many people expressed interest in developing a 300-car parking lot containing 52,000 s/f on another portion of the Gerona Station property that is separate from the property discussed in paragraph 6.2(g)(1) above. FVG even considered doing this development on its own account until all credit and financing institutions denied financing because of the Lesivo Decree. Indeed, after the Decree issued, FVG attempted to mitigate its damages by leasing the property to prominent developers, rather than developing it for its own account, but the Lesivo Decree caused the third party developers to revoke their proposals. Putting aside the increased profit potential from self-development, on a ground lease basis the project would have produced at least $153,156 per annum and $765,780 over five years. Using a 5% rent increase every five years, absent the Lesivo Decree, this parking lot would have generated the following annual rents for the following five year terms, through the 42 remaining years of the Usufruct:

Years 1-5	$ 153,156 per annum
Years 6-10 with 5% increase	$ 160,814 per annum
Years 11-15 with 5% increase	$ 168,855 per annum
Years 16-20 with 5% increase	$ 177,298 per annum
Years 21-25 with 5% increase	$ 186,163 per annum
Years 26-30 with 5% increase	$ 195,471 per annum
Years 31-35 with 5% increase	$ 205,245 per annum
Years 36-42 with 5% increase	$ 215,507 per annum

h. Chiquimula

Chiquimula is a community that, over the last few years, has experienced substantial economic and population growth. Chiquimula's station yard is very well situated for retail development. This 226,041.90 square foot parcel would have easily attracted developers for retail development. A conservative valuation would be in the $2.00 p/s/f range. In my opinion, the valuation would be as follows:

Value = 226,041.90 s/f @ $2.00 p/s/f	$ 452,084
10% Return per annum	$ 45,208
Less: 25% vacancy	$ 33,906 per annum for 42 years

i. Impala

Impala has not experienced the growth and vibrancy of Chiquimula; therefore, the values are less, but the station is very well located for retail development. The analysis reflects a delayed start time (in the vacancy factor) and a very conservative value of only $1.00 per square foot:

Value = 227,499 s/f @ $1.00 p/s/f	$ 227,499
10% Return per annum	$ 22,750
Start Year 10	
25% vacancy	$ 17,063 per annum for 32 years

j. Anguiatú

Anguiatú is next to the El Salvador border and, like Impala above, is valued very conservatively; in addition, the start time for retail use has been extended into the future (reflected in the vacancy factor). The central location and size of the property will inevitably cause development.

Value = 329,999 s/f @ $1.00 p/s/f	$ 329,999
10% Return per annum	$ 32,999
Start Year 10	
Less: 30% vacancy	$ 23,100 per annum for 32 years

k. Zona 12 – (Guatemala City)

This centrally located property of 372,872 square feet (existing Shell Oil facility excluded) is a perfect rail-served inner city property. Shippers and forwarders would have found this property to be very viable for intermodal use. The values reflect the central Guatemala City location and the active rail spur for intermodal and transloading use. The property would not need significant infrastructure for its logical use.

Value = 372,872 s/f @ $3.50 p/s/f	$1,305,052
10% Return per annum	$ 130,505
Less: 20% vacancy	$ 104,404 per annum for first 10 years
2% Increase Every 10 Years	
Years 11-20	$ 133,116 per annum
Less: 20% vacancy	$ 106,493 per annum
Years 21-30	$ 135,778 per annum
Less: 20% vacancy	$ 108,622 per annum
Years 31-42	$ 138,494 per annum
Less: 20% vacancy	$ 110,795 per annum for years 31-42

l. Amatitlan

Amatitlan is a 267,499 square foot property very centrally located on the Rio Michatoya River. The property has probable retail development uses.

Value = 267,499 s/f @ $2.70 p/s/f	$ 722,247
10% Return per annum	$ 72,225
Less: 25% vacancy	$ 54,169 per annum for 42 years

m. Palin

Palin is about 28 miles from downtown Guatemala City and the station is a large parcel of 399,999 square feet containing sufficient width for warehouse and residential development. Palin does not command the values evidenced in Amatitlan above, and certainly not the value of nearby Escuintla to be described below because of the size of the community. However, its size and central location would have made growth and development inevitable. The delayed start for development is reflected in the vacancy rate.

Value = 399,999 s/f @ $1.50 p/s/f	$ 599,999

10% Return per annum	$ 59,999
Start Year 6	
Less: 30% vacancy	$ 42,000 per annum for 36 years

n. Escuintla

Escuintla is a very significant parcel due to size and location. It is virtually ready for retail use with a small distribution potential. This is a property that FVG would have certainly considered fronting the up-front infrastructure costs, which would have occasioned immediate development opportunities and increased ground rental values.

Escuintla	
Value = 647,499 s/f @ $3.25 p/s/f	$2,104,372
10% Return per annum Years 1-10	$ 210,437
Improved Escuintla	
647,499 @ $1.00 p/s/f infrastructure	$ 647,499
Gross Rent Years 1-10	$ 210,437
Plus Recapture	$ 77,699
Less Debt	$ 51,780
Net Rent $210,437 less $51,780 plus $77,699	$ 236,356
Less: 20% vacancy	$ 189,085 per annum for years 1-10
5% Increase Every 10 Years	
Years 11-20	$ 220,959 per annum
Less: 20% vacancy	$ 176,767 per annum
Years 21-30	$ 232,007 per annum
Less: 20% vacancy	$ 185,606 per annum
Years 31-42	$ 243,607 per annum
Less: 20% vacancy	$ 194,886 per annum

o. Mazatenango

Mazatenango is a very large parcel located in the central area of the community. The property has obvious retail use on the west side of the right of way and the east side is suitable for warehouse and distribution use.

Value = 527,921 s/f @ $2.75 p/s/f	$1,451,783
10% Return per annum	$ 145,178
Less: 25% vacancy	$ 108,884 per annum for 42 years

p. Retalhuleu

Retalhuleu is a large parcel very centrally located, with obvious retail uses on both sides of the right of way. The property does not have the amount of square footage to have the community impact as most of FVG's properties, but it is so well located to the populace that it would have been readily accepted for store fronts and small shops.

Value = 136,752 s/f @ $2.75 p/s/f	$ 376,068
10% Return per annum	$ 37,608
Less: 25% vacancy	$ 28,206 per annum for 42 years

q. Coatepeque

This property has a central location but some time would have been required before the community is ready for a probable retail and small distribution development.

Value = 189,837 s/f @ $2.00 p/s/f	$ 379,674
10% Return per annum	$ 37,967
Begin Year 6	
Less: 33.3% vacancy	$ 25,324 per annum from years 6-42

r. Tecún Umán Station

This is a very large parcel near the Mexican border. It has tremendous and obvious development potential for intermodal, transloading, industrial use and storage.

Value = 629,999 s/f @ $1.75 p/s/f	$1,102,499
10% return per annum	$ 110,250
Less: 20% vacancy	$ 88,200 per annum for 42 years

s. San Jose

This parcel has both aesthetic and economic value in the near future. The property should have, within a reasonable time, resort, marina and beach front store value. It is located directly on the Pacific Ocean with waterfront access.

Value = 375,592 s/f @ $4.00 p/s/f	$ 1,502,368
10% Return per annum	$ 150,237
Begin Year 10	
Less: 25% vacancy	$ 112,678 per annum for years 10-42

Respectfully submitted,

Robert F. MacSwain

May 18, 2009

Exhibit 1

Resume

Robert F. MacSwain
76 Marine Street
St. Augustine, FL 32084

Employment History:

2005 – Present.
Retired. Perform selective consulting assignments for clients such as Railroad Development Corporation, The Boston Red Sox of Major League Baseball and Canadian National Railway.

1999 – 2005
I served as Vice Chairman of Florida East Coast Industries, the holding company for Florida East Coast Railway, and as President of Gran Central Corporation, a real estate subsidiary of Florida East Coast Industries, which owned and leased over 6.5 million square feet of office, showroom and warehouse space located in Florida.

1989 – 1999
I founded MacSwain & Company, a real estate consulting company specializing in railroad real estate, where I worked for a variety of clients in the railroad, telecommunications and real estate industries, including Chicago Northwestern Railway, Champion Enterprises, Inc., Mellon Bank, General Cinema Corporation, AT&T, NYNEX, CSX Railway, Canadian National Railway and Florida East Coast Railway.

1984 – 1989
I was Senior Vice President of Guilford Transportation Industries, with the responsibility for all real estate sales, disposition, leasing and development for New England's largest railroad holding company. Guilford owned the Boston and Maine Railway, the Maine Central Railroad, the Delaware and Hudson Railway and the Springfield Terminal Railroad. While at Guilford, I negotiated and consummated several fiber optic right of way leasing transactions with AT&T, Sprint, MCI and local telecommunication companies.

1965 – 1984
I was Assistant Vice President of the Hartford Insurance Group with responsibility for real estate development, mortgage financing and special projects. Typical developments were large downtown office buildings, golf resorts, suburban office parks and planned communities.

Education: BA – University of Notre Dame

Exhibit 2

In order to properly analyze and substantiate my usufruct real estate valuations and assumptions, while in Guatemala in August 2007, I had various meetings and telephone conversations with real estate developers and brokers, financial institutions and potential real estate investors. I should point out that many of the persons I attempted to speak with were reluctant to discuss any matters regarding Ferrovias Guatemala because they rely on the Government for development opportunities and assistance. Other persons cited the Lesivo Resolution as a reason not to meet or talk.

On or around August 16, 2007, I had a telephone conversation with Mr. Alejandro Arriola of Grupo Unisuper who told me that, until the Lesivo Resolution, FVG and Grupo Unisuper were progressing toward consummation of an agreement to develop a Grupo Unisuper supermarket at Zacapa Station and that discussions were being initiated for additional FVG locations. Mr. Arriola made it very clear that no investments would be made by Group Unisuper because "[FVG's] legal situation could jeopardize our investments."

On or around August 18, 2007, I had substantive discussions with Juan Antonio Azurdia – a former prominent real estate broker in Guatemala who had become the general manager of Shinchang Central America, a group of Korean investors who were searching for real estate and construction opportunities in Guatemala. Mr. Azurdia was very helpful with area values, property use and timing for development with the yard and station real estate. Mr. Azurdia was very knowledgeable about properties such as Gerona, Escuintla, Zona 12, and El Rancho, but he also was reasonably knowledgeable about all of the FVG properties. He told me that properties such as Gerona, Escuintla, Zona 12, El Rancho and Zacapa were properties that Shinchang was considering as investment opportunities, but with the Lesivo Resolution, "it would not be worth the time and money to perform the significant due diligence that would be required." Mr. Azurdia was very clear that FVG's ability to obtain financing for infrastructure development and/or construction financing was virtually negated by the Lesivo Resolution. Telephone conversations with banking officers at Banco de la Repulica, Banco Industrial, Banco Agromercantel and Banco G&T Continental confirmed this assertion. As with many of my attempts to arrange meetings, I was told by these banking officers that a face-to-face meeting would serve no purpose.

Another development opportunity that was proceeding toward fruition was the Gerona Station parking lot. FVG was denied financing from the financial institutions listed above. I had conversations with prominent developers such as Drego Castillo, Gustavo Arriola and Juan Pablo Olyslager and, when asked why they rescinded their proposals for the Gerona Station parking lot, I was told by all that FVG no longer had the legal right to lease the property because of the Lesivo Declaration..