

Our Ref: **LS.CRWN.1.47**



**CAYMAN ISLANDS
GOVERNMENT**

**Government Administration Building
71A Elgin Avenue,
George Town K1-9000
Grand Cayman, Cayman Islands**

Tel: (345) 244- 2412

**Ministry of
Planning, Lands, Agriculture, Housing & Infrastructure**

Governor (Vesting of Lands) Law (2005 Revision)

**REPORT & RECOMMENDATION
OF THE
MINISTER RESPONSIBLE FOR LANDS**

This is my Report recommending the vesting of Crown land at Registration Section 'George Town East' Block 20D Parcel 175 to **CADS Holdings Ltd** in accordance with Section 10 (1) (b) of the above Law. It is accompanied by the documents required pursuant to Section 10 (2) of the said Law which contain the details of the proposed vesting.

A handwritten signature in blue ink, appearing to read "D. Tibbetts".

**Honourable D. Kurt Tibbetts, OBE, JP
Minister**

DATE: 26th September 2016



REPORT & VALUATION

Block 20D Parcel 175

George Town East

Grand Cayman

12th June 2015



CAYMAN LAND INFO



RICS

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1 EXECUTIVE SUMMARY

1.1 PROPERTY

Block 20D Parcel 175.

1.2 LOCATION

The parcel is located approximately two miles (3.2 kilometers) east of central George Town, the capital and business center of the Cayman Islands.

The parcel itself is located along Linford Pierson Highway (LPH), a prime arterial route providing ready access into George Town and out to the eastern districts of Grand Cayman.

1.3 DESCRIPTION

The subject parcel was severed by the construction of the LPH, leaving one much larger parcel to the south of the highway, and a smaller parcel to the north. Both parts of the parcel are rectangular in shape and exhibit dense vegetation and undergrowth (refer aerial photograph *Appendix 1*).

1.4 CLIENT

Cayman Islands Government.

1.5 DATE OF INSPECTION

Thursday 4th June 2015.

1.6 DATE OF VALUATION

Thursday 4th June 2015.

1.7 PURPOSE OF VALUATION

Potential disposal.

1.8 BASIS OF VALUATION

Market value in accordance with the RICS Valuation - Professional Standards 2014.

Currency adopted: Unless otherwise stated, all amounts expressing value are quoted in Cayman Islands Dollars (CI \$).

1.9 SPECIAL ASSUMPTIONS

- Market value assuming a change in land zoning from Low Density Residential to Neighborhood Commercial.

1.10 TENURE

Assumed freehold unencumbered title.

1.11 PARCEL AREA

We have not measured the parcel on site. Instead, the entire and part parcel area has been obtained using measurements provided by Lands & Survey's Cayman Land Info mapping system. These areas are as follows:

Entire parcel	-	3.23 acres	140,699 square feet
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1.12 ZONING

Low Density Residential.

1.13 MARKET VALUE UNDER CURRENT LDR ZONING

CI\$492,000 (Four Hundred and Ninety Two Thousand Cayman Islands Dollars).

1.14 MARKET VALUE WITH NC ZONING

CI\$633,000 (Six Hundred and Thirty Three Thousand Cayman Islands Dollars).

2 INSTRUCTIONS AND TERMS OF ENGAGEMENT

2.1 INSTRUCTIONS

In accordance with email instructions received by us on Tuesday 17th March 2015, we have inspected the property and carried out the necessary investigations to conclude our opinion of value.

This report and valuation has been carried out by James Cooper BSc (Hons), an internal valuer who conforms to the requirements of the RICS Valuation - Professional Standards 2014. Unless stated, this report is subject to the Terms and Conditions of Engagement, attached at *Appendix 7*.

We confirm that this valuation and report has been undertaken in accordance with current International Valuation Standards (2013).

The property subject to this valuation was inspected on Thursday 4th June 2015 by James Cooper BSc (Hons). The weather conditions at the time of inspection were overcast and wet.

We confirm that there is no conflict of interest in completing this valuation.

This report is for valuation purposes and is not a structural or environmental survey. You will therefore note that one of our assumptions is that the parcel has no deleterious materials or contamination present.

2.2 PURPOSE OF THE VALUATION

We understand that the purpose of the valuation is to assist the client in determining an appropriate transfer value for the potential disposal of the subject property.

We have been made aware that the subject parcel is to be acquired along with several of the adjoining parcels to facilitate the development of a substantial mixed-used commercial and residential scheme, this incorporating a supermarket as the anchor tenant. Plans of the proposed development are attached at *Appendix 3*.

2.3 PRIVACY/LIMITATION ON DISCLOSURE OF VALUATION

This report is provided for the purposes and use of the Cayman Islands Government (CIG) and it is confidential to the CIG and its' representatives. The report has been prepared with the skill, care and diligence reasonably expected of a competent Chartered Surveyor. The valuer accepts no responsibility whatsoever to any party other than the client. Any third party relies upon the report at their own risk.

Neither the whole nor any part of this report or valuation, nor any reference thereto, may be included in any published document, circular or statement, nor published in any way, nor disclosed to any third party without the prior written consent of the valuer.

2.4 VALUATION BASES AND CURRENCY ADOPTED

The basis of value is the accepted RICS definition of “Market Value”, which is referred to in the Terms and Conditions of Engagement attached at *Appendix 7*. These were sent to you on Thursday 4th June 2015 and acknowledged by you. “Market Value” is in essence the value negotiated between a willing vendor and a willing purchaser in an arm’s length transaction with an unconditional exchange of contracts having taken place at the date of valuation. Market Value ignores any “Special Purchaser” value e.g. to an adjoining owner.

As has been set out in the instructions received by the Client, the proposed purchaser of the land has applied for a change of land zoning for the subject parcel and several of the adjoining parcels from Low Density Residential (LDR) to Neighborhood Commercial (NC). As such, the Client has requested us to provide an opinion of value on the assumption that this application is successful and the land is re-zoned for NC purposes.

Currency adopted: Unless otherwise stated, all amounts expressing value are quoted in Cayman Islands Dollars (CI \$).

2.5 DATE OF VALUATION

Our valuation has been assessed as at 4th June 2015.

The valuation reflects our opinion of value as at that date. Property values are subject to fluctuation over time as market conditions may change, and as such, this report is only valid for six months from the date of valuation.

3 THE PROPERTY

3.1 LOCATION

We attach at *Appendix 1* a Regional Context Plan and an Ownership Plan of the property subject to valuation. The subject parcel is highlighted in red with our understanding of the site boundaries.

The Regional Context Plan shows the location of the property in relation to Grand Cayman and a 2013 aerial photograph.

The parcel is located approximately two miles (3.2 kilometers) east of central George Town, the capital and business center of the Cayman Islands, and is situated within the George Town East registration district.

The parcel itself is located along Linford Pierson Highway (LPH), a prime arterial route providing ready access into George Town and out to the eastern districts of Grand Cayman.

The immediate surrounding area comprises a mixture of single and multi-family residential dwellings, alongside a number of condominium developments and commercial offerings. There is also a significant amount of undeveloped land to the south east and western boundaries of the subject parcel.

The vast majority of the surrounding land is zoned for Low Density (LDR) and Medium Density Residential (MDR) purposes. Travelling further east towards Grand Harbour, along Crewe Road and Shamrock Road, a large portion of the land is zoned Neighborhood Commercial (NC).

Local amenities are good, with the parcel being conveniently located less than a mile from both the Grand Harbour commercial development and the airport commercial center.

3.2 DESCRIPTION

The subject parcel was severed by the construction of the LPH, leaving one much larger parcel to the south of the highway, and a smaller parcel to the north. Both parts of the parcel are rectangular in shape and exhibit dense vegetation and overgrowth. If both parts of the parcel were to be developed, extensive clearing would be required.

The parcel is nearly 160 feet at its widest, narrowing to approximately 120 feet at its most southerly boundary.

The terrain information provided by Caymanlandinfo suggests that the parcel's elevation ranges between one to five feet above sea level, with the majority of the parcel

being between one to two feet above sea level. As such, the parcel is low lying and may be susceptible to flooding issues during periods of heavy rainfall. Indeed, at the time of inspection, Grand Cayman had received a significant amount of rainfall in a short space of time and flooding was visible. This low elevation may also necessitate the use of substantial fill if the parcel were to be ever developed for residential or commercial purposes.

3.3 ACCESS

Whilst the parcel has frontage onto the LPH, it does not benefit from any vehicular or pedestrian right of way. The parcel does have a historic right of way that was provided for the Mosquito Research Team (MRT) to gain vehicular access to the parcel however this does not constitute a vehicular right of way. Additionally, this right of way would restrict the full development of the site and would need to be moved in any development scheme. We have however assumed in this valuation that the right of way will be moved.

We are unsure as to whether the National Roads Authority (NRA) would currently grant the subject parcel access on to the LPH. However, the extension of the LPH from two to four lanes, which is due to commence this coming financial year, may improve its chances and furthermore, it would also be reasonable to assume that if the developer is successful in gaining planning permission for a land re-zone, access will be granted on to the LPH.

3.4 ENVIRONMENTAL SURVEY

There is no land contamination register in the Cayman Islands. This is not an environmental survey, as referred to above, and an environmental survey would be needed to confirm the parcel's condition.

At the date of our inspection the entire parcel was covered with dense undergrowth / vegetation which severely limited access to visually inspect for evidence of there being any contamination present. We have therefore assumed that the parcel does not have any contamination or environmental issues.

3.5 PARCEL AREA

We have not measured the subject parcel area on the ground. Instead, the parcel area has been determined using measurements obtained from the Lands & Survey Caymanlandinfo mapping system. These areas are as follows:

Entire parcel	-	3.23 acres	140,699 square feet
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3.6 PLANNING

The subject parcel is currently zoned for LDR purposes. Permitted uses under this land zoning are as follows:

- Detached Houses
- Duplexes
- Semi-Detached Houses
- Horticulture

Conditional uses under this land zoning are as follows:

- Guest Homes
- Apartments
- Commercial
- Agricultural
- Religious
- Social & Educational Development
- Recreational, Public & Civic Buildings

With regards to changing the land zoning to NC, all the land immediately surrounding the subject property is zoned for residential purposes. At the time of writing, we were informed by the Client that the Central Planning Authority (CPA) had put the re-zone application out to a 90 day public consultation.

Interestingly, the proposed purchaser has applied for the entire parcel to be re-zoned to NC, however, the most northerly portion of the parcel, which has been severed by the LPH, would perhaps in our opinion be better utilised for residential purposes. This would be more in keeping with the surrounding area plus the size of the parcel may limit any meaningful commercial development. Under the proposed scheme, however, this northern part of the subject parcel would mostly be used for a traffic roundabout.

3.7 TENURE/TITLE

Unless otherwise stated, we have assumed that the property is held freehold by Crown. Furthermore, we have assumed that the title is free from encumbrances and that any local searches and usual enquiries would not reveal the existence of statutory notices or other matters which would materially affect our valuation.

According to the Land Register, there do not appear to be any restrictive covenants which affect the parcel, however, it is subject to a right of way which we understand was created for the Mosquito Research Team (MRT) to access neighbouring land parcels. This right of way permits a single-lane narrow access and does not constitute vehicular access on to the LPH. The Land Register for the property is attached at *Appendix 2*.

4 VALUATION ANALYSIS AND COMMENTARY

4.1 VALUATION METHODOLOGY AND RATIONALE

The defined approaches of valuation of real property are the market approach (sales comparison method), the income approach and the costs approach. In order to arrive at an opinion of value for the subject property, we believe the most appropriate approach to use in this case is the market approach (sales comparison method).

International Valuation Standards (2013) describes valuation by comparison as a process of identifying identical or similar assets (properties) or liabilities that have been sold, analysing the sale prices achieved and the relevant market data and establishing value by comparison with those properties that have been sold.

4.2 COMPARABLE ANALYSIS

A context plan illustrating the location of the comparable sales evidence in relation to the location of the subject property can be found at *Appendix 4*.

4.2.1 Block & Parcel: 20D 448
Address: Linford Pierson Highway
Registration Section: George Town East



This parcel of land sold in March 2013 for CI\$298,700 at CI\$4.10 per square foot, based on a parcel area of 72,832 square feet (1.672 acres).

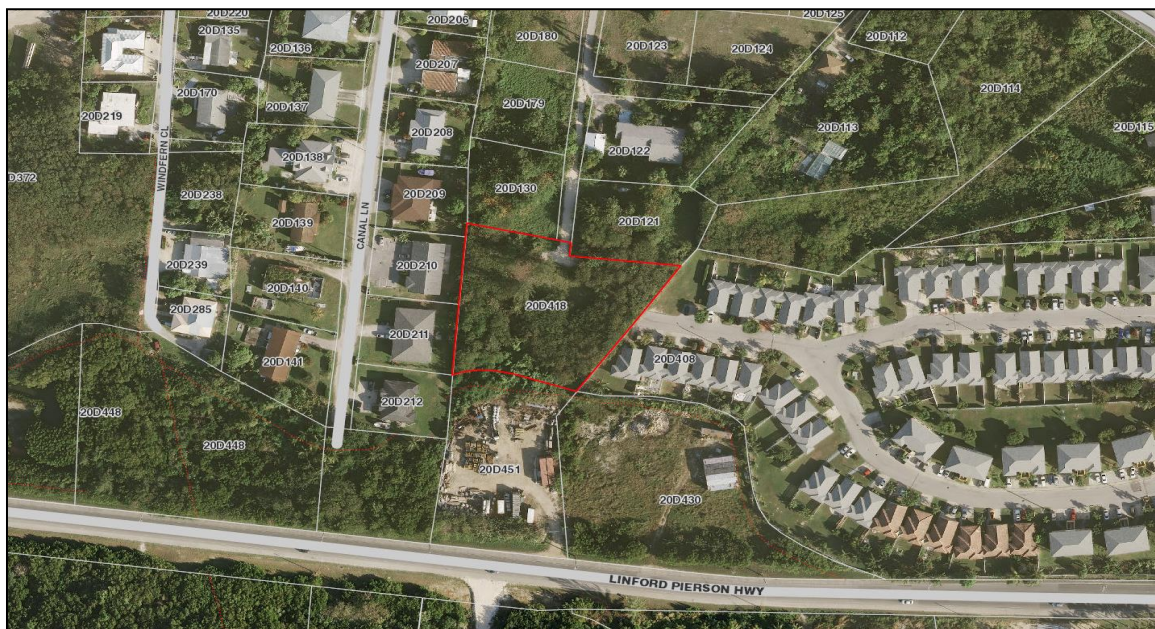
The parcel is zoned LDR and its elevation ranges between two to five feet above sea level. Like the subject parcel, it has frontage but no access onto the LPH. Although at the time of acquisition the parcel was densely vegetated and zoned LDR, at the time of

inspection the parcel had been cleared and a commercial building has been constructed (commercial being a conditional use under LDR zoning where the CPA deems it to be suitable).

This parcel adjoins the western boundary of the northern part of the subject and is located opposite the rest of the subject parcel and thus no adjustments are necessary or location. The parcel is reasonably regular in shape, but slightly inferior to the subject, however it has a much greater frontage onto the LPH than the subject. The parcel is also half the size of the subject, smaller parcels typically achieving higher rates per square foot than larger parcels due to economies of scale.

With regards to the timing of the sale, we believe that market conditions as at the date of valuation are only slightly better than they were in 2013 for this type of property in this location.

4.2.2 Block & Parcel: 20D 418
Address: Off Crewe Road
Registration Section: George Town East



This parcel of land sold in October 2012 for CI\$185,000 at CI\$4.01 per square foot, based on a parcel area of 46,087 square feet (1.058 acres).

The parcel is zoned MDR, this land zoning permitting a higher land usage ratio than LDR, and like the subject it is low lying, with its elevation ranging between two to four feet above sea level. The parcel is situated in close proximity to the subject and just back from the LPH, having a 30 foot vehicular right of way onto an unnamed road off Crewe Road. As such, the location of this parcel is slightly inferior to the subject.

The parcel is reasonably regular in shape but slightly inferior to the subject, however, like 20D 448 above, it is smaller than the subject, being just under a third of the size of the subject. With regards to its size, we would therefore expect this parcel to have a higher per square foot value than the subject.

This sale is also slightly dated, and again, we are of the opinion that current market conditions are slightly better than they were at the time of this sale, and we would adjust the rate per square foot applicable to the subject upwards to take account of this.

4.2.3 Block & Parcel: 23C 30REM1
Address: East-West Arterial
Registration Section: Prospect



This parcel sold in May 2010 for C\$630,000 at C\$3.24 per square foot, based on a parcel area of 194,713 square feet (4.47 acres).

This parcel is situated further east of the subject parcel in the Prospect area and its location is slightly inferior. However, like the subject, it has frontage onto a prime arterial route, yet the frontage is of a much greater width and has superior prominence. The land is also very similar to the subject with regards to its elevation, being low lying and ranging between one to two feet above sea level. At the time of inspection, this parcel had been cleared and filled to take the parcel up to what appears to be four to five feet above sea level.

The parcel is zoned LDR, however we are aware that the developer is constructing a gas station upon the land. The parcel is of a regular rectangular shape, but it is nearly 1.25 acres bigger than the subject.

This sale is five years old and dated, however we believe it is still relevant. With regards to market conditions, 2010 can be viewed as towards the bottom of the market, with conditions and values presently on a modest upwards curve.

4.2.4 Block & Parcel: 23C 17
Address: Shamrock Road
Registration Section: Prospect



This parcel sold in March 2010 for C\$420,000 at C\$8.10 per square foot, based on a parcel area of 1.19 acres.

This is the only piece of sales evidence used in our valuation that has NC land zoning. The parcel is situated further east than the subject, occupying a very prominent location between Shamrock Road and the East-West Arterial, both prime arterial routes that have a high volume of traffic.

The parcel is of a regular shape and its elevation ranges between five to six feet above sea level. The size of the parcel is however much smaller than the subject, being nearly a third of the size.

This comparable is admittedly dated, being five years old however we believe it to be a useful gauge of values for land zoned NC in this locality. Present market conditions and property values are superior to what they were at the date of this sale.

4.3 FACTORS AFFECTING VALUE

4.3.1 LOCATION

The location of a property is one of the key determinants of its value. The parcel is situated within easy reach of George Town and close to a number of local amenities. It is also situated along the prime arterial route (LPH) providing access in to George Town and out to the eastern districts. As such, its location is attractive for both residential and commercial purposes, perhaps more for commercial due to the heavy traffic flow along the LPH.

4.3.2 MARKET CONDITIONS

The property market in the Cayman Islands is showing signs of recovery and modest growth, and whilst economic indicators illustrate that the economy is also starting to grow again, this has yet to transfigure into a widespread improved property market in Grand Cayman. The property market does in fact tend to lag general changes in the economy, and whilst there are signs of improvement in certain sectors of the property market, we would not expect there to be a significant improvement in the wider property market or a large increase in property values in the short to medium term.

Analysing the wider economy, the Cayman Islands has produced some positive economic results over the last 12 months. Gross domestic product (GDP) rose 1.6 percent during the 2013 / 2014 fiscal year and it is forecast to be 2.1 percent for the 2014 / 2015 budget year. Unemployment rates are also expected to decline beneath the 6 percent mark and the Cayman Islands Government are reinstating the 4% cost of living this coming July.

Property finance is becoming more readily available, with local banks and credit unions appearing to show a softening in lending criteria and an increased appetite for making loans secured against property. The cost of borrowing still also remains historically low in Cayman, with the prime interest rate remaining at 3.25% since the end of 2008. This low cost of financing has seen many borrowers re-finance existing mortgages, with local banks cutting margin rates to attract new borrowers. Loan-to-values are typically at the 95% level for Caymanians, with 90% being the maximum for expatriate residents.

Cayman's tourism sector is thriving, with total air arrivals in 2014 up 11% on 2013, this the best stay-over visitor arrival figure that the Cayman Islands has recorded in over 14 years. This positive news continued through the first quarter of 2015, with both stay over visitor and cruise arrival numbers both up 9.7% and 7.6% respectively on the same quarter in 2014. Plans are also afoot to improve facilities and infrastructure for both air arrivals and cruise ships, with the proposed construction of a new cruise terminal in George Town taking shape alongside the 2017 proposed re-development and expansion of Owen Robert International Airport.

4.3.3 PROPERTY DEMAND

Property values are ultimately affected by supply and demand issues.

There is a sizeable amount of undeveloped land to the immediate western and eastern boundaries of the subject parcel running from the LPH down to South Sound Road. Some of this land has been acquired for condominium developments along South Sound Road, with the Davenport led Vela development one of a number of projects recently commencing construction work. The land fronting South Sound Road is admittedly superior to that fronting LPH, however there remains demand for land parcels in this part of the island as the population continues to increase and economic conditions keep improving.

In isolation, we would envisage there currently being moderate demand for this type of parcel, with a marketing period of at least twelve months needed to achieve an unconditional exchange of contracts.

4.3.4 SPECIAL PURCHASER VALUE

We have been instructed to give an opinion on value to a special purchaser, due the fact that the potential purchaser of the parcel owns or has options over the adjacent undeveloped land parcels.

The Red Book defines a 'Special Purchaser' as '*a particular buyer for whom a particular asset has a special value because of advantages arising from its ownership that would not be available to other buyers in a market*'.

We have been furnished with the proposed development plans and on analysing those plans it is evident that the subject parcel forms a key part of the scheme. The parcel would offer additional advantages to the identified proposed purchaser over and above those available to other market participants. On this basis, it is reasonable to expect this purchaser to pay a premium over and above market value to secure the subject land parcel.

Determining what such figure should be is very subjective and open to debate, depending on which side of the transaction one sits on. In this case, we believe that the special purchaser should be expected to pay somewhere in the region of 10 – 20 % above market value. We are aware, however, that the parcel could be developed in isolation and therefore, whilst the acquisition of it by the identified special purchaser would provide that party with additional benefits, the parcel still offers advantages to other market participants.

In arriving at an opinion of value to a special purchaser, we have adopted a rate of 10% above market value for the premium.

4.3.4 LAND ZONING

Land zoning can affect the value of land and property significantly as it can restrict, or permit, the development or use of the land and property. In isolation

Although land zoned for commercial purposes typically commands a higher value than land zoned for residential purposes, the parcel's current land zoning, LDR, permits the use of commercial development, where deemed suitable by the CPA. Furthermore, a conditional use under NC land zoning is residential, thus it is questionable as to whether land zoned NC has a significantly greater value than LDR land. Whilst residential use is also a conditional use under General Commercial (GC) zoning, the restrictions on residential development are much tighter under GC than NC.

Examples of this include the Scotiabank building situated opposite Hurley's supermarket, which was constructed on LDR land, and the current on-going construction of a gas station on a plot zoned LDR situated along the East-West Arterial (this also used in our sales evidence).

4.3.6 RIGHT OF WAY

Part of the parcel has a right of way running through it which was granted to enable the Mosquito Research Team (MRT) to gain access to the parcel. Land Registry has informed us that this right of way does not have a defined width and is merely a narrow single lane. Analysing the most up-to-date map, it appears that this access has not been used for some time as there are no tracks visible and the entire parcel is densely vegetated.

If the parcel were to ever be developed, this right of way would need to be moved to enable the full development of the site. With regards to this valuation report, we have assumed that the right of way will be moved and will not therefore negatively impact on the market value of the land.

4.4 OPINION OF VALUE

The subject parcel is well located, having frontage onto a prime arterial route that provides ready access into central George Town, whilst also being situated in close proximity to a number of local amenities. Although it is a slightly narrow plot, it is still wide enough to permit development without the addition of adjacent land parcels. An example of the type of potential residential development on this site is the St. Tropez scheme in South Sound which sits on a two acre plot, very similar in shape to the subject and incorporates five blocks of townhouses.

Taking into consideration the comparable sales evidence and adjusting accordingly for the individual characteristics of the subject parcel, we have adopted a rate of CI\$3.50 per square foot for the parcel under its current land zoning, LDR. Under the assumption

that the parcel is re-zoned from LDR to NC, we are of the opinion that its Value would increase up to a rate of CI\$4.50 per square foot, being the same as that we would adopt for a General Commercial zoning classification.

4.4.1 MARKET VALUE UNDER CURRENT LDR ZONING

Thus, having carefully considered the matter, we are of the opinion that the Market Value of the freehold interest in the subject property, as described at the valuation date of Thursday 4th June 2015, and subject to the contents of this report is:

CI\$492,000 (Four Hundred and Ninety Two Thousand Cayman Islands Dollars)

4.4.2 MARKET VALUE WITH NC ZONING

With regards to the value of the parcel assuming a change in land zoning from LDR to NC, we are of the opinion that the Market Value of the property, as described at the valuation date of Thursday 4th June 2015, and subject to the contents of this report is:

CI\$633,000 (Six Hundred and Thirty Three Thousand Cayman Islands Dollars)

5 CONFIDENTIALITY CLAUSE

We have relied on information provided by the Cayman Islands Government Lands and Survey Department's website (www.caymanlandinfo.ky) with regards to property details and sales evidence.

The contents of this report and appendices are confidential to the party to whom they are addressed for the specific purpose to which they refer and are for their use only. Consequently, and in accordance with current practice, no responsibility is accepted to any other party in respect of the whole or any part of their contents.

For the purposes of the Freedom of Information Law (2007), control of this valuation report lies with the Lands & Survey Department, to whom any requests for its release must be transferred.

We accept no responsibility or liability whatsoever to any third party in respect of the whole or any part of this report. Any third party who relies upon the contents of this report does so at his or her own risk.

Neither the whole nor any part of this report, nor any reference thereto, may be included or published in any document, circular or statement, or in any communication whatsoever, without the valuers prior written approval.

We advise that the valuation figure stated in this report must not be relied upon beyond six months from the date of valuation.

6 SIGNATURE AND DATE OF REPORT

The property was inspected and the report prepared by James Cooper BSc (Hons), an internal valuer, who has the relevant experience and knowledge of valuing this type of property.

We confirm that neither the department nor the valuer has any conflict of interest in this matter.

The undersigned has not previously had any professional involvement in connection with the property.

Signed:



James Cooper BSc (Hons)
Graduate Valuation Officer
for and on behalf of Director of Lands & Survey

Reviewed & Signed:



Jon Hall FRICS
Chief Valuation Officer

Valuation and Estates Office
Lands & Survey Department
Government Administration
Building, Box 120
Grand Cayman
Cayman Islands, KY1-9000

Date of Report: 12th June 2015

Appraisal of Real Property

Block 20D Parcel 175

Vacant Land
Linford Pierson Highway
George Town East, Grand Cayman,
Cayman Islands

Prepared For:

Cayman Islands Government

Effective Date of the Appraisal:

July 24, 2015

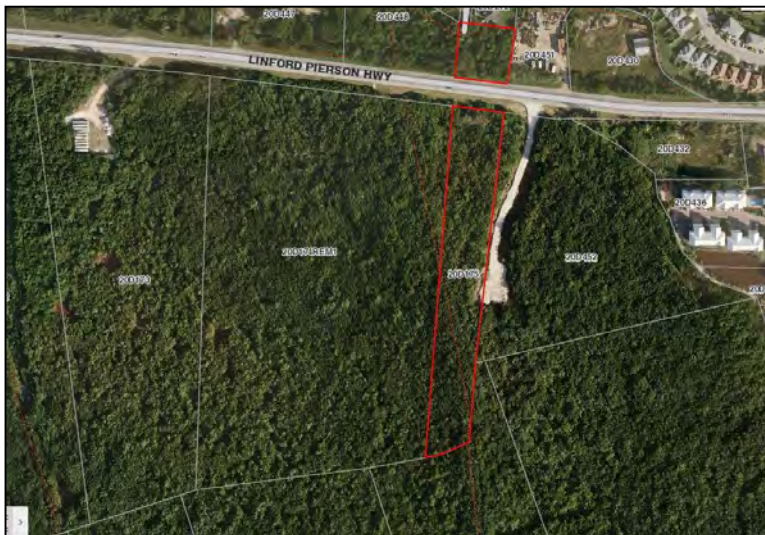
Report Format:

Appraisal Report – Standard Format

IRR - Caribbean

File Number: 172-2015-0111





Block 20D Parcel 175
Linford Pierson Highway
George Town East, Grand Cayman, Cayman Islands



August 6, 2015
Jon Hall
Chief Valuation Officer
Cayman Islands Government
PO Box 1089
Grand Cayman, KY1-1102

SUBJECT: Market Value Appraisal
 Block 20D Parcel 175
 Linford Pierson Highway
 George Town East, Grand Cayman,
 Cayman Islands
 IRR - Caribbean File No. 172-2015-0111

Dear Mr. Hall:

Integra Realty Resources – Caribbean is pleased to submit the accompanying appraisal of the referenced property. The purpose of the appraisal is to develop an opinion of the market value as is of the freehold interest in the property with its current low density residential zoning. As requested, we also estimate the market value as if rezoned to neighborhood commercial use and that there would be a special purchaser (namely the adjoining land owner/developer). The client for the assignment is the Cayman Islands Government, and the intended use is for property disposition purposes.

The appraisal is intended to conform with the Uniform Standards of Professional Appraisal Practice (USPAP), the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, the Principles of Appraisal Practice and Code of Ethics of the American Society of Appraisers, the RICS Valuation Professional Standards and the International Valuation Standards.

To report the assignment results, we use the Appraisal Report option of Standards Rule 2-2(a) of USPAP. As USPAP gives appraisers the flexibility to vary the level of information in an Appraisal Report depending on the intended use and intended users of the appraisal, we adhere to the Integra Realty Resources internal standards for an Appraisal Report – Standard Format. This format summarizes the information analyzed, the appraisal methods employed, and the reasoning that supports the analyses, opinions, and conclusions.

The subject is a parcel of vacant land containing an area of 3.23 acres or 140,699 square feet. The parcel is divided by Linford Pierson Hwy. The property is currently zoned LDR, Low Density Residential, which permits detached houses, duplexes, semi-detached houses, horticulture. A valuation is also being provided on the assumption that the property has been rezoned to NC, Neighborhood Commercial.

Based on the valuation analysis in the accompanying report, and subject to the definitions, assumptions, and limiting conditions expressed in the report, our opinion of value is as follows:

Value Conclusions*			
Value Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value As Is	Freehold	July 24, 2015	\$280,000
Market Value As If Rezoned	Freehold	July 24, 2015	\$760,000
*Values expressed in Cayman Islands Dollars			

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is uncertain information accepted as fact. If the assumption is found to be false as of the effective date of the appraisal, we reserve the right to modify our value conclusions.

1. The valuation of the property "as is" assumes the site is sold independently and not necessarily to an adjoining land owner. As such, it is assumed in this valuation premise that vehicular access will be allowed from Linford Pearson Highway, or that other means of adequate vehicular access to the site can be arranged.

The value conclusions are based on the following hypothetical conditions that may affect the assignment results. A hypothetical condition is a condition contrary to known fact on the effective date of the appraisal but is supposed for the purpose of analysis.

1. The second valuation premise "market value as if rezoned" is based on the hypothetical condition that the land has been rezoned to Neighborhood Commercial as of the valuation date. The land is currently zoned for Low Density Residential use and therefore, the proposed use as Neighborhood Commercial is hypothetical at the current time. This valuation premise further assumes the hypothetical situation that the owner of the adjacent lands (and who is contemplating development of the greater site) would be the purchaser the subject property.

Jon Hall
Cayman Islands Government
August 6, 2015
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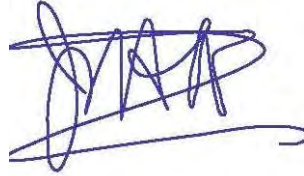
If you have any questions or comments, please contact the undersigned. Thank you for the opportunity to be of service.

Respectfully submitted,

Integra Realty Resources - Caribbean



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Summary of Salient Facts and Conclusions

Property Name	Block 20D Parcel 175
Address	Linford Pierson Highway George Town East, Grand Cayman, Cayman Islands
Property Type	Land - Residential
Owner of Record	Crown
Parcel ID	20D175
Legal Description	Block 20D, Parcel 175, George Town East
Land Area	3.23 acres; 140,699 SF
Zoning Designation	LDR, Low Density Residential
Highest and Best Use	Commercial use (assuming change in zoning)
Exposure Time; Marketing Period	12 months; 12 months
Date of the Report	August 6, 2015

Value Conclusions*

Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value As Is	Freehold	July 24, 2015	\$280,000
Market Value As if Rezoned	Freehold	July 24, 2015	\$760,000

*Values expressed in Cayman Islands Dollars

The values reported above are subject to the definitions, assumptions, and limiting conditions set forth in the accompanying report of which this summary is a part. No party other than Cayman Islands Government may use or rely on the information, opinions, and conclusions contained in the report. It is assumed that the users of the report have read the entire report, including all of the definitions, assumptions, and limiting conditions contained therein.

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is uncertain information accepted as fact. If the assumption is found to be false as of the effective date of the appraisal, we reserve the right to modify our value conclusions.

1. The valuation of the property "as is" assumes the site is sold independently and not necessarily to an adjoining land owner. As such, it is assumed in this valuation premise that vehicular access will be allowed from Linford Pearson Highway, or that other means of adequate vehicular access to the site can be arranged.

The value conclusions are based on the following hypothetical conditions that may affect the assignment results. A hypothetical condition is a condition contrary to known fact on the effective date of the appraisal but is supposed for the purpose of analysis.

1. The second valuation premise "market value as if rezoned" is based on the hypothetical condition that the land has been rezoned to Neighborhood Commercial as of the valuation date. The land is currently zoned for Low Density Residential use and therefore, the proposed use as Neighborhood Commercial is hypothetical at the current time. This valuation premise further assumes the hypothetical situation that the owner of the adjacent lands (and who is contemplating development of the greater site) would be the purchaser the subject property.

General Information

Identification of Subject

The subject is a parcel of vacant land containing an area of 3.23 acres or 140,699 square feet. The parcel is divided by Linford Pierson Hwy. The property is currently zoned LDR, Low Density Residential, which permits detached houses, duplexes, semi-detached houses, horticulture. A valuation is also being provided on the assumption that the property has been rezoned to NC, Neighborhood Commercial.

The legal description of the property is as follows and a copy of the Land Register is in the addenda.

Property Identification	
Property Name	Block 20D Parcel 175
Address	Linford Pierson Highway George Town East, Grand Cayman, Cayman Islands
Parcel ID	20D175
Owner of Record	Crown

Sale History

The subject property is Crown land, and to the best of our knowledge, no sale or transfer of ownership has taken place within a three-year period prior to the effective appraisal date.

Pending Transactions

It is understood that negotiations are being conducted with a potential purchaser relating to a sale for a consolidation with adjacent lands. The details of these negotiations or the prices agreed (if any) for these parcels are not known.

Purpose of the Appraisal

The purpose of the appraisal is to develop an opinion of the market value as is of the freehold interest in the property as of the effective date of the appraisal, July 24, 2015. As requested, we also estimate the market value as if rezoned to neighbourhood commercial, as of July 24, 2015. The date of the report is August 3, 2015. The appraisal is valid only as of the stated effective date or dates.

Basis of Value

Market Value is defined as “The estimated amount for which an asset or liability 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 the parties had each acted knowledgeably, prudently and without compulsion.”

(Source: *International Valuation Standards*, International Valuation Standards Council, 2011)

As is market value is defined as, "The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal's effective date."

(Source: The Dictionary of Real Estate Appraisal, Fifth Edition, Appraisal Institute, Chicago, Illinois, 2010; also Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, December 10, 2010, page 77471)

Definition of Property Rights Appraised

Freehold Interest is defined as, "Absolute ownership subject to limitations imposed by the state, also known as fee simple estate. An estate held for perpetuity."

(Source: The Dictionary of Real Estate Appraisal, Fifth Edition, Appraisal Institute, Chicago, Illinois, 2010)

Intended Use and User

The intended use of the appraisal is for property disposition purposes. The client and intended user is the Cayman Islands Government. The appraisal is not intended for any other use or user. No party or parties other than the Cayman Islands Government may use or rely on the information, opinions, and conclusions contained in this report.

Applicable Requirements

This appraisal is intended to conform to the requirements of the following:

- Uniform Standards of Professional Appraisal Practice (USPAP);
- Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute;
- The Principles of Appraisal Practice and Code of Ethics of the American Society of Appraisers
- The RICS Valuation Professional Standards;
- The International Valuation Standards of the IVSC

Prior Services

USPAP requires appraisers to disclose to the client any other services they have provided in connection with the subject property in the prior three years, including valuation, consulting, property management, brokerage, or any other services. The RICS Red Book also contains requirements for valuers to disclose previous involvement with the subject property within twelve months. We have not performed any services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

Competency

We hereby confirm that we possess adequate knowledge and skills to perform the assignment competently, including an understanding area/regional market conditions, and factors which pertain to the property type in question.

Independence

We hereby confirm that we have no conflicts of interest or material involvement in the property which is the subject of this valuation; and that we are acting as unbiased, independent, external valuers.

RICS Valuer Registration

We confirm that we are in compliance with the RICS Valuer Registration program, which is mandatory for RICS members in the Caribbean region.

Currency

Unless otherwise stated, all financial figures in this report are expressed in Cayman Islands Dollars.

Scope of Work

To determine the appropriate scope of work for the assignment, we considered the intended use of the appraisal, the needs of the user, the complexity of the property, and other pertinent factors. Our concluded scope of work is described below.

Valuation Methodology

Appraisers usually consider the use of three approaches to value when developing a market value opinion for real property. These are the cost approach, sales comparison approach, and income capitalization approach. Use of the approaches in this assignment is summarized as follows:

Approaches to Value		
Approach	Applicability to Subject	Use in Assignment
Cost Approach	Not Applicable	Not Utilized
Sales Comparison Approach	Applicable	Utilized
Income Capitalization Approach	Not Applicable	Not Utilized

We use only the sales comparison approach in developing an opinion of value for the subject. This approach is applicable to the subject because there is an active market for similar properties, and sufficient sales data is available for analysis.

The cost approach is not applicable because there are no improvements that contribute value to the property, and the income approach is not applicable because the subject is not likely to generate rental income in its current state.

Research and Analysis

The type and extent of our research and analysis is detailed in individual sections of the report. This includes the steps we took to verify comparable sales, which are disclosed in the comparable sale profile sheets in the addenda to the report. Although we make an effort to confirm the arms-length nature of each sale with a party to the transaction, it is sometimes necessary to rely on secondary verification from sources deemed reliable.

Inspection

Terry L. Kerslake, AACI, P.App, conducted an on-site inspection of the property on July 24, 2015. James V. Andrews, MAI, CRE, FRICS, ASA, CVA, also conducted an on-site inspection on an earlier date.

Economic Analysis

Area Analysis

The Cayman Islands consist of three islands in the northwest Caribbean Sea: Grand Cayman, Cayman Brac and Little Cayman. George Town, Grand Cayman, about 450 miles south-southwest of Miami, is the capital and business center of the Cayman Islands. Grand Cayman is odd shaped, about 24 miles in length, and twelve miles wide at the widest point on the western edge. Grand Cayman has a resident population of about 55,000.

The majority of residents are concentrated along the western side of Grand Cayman, in the greater George Town, Seven Mile Beach and West Bay areas. The majority of the tourism product is located along Seven Mile Beach (the west coast), including resort condominiums, hotels, restaurants, shops, etc. George Town is home to tourism product related to cruise ships that anchor in the area each day, and also to the banks and many financial service businesses that operate there.



Cayman Brac lies about 89 miles northeast of Grand Cayman. It is about 12 miles long, with an average width of 1 1/4 miles. Its terrain is the most spectacular of the three islands. The Bluff, a massive central limestone outcrop, rises steadily along the length of the island up to 140 ft. above the sea at the eastern end. As of the latest estimates the population of Cayman Brac was 1,822 persons.

Little Cayman lies five miles west of Cayman Brac and is approximately ten miles long with an average width of just over a mile. The island is low-lying, with a few areas on the north shore rising to 40 ft. above sea level. The latest census reported a resident population of Little Cayman of 115 persons.

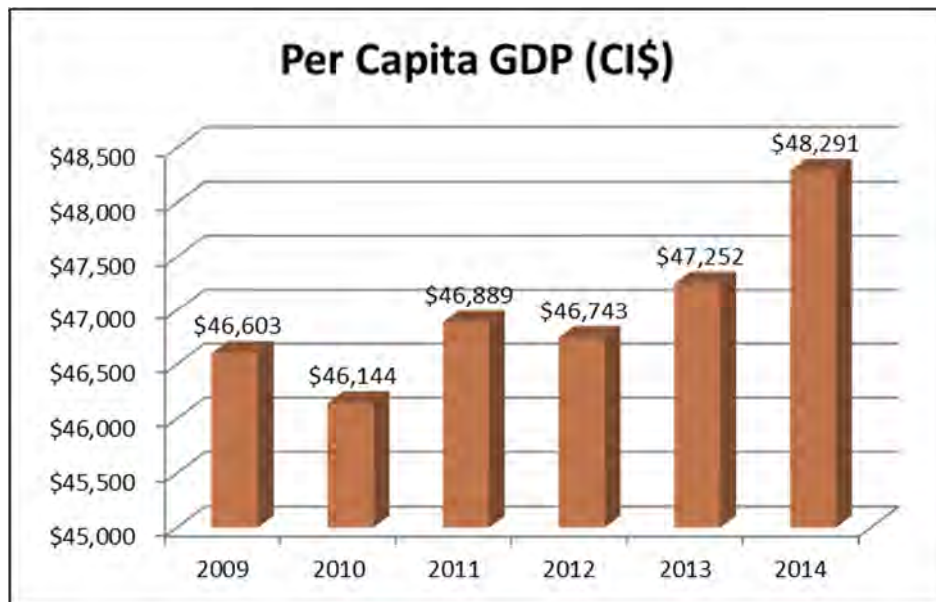
There are no rivers on any of the islands, but there are large areas of luxuriant vegetation. The coasts are largely protected by offshore reefs and in many places by a mangrove fringe that often extends into inland swamps that play a key role in the islands' ecology. The total land areas in square miles are 76 for Grand Cayman, 15 for Cayman Brac, and 11 for Little Cayman. The total land area of the country is 102 square miles.

Demographics and Economy

The estimated resident population of the country at the end of 2014 according to the Economic and Statistics Office was 58,238 with 57.4% being Caymanian (or Cayman Status holder). This overall population represents 4.5% growth from the 2013 population estimate, and an all-time high. The total estimated population has increased 150% in the twenty-nine year period from 1985. The vast majority of the population lives on Grand Cayman.

The country relies heavily on tourism and financial services (in Grand Cayman) for its economy. The country hosts a labour force of 39,582; with a 2014 unemployment rate of 4.7%. Due to the high percentage of work permit holders who would otherwise not reside in Cayman, the unemployment rate for Caymanians is much higher – 7.9% at the end of 2014. The Per Capita GDP was CI\$48,291, up 2.2%.

Economic and Demographic Statistics			
	2013	2014	% Growth
Population	55,747	58,238	4.50%
Labour Force	38,521	39,582	2.80%
Unemployment Rate	5.3%	4.7%	
Caymanian	9.4%	7.9%	
Non-Caymanian	3.1%	1.5%	
Per Capita GDP (CI\$)	\$47,252	\$48,291	2.2%
Source: Economics and Statistics Office			



Work permits had been declining since 2008 when the end of the construction boom came, and reportedly hit bottom in the third quarter of 2011 at just over 19,000. Part of the reason for this is that there has been some contraction in the financial services industry, with some jobs being moved to other jurisdictions where international firms operate. Additionally, the previous government administration introduced a 7-year term limits policy for work permit holders, which affected many long term residents who had not yet gained Permanent Residency Status. This policy has been recently revised, which now allows expatriate workers to stay for ten years which allows everyone the opportunity to apply for Permanent Residency status (though it is rumored that the criteria for Permanent Residency is more stringent than before).

Work permits have since increased at a modest rate, reaching 21,195 in September, 2014 (up 0.8%). Mirroring the trend in previous quarters, work permits in the third quarter rose 0.1% relative to the quarter ending June 2014.

Government

The Cayman Islands are a British Overseas Territory, with a governor as a liaison to the British government, and an independent Legislative Council responsible for local ordinances. There are several political parties in the Legislative Council, and the ruling party appoints a Premier who is the leader of Government Business. The Police department is controlled by the Governor's office, which reports to the British Government. The governor is appointed by the UK Foreign office, as a diplomat, and serves four year terms.

In early 2013, a mounting police investigation into allegations of corruption resulted in the arrest of the then Premier McKeever Bush who was the leader of the United Democratic Party (UDP). This event resulted in the rift in the party, resulting in a new temporary government led by the former Deputy Premier of the same party, though they no longer have a majority. Elections were held in May, 2013 with a return to power of the alternate party, the Peoples Progressive Movement. The former Premier Bush was subsequently charged with ethics violations but was acquitted on all charges that were not initially dismissed.

Financial Services Sector

The most influential industry is the financial services sector, and the Cayman Islands is currently the fifth largest banking center in the world. The economic downturn, as well as various controversial government decisions, led to a decline in this sector from 2009 through 2012. Some of this decline was attributable to the shrinking of the size of various companies, while part of the decline can be attributed to some companies moving registered offices and employees to other offshore jurisdictions.

Some of the indicators show a slight rebound in this sector in 2014, such as exempt company registrations and insurance company registrations. The largest sectors include private banking, company registrations, funds administration, and insurance (public and captive). The following tables illustrate the composition of this sector. Note that exempt companies do not carry out local business activities, but relate to business with overseas clients and activities. Class B Banks are strictly private and investment banks, while Class B insurance companies relate primarily to captive insurance organization.

Financial Services				
	Sep 2012	Sep 2013	Sep 2014	% Growth
Banks and Trusts	233	211	206	-6.8%
Class A	15	15	15	0.0%
Class B	208	206	191	-7.3%
Insurance Companies				
Class A	27	27	28	3.7%
Class B	734	755	765	1.3%
Company Registrations	6,775	7,120	7,223	1.4%
Exempt	5,966	6,325	6,521	3.1%
Non-Resident	51	31	21	-32.3%
Resident	409	339	202	-10.9%
Foreign	349	425	379	-10.8%

Source: Economics and Statistics Office

This industry also sustains the need for the numerous law, accounting, and company/trust management firms that exist here. The outlook for the offshore banking / financial services industry in Cayman varies depending on the individual asked. The country was briefly blacklisted by the multi-national Financial Action Task Force (FATF) in 2003, and since then the country has made legal adjustments relative to compliance. Again in 2008 the country was put on the "Grey List", and had to secure a required number of bi-lateral tax exchange agreements with other nations in order to be removed from this list.

Clearly there is a sentiment in the current climate to eradicate the option of offshore tax havens by governments who are in need of tax revenue; the question is whether "legal" use of these jurisdictions can be eliminated or if it is a practice here to stay. In 2013 the USA Government Accountability Office (GAO) visited the country in an effort to better understand the nature of USA based companies registered here in order to minimize or avoid certain taxes, and have since released a report that most consider a fair assessment of the country's well-monitored company registration industry.

There is a new US policy known as the Foreign Account Tax Compliance Act (FATCA) which was implemented in the Cayman Islands in 2014. This statute requires United States persons, including individuals who live outside the United States, to report their financial accounts held outside of the United States, and requires foreign financial institutions to report to the Internal Revenue Service (IRS) about their American clients. Congress enacted FATCA to make it more difficult for U.S. taxpayers to conceal assets held in offshore accounts and shell corporations and to recoup federal tax revenues. The effects that this event will have on the financial services industry is unknown, but it is generally felt that tax evasion and other illegal activities are no longer a primary incentive for most of the investors in this arena.

There are several unrelated reasons for contraction in the financial services sector. Firstly, the current government administration has made it more expensive for international firms to do business in Cayman, placing significant increases on work permit fees, business license fees, company registration fees, duties on funds and captive insurance programs. This has led to some international offshore firms moving many jobs to other competing jurisdictions such as Bahamas, Bermuda, BVI, and Europe. Despite the fact that Caribbean offshore jurisdictions have much more stringent disclosure and compliance requirements (resulting in the virtual eradication of “money laundering” in these areas), the issue of tax avoidance remains prominent in the press. There has reportedly been some pressure for European investors to move offshore funds out of the Caribbean and to the European low-tax jurisdictions such as Switzerland, Guernsey, Isle of Man, Jersey, etc.

Tourism

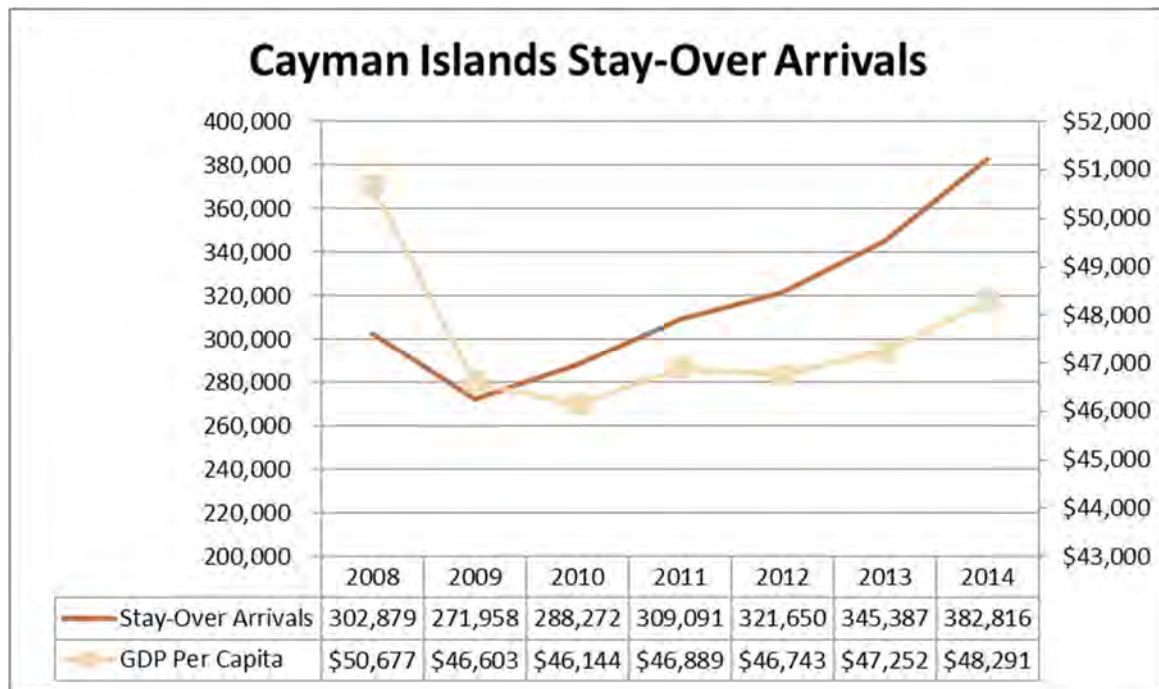
The Cayman Islands hosted over 1.9 million visitors in 2014 (including both stay-over and cruise tourists). All three islands also host a number of part-time residents and property owners who vacation here regularly.

Overnight visitor arrivals for the year 2014 totaled 382,816, representing an impressive 10.84% increase over 2013, which was an increase of 7.38% over 2012. The Cayman Islands currently ranks 13 in visitor arrivals of the Caribbean markets (excluding Mexico) reporting to the Caribbean Tourism Organization.

Stay-Over Arrivals Jan-Dec							
	2008	2009	2010	2011	2012	2013	2014
Stay-Over Arrivals	302,879	271,958	288,272	309,091	321,650	345,387	382,816
Growth		-10.21%	6.00%	7.22%	4.06%	7.38%	10.84%
GDP Per Capita	\$50,677	\$46,603	\$46,144	\$46,889	\$46,743	\$47,252	\$48,291 *
Growth		-8.04%	-0.99%	1.62%	-0.31%	1.09%	2.20%

* Annualized from January-June, 2014 Growth Rate
Source: Caribbean Tourism Association, Cayman Islands Economics and Statistics Office

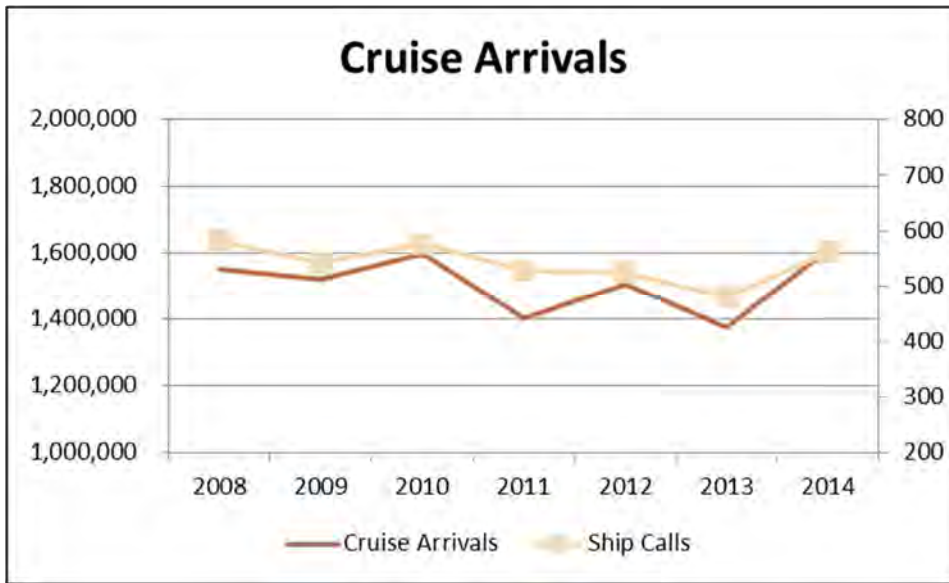
The following graph relates stay-over arrivals to the country's GDP per capita.



Stayover tourism in Cayman has increased significantly each year since 2009. These visitors contribute much more to the overall economy than cruise ships, with the average stay being 5-6 days versus less than one.

The Cayman Islands ranks 5th in the Caribbean in terms of cruise ship visitor arrivals. Cayman hosted 1,609,555 cruise visitor arrivals in 2014 (up 16.98%). This follows decline in this sector in 2013 due to a decrease in cruise ship calls.

Cruise Ship Arrival Statistics							
	2008	2009	2010	2011	2012	2013	2014
Cruise Arrivals	1,553,053	1,520,372	1,597,838	1,401,495	1,507,370	1,375,872	1,609,555
Growth		-2.10%	5.10%	-12.29%	7.55%	-8.72%	16.98%
Ship Calls	583	542	577	529	525	481	562
C.I. Department of Tourism							



The cruise lines have stated that they will continue to shift their stops to other markets until Cayman develops a cruise ship pier or docking facility, as there is increased liability and cost associated with the tendering operation that currently exists. Various attempts at tendering the construction of cruise berths have been made over the last 10 years, and the current government claims that construction will start on a berthing facility in 2015.

Data from Smith Travel Research (STR, Inc.) indicates 2014 occupancy for reporting hotels in the Cayman Islands of 70.5%, up 0.88% over the prior year. The reported average daily rate (ADR) was \$340.95 (up 4.03%), leading to Revenue Per Available Room Night (RevPar) of \$240.27 (up 5.34%).

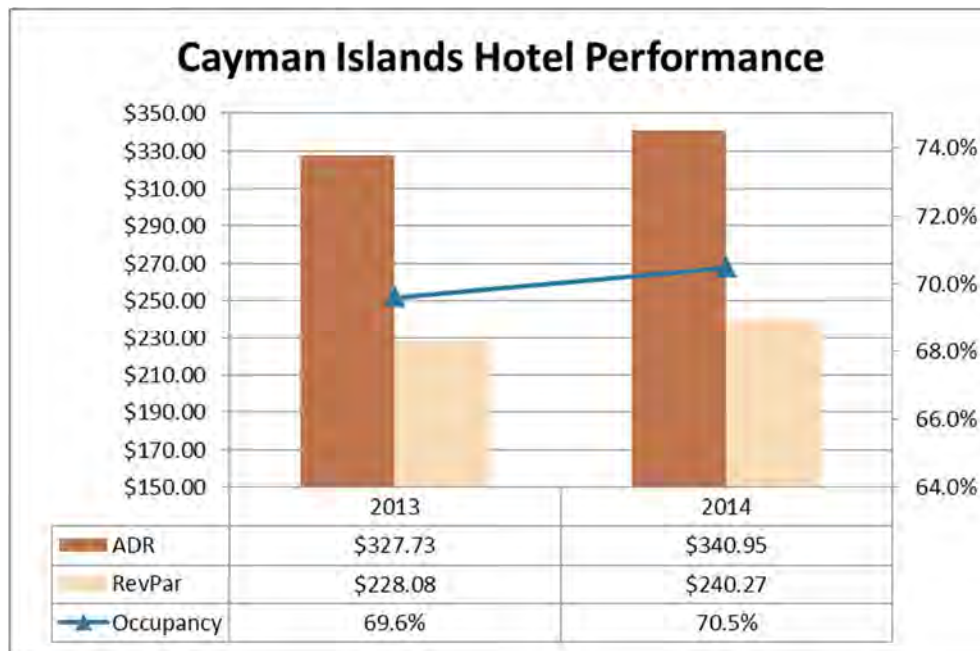
Hotel Performance by Country - Cayman Islands

	2013	2014	Growth
Sample Size (Rooms)		1292	
Room Nights Available (Supply)	1,391,733	1,393,178	0.10%
Room Nights Sold (Demand)	968,573	981,769	1.36%
Occupancy	69.6%	70.5%	0.88%
Room Revenues	\$317,432,265	\$334,737,018	5.45%
ADR	\$327.73	\$340.95	4.03%
RevPar	\$228.08	\$240.27	5.34%
Rooms in Active Pipeline 12/31	263	263	

Note: Values in United States Dollars

Source: Smith Travel Research (STR, Inc.)

Note: Sample Size reflects the number of rooms within the STR participating hotels



Source: Smith Travel Research (STR, Inc.)

The active pipeline solely consists of the proposed 263-room Kimpton Grand Cayman on Seven Mile Beach, which would add 6.4% to the existing room stock of 3,862 rooms. This project will also include 66 residential units.

Construction and Development

The previous government administration had been particularly favorable toward development and construction, and development in Grand Cayman has been consistent from since the 1980's (although construction has slowed significantly in the last 2-4 years from the previous pace). The 1980's saw significant development of condominiums along Seven Mile Beach which has continued to the present day and this area is effectively 100% built-up. Although there were several fairly large hotels on the island prior to 2004 (The Westin Casuarina, The Grand Cayman Marriott and the Hyatt Regency – all along Seven Mile Beach), the profile dramatically changed with the development of the 1,500 room Ritz Carlton Hotel and Residences (2003-2007). During construction of the Ritz in 2003, the Government raised the minimum number of stories from five to seven in the Hotel Tourism zone along Seven Mile Beach. The Ritz took advantage of this change as have four other new luxury condominium developments to date.

More recently, the number of maximum stories in this area has again been raised - to ten (or 65 feet) for hotels/condos, and the first development to take advantage of this is the Watercolours – a 60-unit condominium development under construction on the former site of the Beach Club Colony hotel. The replacement of older, mid-priced resorts with newer, luxury condominium resort developments is becoming a trend. For example, the Ritz Carlton is on the site of the former Holiday Inn Resort, and several older condominium properties have been re-developed with luxury properties.

Development and construction was further enhanced after the passage of Hurricane Ivan in 2004. The insurance industry effectively fueled this economy with millions of dollars for re-development, and new development was the strongest in the three years following the storm. One major project is the ongoing development known as Camana Bay – a 550 acre, planned “new-urban” town along the North Sound on the Seven Mile Beach peninsula. The overall plan includes five office buildings (four are existing and one is under construction), an existing cinema complex, four retail/restaurant blocks along a pedestrian promenade, urban style residential apartment units; and hotel and condominium portions which are not yet developed.

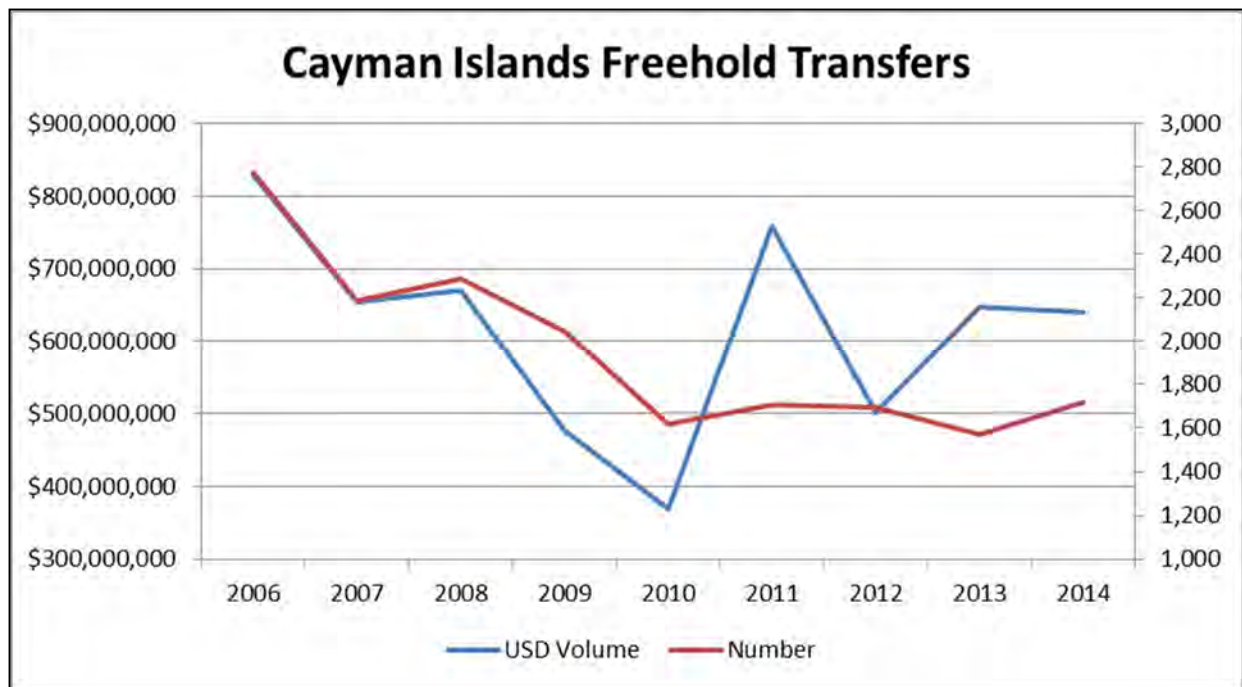
This project is being developed with 100% equity by the Dart Group of companies, owned by the founders of the Dart Container Corporation (Styrofoam cups, etc.). This organization has continued to amass a significant amount of land, including the 2011 purchase of an additional 64 parcels totaling 1,481 acres of land and some buildings along the Seven Mile Beach peninsula (though very little is beachfront), from developer Stan Thomas, for a price of \$124 million. This transaction, which noticeably affected the real estate transfer statistics for 2011, included the Cayman Islands Yacht Club and the former Courtyard by Marriott hotel across the road from Seven Mile Beach. This hotel, which was closed since 2009 from storm damage (Hurricane Paloma), has been demolished in favor of development of a new, Kimpton branded, luxury hotel resort. As part of the For Cayman Investment Alliance agreement with Government, Dart has closed about 3,000 feet of West Bay Road in order to create a large, deep oceanfront parcel for this resort and surrounding parcels they own. In exchange, Dart has built a bypass extension from the existing Esterly Tibbetts Highway at Governor’s Harbor all the way north into the Batabanoo area of West Bay; along with donating other parcels for public properties.

There are a few other large scale developments either under construction or recently completed, such as Health City Cayman Islands, a medical tourism hospital recently completed in the high Rock area of East End. The first phase has 105 beds with a planned eventual development of up to 2,000 beds over ten years. Should this be successful, additional development of support services in the Eastern Districts is inevitable.

Another project with Government support is the Cayman Enterprise City, a special economic development zone where businesses from overseas in certain sectors can take advantage of concessions on work permit fees, license fees, import duties, stamp duties, etc. The developers plan to eventually build over 200,000 square feet of office and R&D space, with the first phase likely being one building of about 50,000 square feet. This project was to be underway by now, but appears to be struggling with sourcing funding.

Real Estate

The value of freehold property transfers in the Cayman Islands for 2014 declined slightly (-1%) to just over US\$640,000,000, following a 29% bump in the prior year. The number of transfers has held fairly steady at around 1,700 per year, though there has been a gradual downward trend since 2006. It should be noted that the trend in sales volume in Cayman is relatively erratic given the relatively small size of the market.



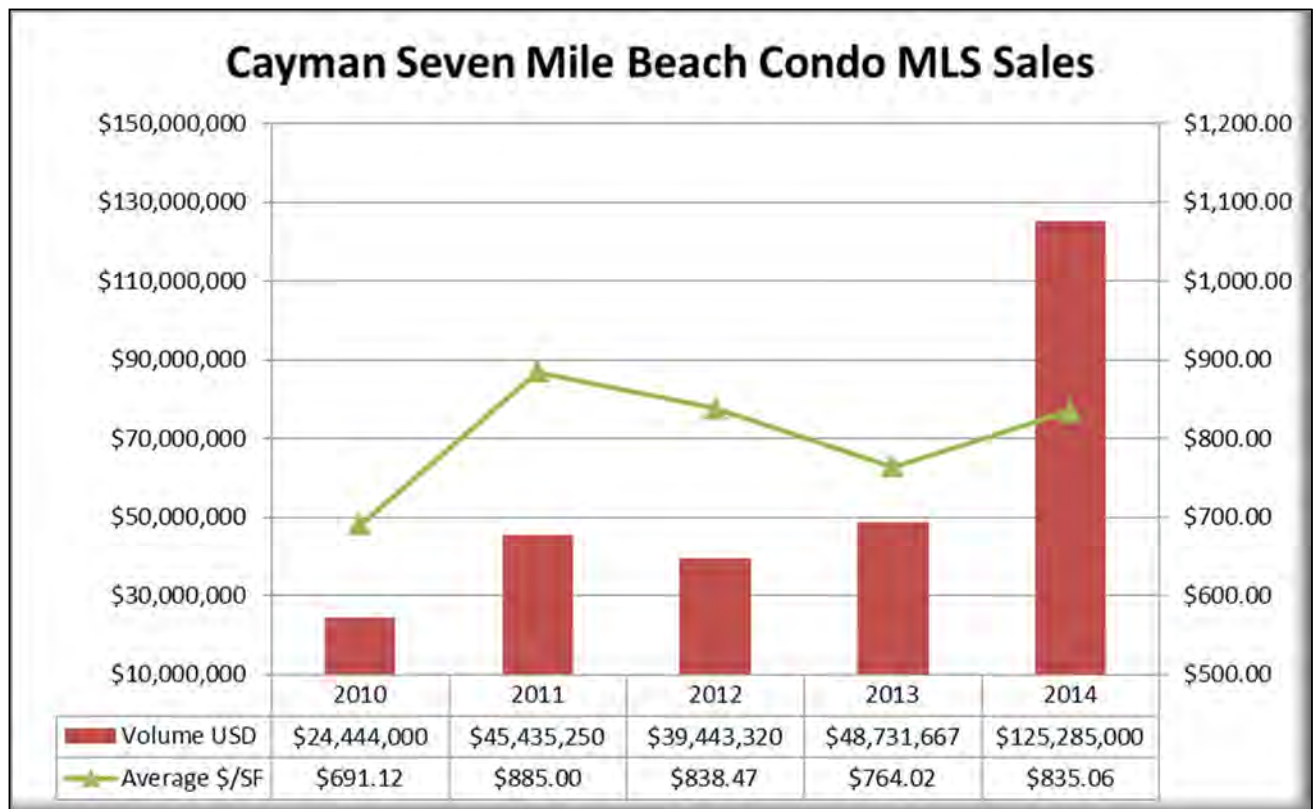
Source: Cayman Islands Department of Lands and Survey (www.caymanlandinfo.ky), Integra Realty Resources

Note: Spike in value in 2011 due to large Dart acquisition of Stan Thomas portfolio

Note: Spike in value in Q2 2013 due to sale of Ritz Carlton Resort

Seven Mile Beach Condominium Market

One of the most dynamic real estate markets in the Cayman Islands is the Seven Mile Beach condominium market, which is said to emulate the overall Caribbean vacation home market fairly closely. Sales volume from transactions noted in the local MLS jumped 157% in 2014, though this is partly due to 14 closings of units previously under contract at The Watercolors; the area's newest project which recently completed construction. Excluding sales at The Watercolors, sales volume for 2014 was slightly over \$74.4 million; a 53% gain over 2013. Prices per square foot are about US\$835 on average, a 9% gain above that of the prior year.



Source: Coldwell banker Cayman Islands Realty (CIREBA MLS), Compiled by Integra Realty Resources

Land Ownership, Title and Taxation

The Cayman Islands uses a Torrens Title system for the registration of land title. The basic difference between a typical deeds registration and Torrens systems is that the former involves registration of instruments while the latter involves registration of title. Land Registers are created for legal parcels registered on the Land Registry Map with a cadastral based mapping system, by a Licensed Land Surveyor.

Torrens title “is a system of land title where a register of land holdings maintained by the state guarantees indefeasible title to those included in the register (no title insurance is necessary). The system was formulated to combat the problems of uncertainty, complexity and cost associated with old system title, which depends on proof of an unbroken chain of title back to a good root of title. The Torrens title system was introduced in South Australia in 1858, formulated by then colonial Premier of South Australia Sir Robert Torrens. Since then, it has become pervasive around the Commonwealth of Nations and very common around the globe.” (Source: Wikipedia)

Values associated with an appraisal relate to the value of the Property Rights. In the Cayman Islands title to land is registered as either Absolute or Provisional. Provisional Title is only used when there is a question or dispute over title or boundaries, and is intended to be temporary. Property Rights associated with normal Freehold or Fee Simple estate are referred to as “Absolute Title”.

Absolute Title is “one which vests in the registered proprietor an estate in fee simple absolute in possession (which can loosely be described as indefeasible ownership) of that parcel of land together with all rights and privileges belonging or pertinent to the land, which ownership is free from all other interests and claims whatsoever not shown on the Register, save for overriding interests. All mineral rights are, however, vested in the Crown.” (Source: Registered Land Law {1995 Revision})

Land Ownership Taxation

There are no periodic real estate taxes in the Cayman Islands, rather a one-time stamp duty based on the value at the time of transfer, usually paid by the purchaser. Currently stamp duty on property transfers are based on 6% of the price (or assessed value), or 7.5% for parcels in the areas of Seven Mile Beach and central George Town. Any individual or company (which would have to be registered in the Cayman Islands) can own property in this jurisdiction. The only clarification is that companies that do business locally have to have a Trade and Business License to operate, and this includes companies leasing property more than four contiguous residential units. In order to obtain a Trade and Business License the Ordinary Company must have at least 60% Caymanian Shareholders and Directors, or alternatively obtain a Local Companies (Control) Law License (LCCL) which provides for up to 100% foreign ownership. This can be obtained as long as there are no Caymanians wishing to (and able to) invest the level of financial input required; and this is demonstrated by way of advertisements.

Alternatively, a foreign owned “exempt” company can also own property as a holding company and license the management of the property to an Ordinary Company that is licensed.

Conclusions

The economy in the Cayman Islands appears to be relatively flat, but perhaps in a bit better shape than many of its competitors in the Caribbean region due to the influence of the financial services sector on the domestic economy. Until early 2009 (and to a certain extent still) the economy has been relatively strong, and a considerable amount of money was injected into the economy from the insurance companies after Hurricane Ivan in 2004. Although the real estate market appears to be experiencing difficulty in regaining pre-recessionary levels, the expectation is that there is still a fairly strong market of investors looking for a stable offshore jurisdiction to invest in property and/or financial instruments.

Area Maps



Surrounding Area Analysis

Location

The subject is located in the George Town East area of Grand Cayman. It is situated close to the communities of Prospect to the east and South Sound to the west and south. The main commercial centre of George Town is approximately two miles northwest.

Access and Linkages

Primary highway access to the area is via the Linford Pierson Highway, which connects with Crewe Road and Shamrock Road to the east and to Bobby Thompson Way to the west. These arterials connect to the primary east-west and north-south connectors that provide principal access to most parts of the island. Public transportation is provided by Omni Bus (private) and provides access to all major populated areas. Overall, the primary mode of transportation in the area is the automobile.

Demand Generators

Most major employers are in the George Town and Seven Mile Beach areas on the west side of the island. Other demand generators include the proximity to the somewhat densely populated residential areas of South Sound and Prospect as well as the scenic coastline and touristic areas of Grand Cayman; many of which are reasonably close to this area.

Demographic Factors

Compared to the Grand Cayman area as a whole, the local area has a typical population density, with income levels close to median or average for the jurisdiction. Population trends are stable with some modest growth with new development of single and multifamily residential properties in the general area.

Land Use

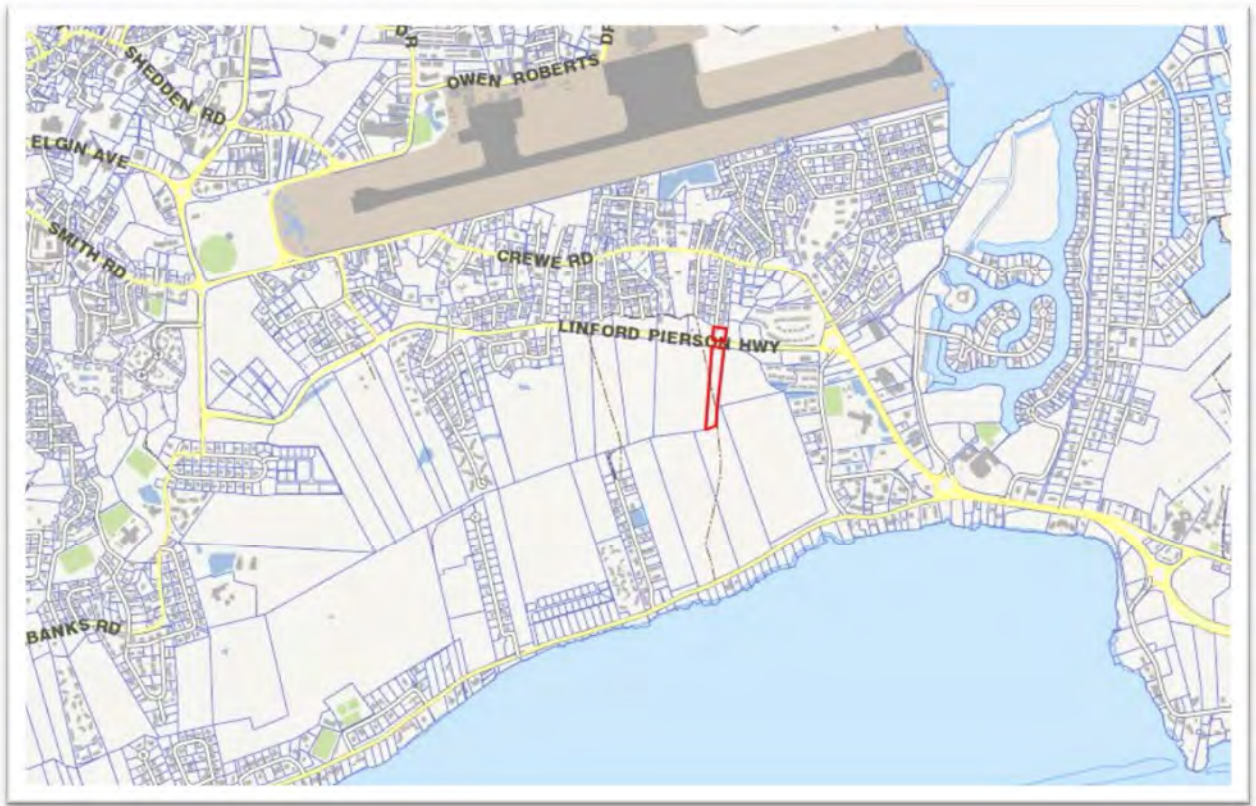
The area is suburban in character and approximately 75% developed.

Predominant land uses are residential with neighborhood commercial uses to support the local population. During the last five years, development has been predominantly of residential uses. The pace of development has generally been modest over this time.

Outlook and Conclusions

The area is in the mid stage of its life cycle. We anticipate that property values will remain stable or gradually increase in the foreseeable future.

Surrounding Area Map



Property Analysis

Land Description and Analysis

Land Description	
Land Area	3.23 acres; 140,699 SF
Source of Land Area	Public Records
Primary Street Frontage	Linford Pierson Highway - 145 feet
Shape	Long and narrow and split by road
Corner	No
Water Frontage	None
Topography	The parcel is reasonably level and is tree covered at the current time. The elevation is approximately 2 ft.
Drainage	Low lying and requiring fill
Environmental Hazards	None reported or observed.
Ground Stability	No problems reported or observed
Zoning; Other Regulations	
Zoning Jurisdiction	Cayman Islands Government
Zoning Designation	LDR
Description	Low Density Residential
Legally Conforming?	Appears to be legally conforming
Zoning Change Likely?	Potential change to Neighbourhood Commercial
Permitted Uses	Detached houses, duplexes, semi-detached houses and horticulture
Other Land Use Regulations	None reported or observed.
Utilities	
Service	Provider
Water	Consolidated Water Co.
Sewer	N/A
Electricity	CUC
Natural Gas	N/A
Local Phone	Lime and Digicel

We are not experts in the interpretation of zoning ordinances. An appropriately qualified land use attorney should be engaged if a determination of compliance with zoning is required.

Note that if the property is rezoned to Neighbourhood Commercial, permissible uses would include offices, retail shops, medical clinics, restaurants/bars, shops and other neighbourhood oriented enterprises. The minimum lot size is 20,000 square feet a maximum site coverage of 75%. The maximum height would be three stories or 40 feet.

Potential Development Density

Based on the maximum permitted site coverage of 75% in the Neighborhood Commercial zone, a one-storey building of 105,000 sq. ft. is theoretically possible. This level of density would be unlikely given the size and shape of the site, and it is more likely that a smaller building area closer to the road would be contemplated by a developer. The site is severed by the highway; however, the smaller portion north of the highway would be required for the access roundabout if the planned development incorporating adjacent lands is pursued.

The Proposed Development

The subject property is intended to be incorporated into a commercial development that encompasses adjacent lands to the east and west. The entire development (including the subject property) totals 39.91 acres.

A site plan illustrating the entire development (and the subject property edged in red) is included in this report. There is a north-south access road with roundabouts more-or-less in the location of the subject property. According to this plan, the proposed development will include a supermarket anchor store to the west, with 14 retail buildings between the supermarket and the access road. East of the access road, the plan shows 4 mixed-use buildings. The remainder of the site will comprise parking areas, landscaping and access. The overall floor area is unknown.

Easements, Encroachments and Restrictions

The Registry Map indicates a right of way easement running diagonally through the southern portion of the site and across the northwest corner of the northern portion of the site. This right of way will potentially need to be moved to ensure that it does not interfere with any proposed buildings. It is assumed that this could be rerouted as there is no physical use at the current time, and such a change would not affect other land owners in the area. It is also assumed that a physical access into either portion of the parcel would be permitted from the Linford Pierson Highway. There are several examples of this already existing for other nearby parcels. There is also an existing access point at the rear of the northern portion, which would theoretically allow this area to be developed for residential purposes independently and without access from Linford Pearson Highway.

Based upon a review of the Land Register, there do not appear to be any other easements, encroachments, or restrictions other than those that are typical for the property type. Exceptions to title of this type would not appear to adversely affect value. Our valuation assumes no adverse impacts from easements, encroachments, or restrictions, and further assumes that the subject has clear and marketable title.

Conclusion of Land Analysis

Overall, the physical characteristics of the site and the availability of utilities result in functional utility suitable for a variety of uses including those permitted by zoning. We are not aware of any other particular restrictions on development.



View West Along Highway
Block 20D Parcel 175



View East Along Highway
Block 20D Parcel 175

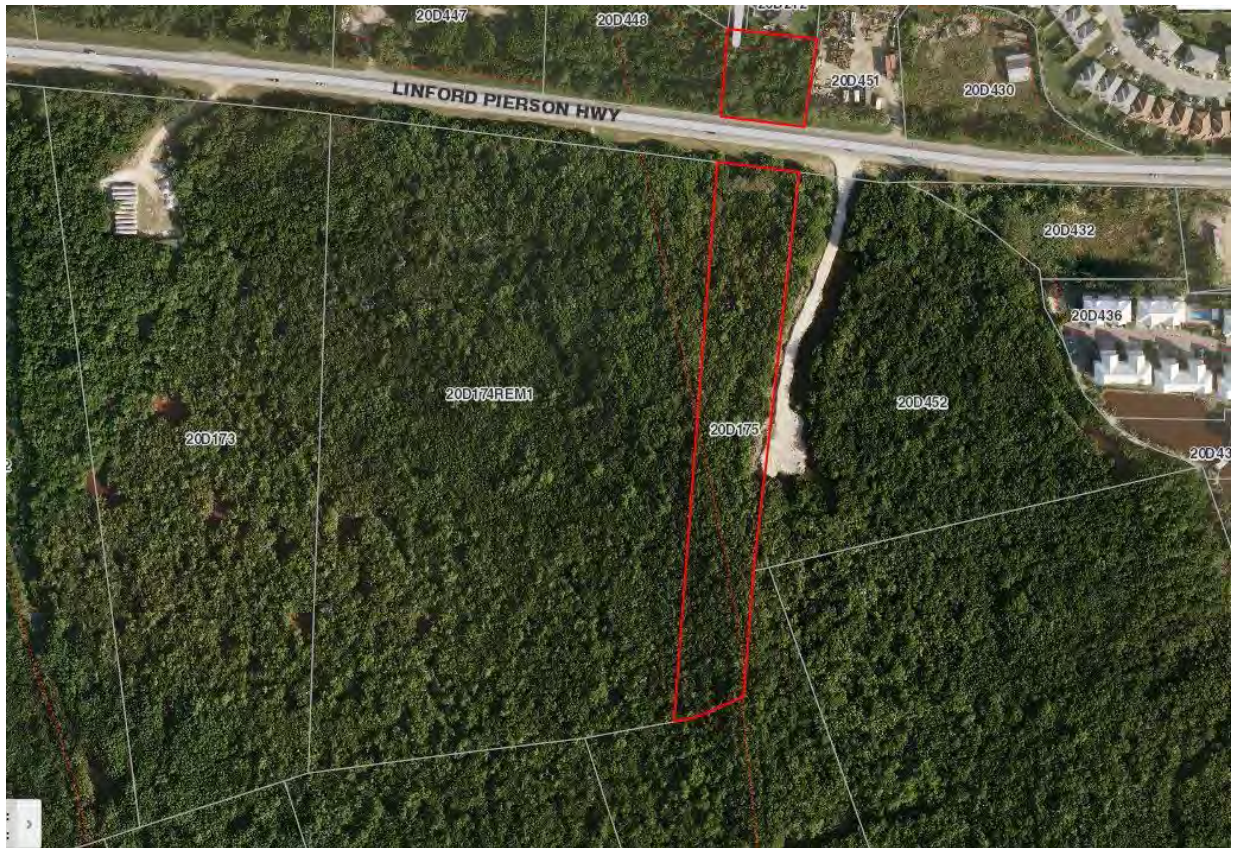


Road Frontage - South
Block 20D Parcel 175

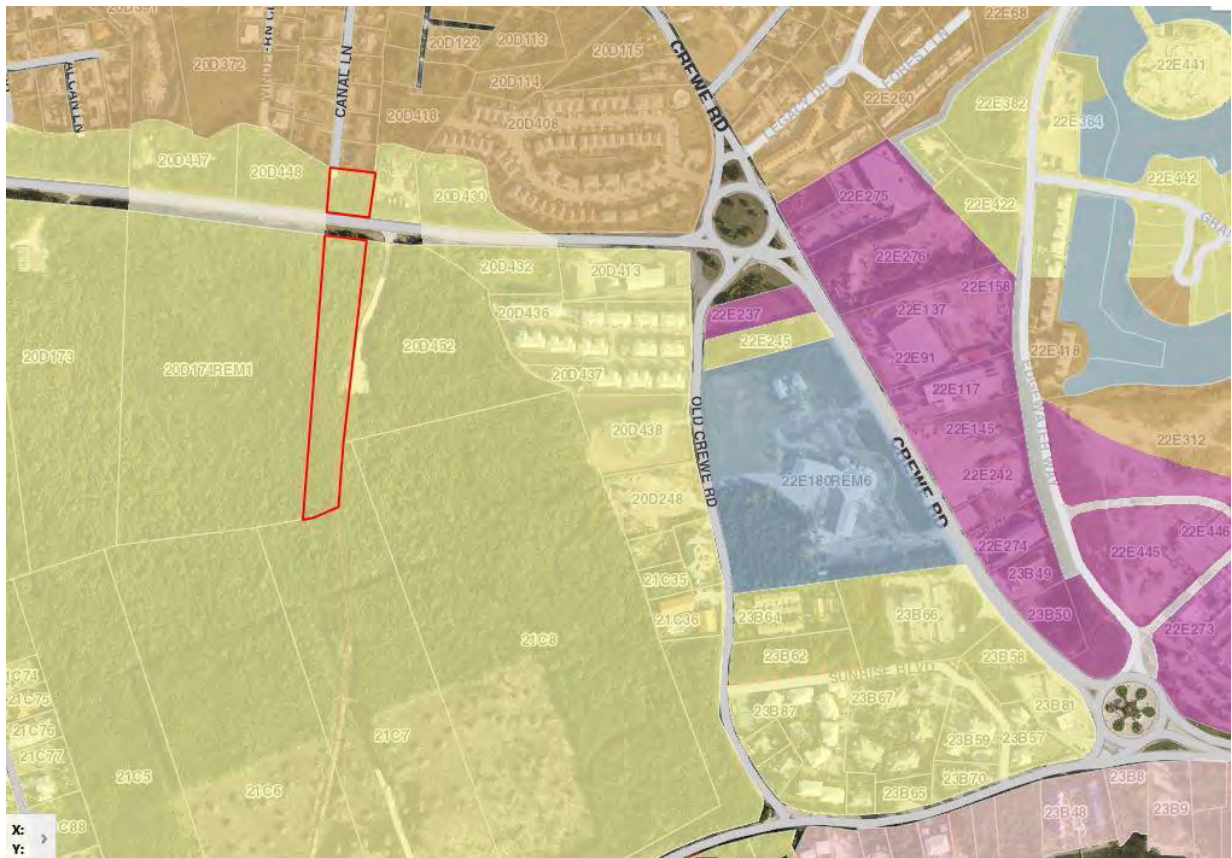


Road Frontage North
Block 20D Parcel 175

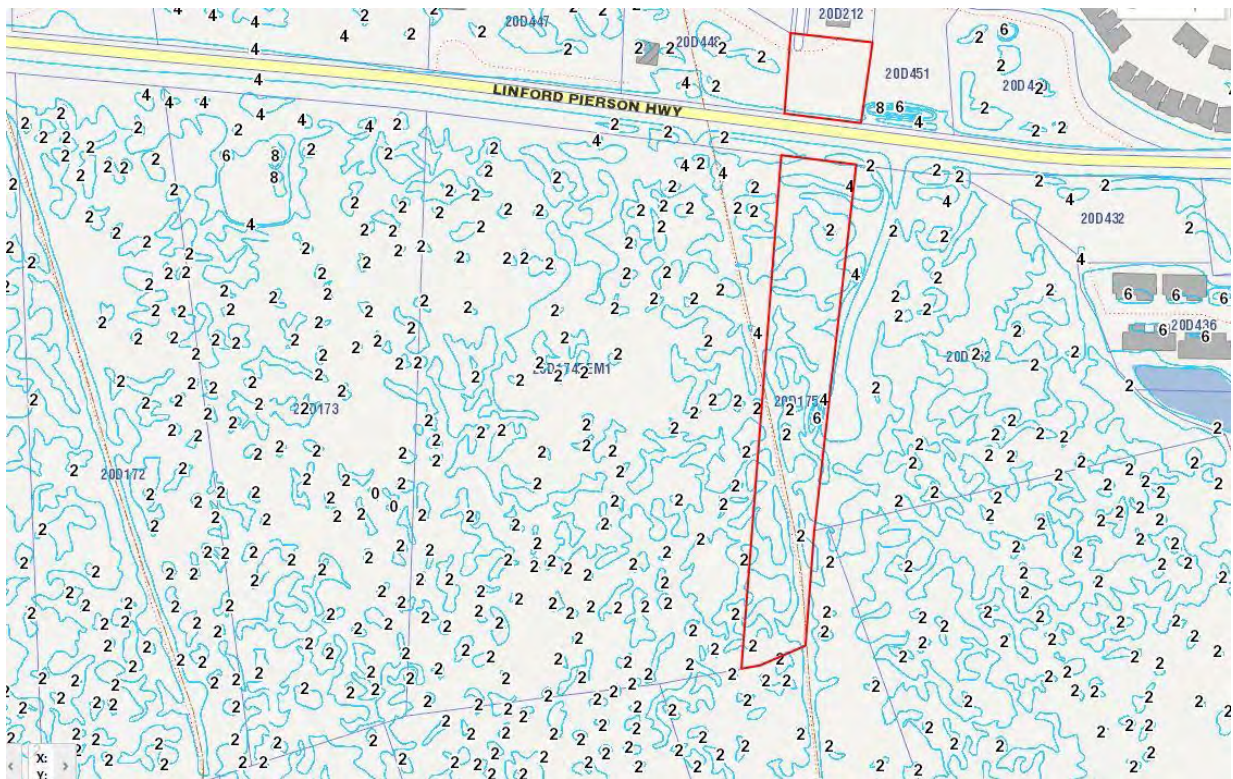
Cadastral Map Images



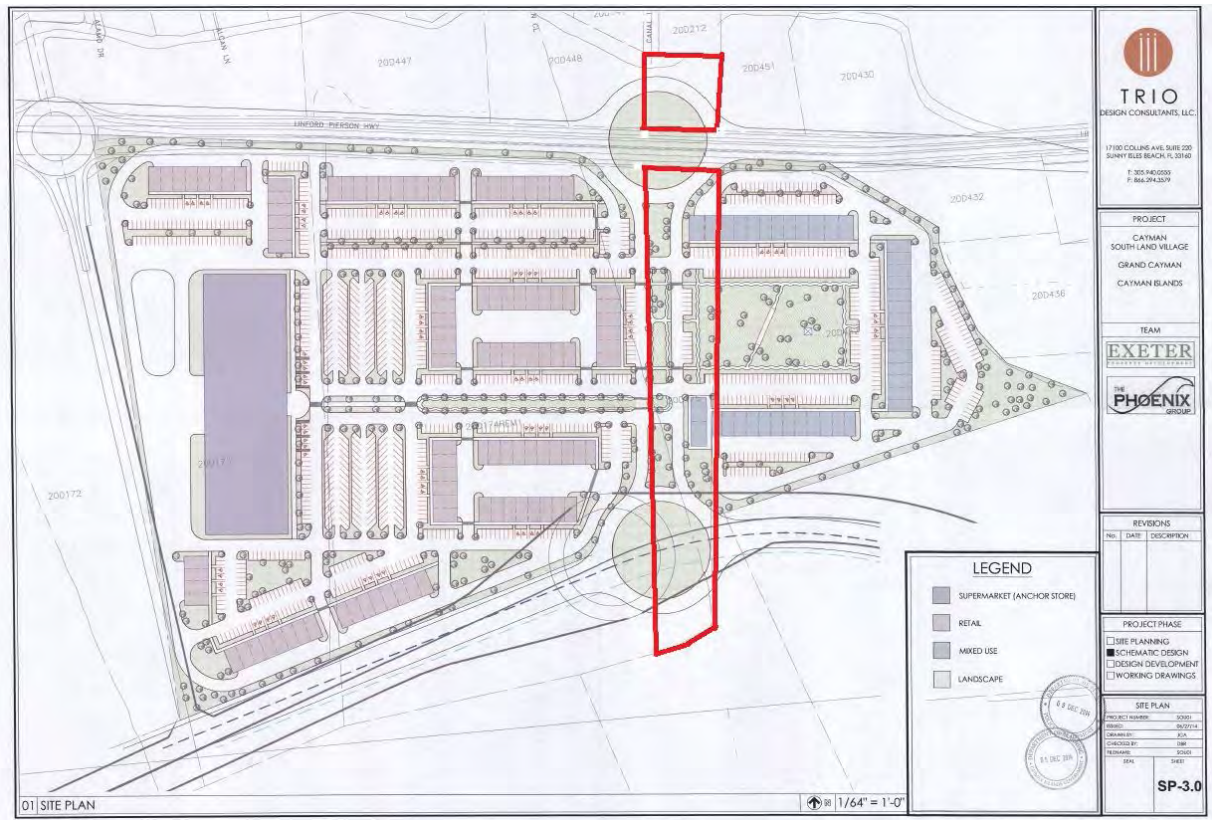
Aerial Map (2013)



Zoning Map



Elevation & Topography Map



Planned Commercial Development Showing Subject Parcel in Red

Highest and Best Use

Process

Before a property can be valued, an opinion of highest and best use must be developed for the subject site, both as vacant, and as improved. In this instance the subject property is vacant land and no improvements need to be considered. By definition, the highest and best use must be:

- Physically possible.
- Legally permissible under the zoning regulations and other restrictions that apply to the site.
- Financially feasible.
- Maximally productive, i.e., capable of producing the highest value from among the permissible, possible, and financially feasible uses.

Physically Possible

The physical characteristics of the site do not appear to impose any unusual restrictions on development. Overall, the physical characteristics of the site and the availability of utilities result in functional utility suitable for a variety of uses. The site is raw land that is treed and covered with vegetation. This will need to be cleared prior to development. Due to the low lying nature of these lands, it is probable that some fill will be necessary to enable development.

Legally Permissible

The site is currently zoned LDR, Low Density Residential. Permitted uses include detached houses, duplexes, semi-detached houses, horticulture. To our knowledge, there are no legal restrictions such as easements or deed restrictions that would effectively limit the use of the property, although the right of way shown on the Registry Plan does need to be re-routed to the site perimeter. Given the terms of reference for this assignment, we have only given further consideration in determining highest and best use of the site, on an “as rezoned” basis.

Financially Feasible

Generally, there is limited demand for additional commercial inventory in the immediate area as of the effective valuation date. However, considering the positive attributes of the site, as part of a larger development parcel with extensive exposure to a busy highway, there appears to be demand for commercial use in this location. A newly developed commercial use would have a value commensurate with its cost. Therefore, commercial use is considered to be financially feasible.

Maximally Productive

There does not appear to be any reasonably probable use of the site that would generate a higher residual land value than commercial use. Accordingly, it is our opinion that commercial use, developed to the normal market density level permitted by zoning, is the maximally productive use of the property.

Conclusion

Development of the site for commercial use is the only use that meets the four tests of highest and best use. Therefore, it is concluded to be the highest and best use of the property as vacant. On an as is basis, under the current zoning, the subject property would be suitable for multifamily residential development, or a subdivision of single family residential lots.

Most Probable Buyer

Taking into account the functional utility of the site and area development trends, the probable buyer at the subject properties highest and best use, is the developer of the adjacent lands. This special purchaser has been considered in our valuation analysis, in accordance with our client's terms of reference. On an as is basis, the subject property would appeal to a number of small to medium sized residential developers who are local to the island.

Valuation

Valuation Methodology

Appraisers usually consider three approaches to estimating the market value of real property. These are the cost approach, sales comparison approach and the income capitalization approach.

The **cost approach** assumes that the informed purchaser would pay no more than the cost of producing a substitute property with the same utility. This approach is particularly applicable when the improvements being appraised are relatively new and represent the highest and best use of the land or when the property has unique or specialized improvements for which there is little or no sales data from comparable properties.

The **sales comparison approach** assumes that an informed purchaser would pay no more for a property than the cost of acquiring another existing property with the same utility. This approach is especially appropriate when an active market provides sufficient reliable data. The sales comparison approach is less reliable in an inactive market or when estimating the value of properties for which no directly comparable sales data is available. The sales comparison approach is often relied upon for owner-user properties.

The **income capitalization approach** reflects the market's perception of a relationship between a property's potential income and its market value. This approach converts the anticipated net income from ownership of a property into a value indication through capitalization. The primary methods are direct capitalization and discounted cash flow analysis, with one or both methods applied, as appropriate. This approach is widely used in appraising income-producing properties.

Reconciliation of the various indications into a conclusion of value is based on an evaluation of the quantity and quality of available data in each approach and the applicability of each approach to the property type.

The methodology employed in this assignment is summarized as follows:

Approaches to Value		
Approach	Applicability to Subject	Use in Assignment
Cost Approach	Not Applicable	Not Utilized
Sales Comparison Approach	Applicable	Utilized
Income Capitalization Approach	Not Applicable	Not Utilized

Sales Comparison Approach

To develop an opinion of the subject's land value, as if vacant and available to be developed to its highest and best use, we utilize the sales comparison approach. This approach develops an indication of value by researching, verifying, and analyzing sales of similar properties.

As discussed previously, the property is divided for valuation purposes as follows:

Land Parcels			
Name	SF	Acres	Unit of Comparison
As is	140,699	3.23	Usable Acres
As Rezoned	140,699	3.23	Usable SF

As is Valuation (3.23 Acres; 140,699 SF)

To apply the sales comparison approach to the as is valuation, our sales research focused on transactions within the following parameters:

- Location: Parcels within the area between George Town and Prospect Point, and in vicinity of the subject development in particular
- Size: Parcels with a size range of one to five acres
- Use: Vacant parcels for residential development
- Transaction Date: within the past five years

After an extensive search within these parameters, only a limited number of sales were found. Therefore, we expanded our search to include some larger sized land parcels.

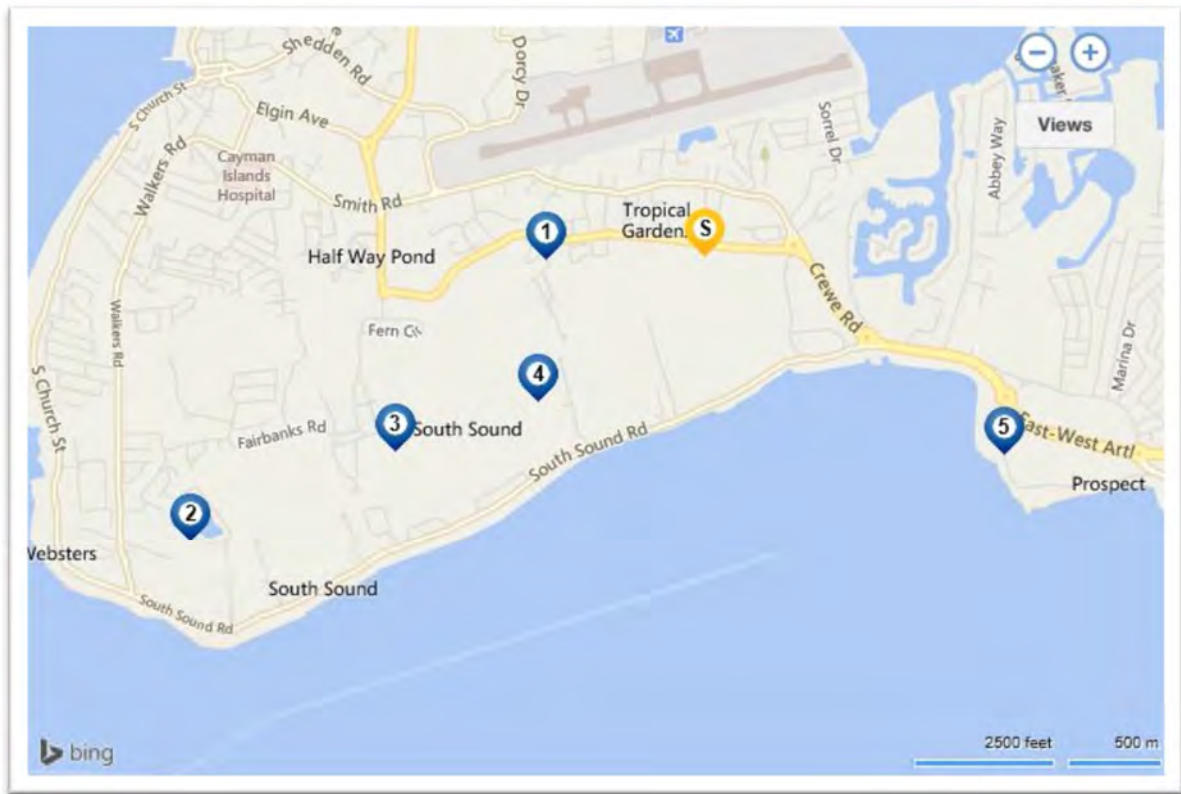
For this analysis, we use price per square foot as the appropriate unit of comparison because market participants typically compare sale prices and property values for residential development properties on this basis. The most relevant sales are summarized in the following table.

Summary of Comparable Land Sales - As is

No.	Name/Address	Sale Date; Status	Effective Sale Price	SF; Acres	Zoning	\$/SF Land	\$/Acre
1	Block 20E Parcel 83 Rem. 1 Candlenut Close George Town East Parcel ID: 20E 83 Rem. 1 <i>Comments: Level parcel of Raw land situated in the George Town East area. The site has a long narrow configuration. Price in CI\$</i>	Nov-11 Closed	\$682,000	387,684 8.90	Low Density Residential	\$1.76	\$76,629
2	Block 15E Parcel 220 Edgemore Circle South Sound Parcel ID: SS 15E 220 <i>Comments: Price in CI\$</i>	Jul-12 Closed	\$375,000	159,430 3.66	Low Density Residential	\$2.35	\$102,459
3	Block 15C Parcel 29 and Parcel 332 Fairview Road South Sound Parcel ID: 15C 29 & 332 <i>Comments: Level parcel of Raw land situated in the South Sound area. The site has a rectangular configuration but with panhandle access. There are low lying and wet areas to this parcel. The sale was registered in two simultaneous transactions. Price in CI\$</i>	Mar-15 Closed	\$924,000	1,006,672 23.11	Low Density Residential	\$0.92	\$39,983
4	Block 20B Parcel 102 & Parcel 27 South Sound Road South Sound Parcel ID: 20B 102 & 27 <i>Comments: Level parcel of Raw land situated in the South Sound area. The site has a long narrow configuration. The sale was registered in two transactions, with the first parcel (27) occurring December 17, 2014. Price in CI\$</i>	Feb-15 Closed	\$3,612,000	828,076 19.01	Low Density Residential	\$4.36	\$190,005
5	Block 23C Parcel 156 Rem. 2 Prospect Point Road Prospect Point Parcel ID: 23C 156 Rem. 2 <i>Comments: Level parcel of Raw land situated in the Prospect Point area. The site has an irregular configuration. Price in CI\$</i>	Feb-15 Closed	\$315,000	125,888 2.89	Low Density Residential	\$2.50	\$108,997
Subject				140,699	Low Density		
Block 20D Parcel 175				3.23	Residential		
George Town East, Grand Cayman, Cayman Islands							

*Values expressed in Cayman Islands Dollars

Comparable Land Sales Map – As is





Sale 1
Block 20E Parcel 83 Rem. 1



Sale 2
Block 15E Parcel 220



Sale 3
Block 15C Parcel 29 and Parcel 332



Sale 4
Block 20B Parcel 102 & Parcel 27



Sale 5
Block 23C Parcel 156 Rem. 2

Block 20D Parcel 175

Analysis and Adjustment of Sales

The sales are compared to the subject and adjusted to account for material differences that affect value. Adjustments are considered for the following factors, in the sequence shown below.

Adjustment Factor	Accounts For	Comments
Effective Sale Price	Atypical economics of a transaction, such as demolition cost or expenditures by buyer at time of purchase.	Not Applicable
Real Property Rights	Fee simple, leased fee, leasehold, partial interest, etc.	Not Applicable
Financing Terms	Seller financing, or assumption of existing financing, at non-market terms.	Not Applicable
Conditions of Sale	Extraordinary motivation of buyer or seller, assemblage, forced sale.	Not Applicable
Market Conditions	Changes in the economic environment over time that affect the appreciation and depreciation of real estate.	There is considered to have been some modest appreciation over the past few years. Upward adjustments were made to all sales on this basis.
Location	Market or submarket area influences on sale price; surrounding land use influences.	Comparables 2 & 3 have marginally superior locations; Comparables 4 & 5 have substantially better locations for residential use. Downward adjustments were made accordingly.
Access/Exposure	Convenience to transportation facilities; ease of site access; visibility; traffic counts.	Comparable 2 has superior access along one side and was adjusted downward. Comparable 3 has inferior access by easement only and was adjusted upward. Comparable 4 has good exposure and access to the ocean, and a downward adjustment was made.
Size	Inverse relationship that often exists between parcel size and unit value.	Comparables 1, 3 and 4 are all much larger than the subject property, and positive adjustments were made on the basis of economies of scale.
Shape and	Primary physical factors that affect	No adjustments required.

Adjustment Factor	Accounts For	Comments
Topography	the utility of a site for its highest and best use.	
Zoning	Government regulations that affect the types and intensities of uses allowable on a site.	All of the indicators have residential zoning
Entitlements	The specific level of governmental approvals attained pertaining to development of a site.	No adjustments required.

The following table summarizes the adjustments we make to each sale.

Land Sales Adjustment Grid - As is						
	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5
Name	Block 20D Parcel 175	Block 20E Parcel 83 Rem. 1	Block 15E Parcel 220	Block 15C Parcel 29 and Parcel 332	Block 20B Parcel 102 & Parcel 27	Block 23C Parcel 156 Rem. 2
Address	Linford Pierson Highway	Candlenut Close	Edgemore Circle	Fairview Road	South Sound Road	Prospect Point Road
City	George Town East	George Town East	South Sound	South Sound	South Sound	Prospect Point
Sale Date		Nov-11	Jul-12	Mar-15	Feb-15	Feb-15
Sale Status		Closed	Closed	Closed	Closed	Closed
Sale Price		\$682,000	\$375,000	\$924,000	\$3,612,000	\$315,000
Square Feet	140,699	387,684	159,430	1,006,672	828,076	125,888
Acres	3.23	8.90	3.66	23.11	19.01	2.89
Usable Acres	3.23	8.90	3.66	23.00	18.26	2.89
Price per Square Foot		\$1.76	\$2.35	\$0.92	\$4.36	\$2.50
Property Rights		Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Financing Terms		Cash to seller	Cash to seller	Cash to seller	Cash to seller	Cash to seller
Market Conditions	2015-07-24	Nov-11	Jul-12	Mar-15	Feb-15	Feb-15
Annual % Adjustment	3%	11%	9%	1%	1%	1%
Cumulative Adjusted Price		\$1.95	\$2.56	\$0.93	\$4.41	\$2.53
Location		-	-10%	-10%	-40%	-30%
Access/Exposure		-	-15%	20%	-40%	-
Size		15%	-	60%	30%	-
Shape and Topography		-	-	-	-	-
Zoning		-	-	-	-	-
Net \$ Adjustment		\$0.29	-\$0.64	\$0.65	-\$2.20	-\$0.76
Net % Adjustment		15%	-25%	70%	-50%	-30%
Final Adjusted Price		\$2.25	\$1.92	\$1.58	\$2.20	\$1.77
Overall Adjustment		28%	-18%	72%	-50%	-29%
Range of Adjusted Prices		\$1.58 - \$2.25				
Average		\$1.94				
Indicated Value		\$2.00				

Land Value Conclusion – As is

Prior to adjustment, the sales reflect a range of \$0.92 - \$4.36 per square foot. After adjustment, the range is narrowed to \$1.58 - \$2.25 per square foot, with an average of \$1.94 per square foot. We give greatest weight to sales 1, 2 and 5, and arrive at a land value conclusion as follows:

Land Value Conclusion *

As is

Indicated Value per Square Foot	\$2.00
Subject Square Feet	140,699
Indicated Value	\$281,398
Rounded	\$280,000

*Values expressed in Cayman Islands Dollars

As Rezoned (3.23 Acres; 140,699 SF)

To apply the sales comparison approach to the as rezoned valuation, our sales research focused on transactions within the following parameters:

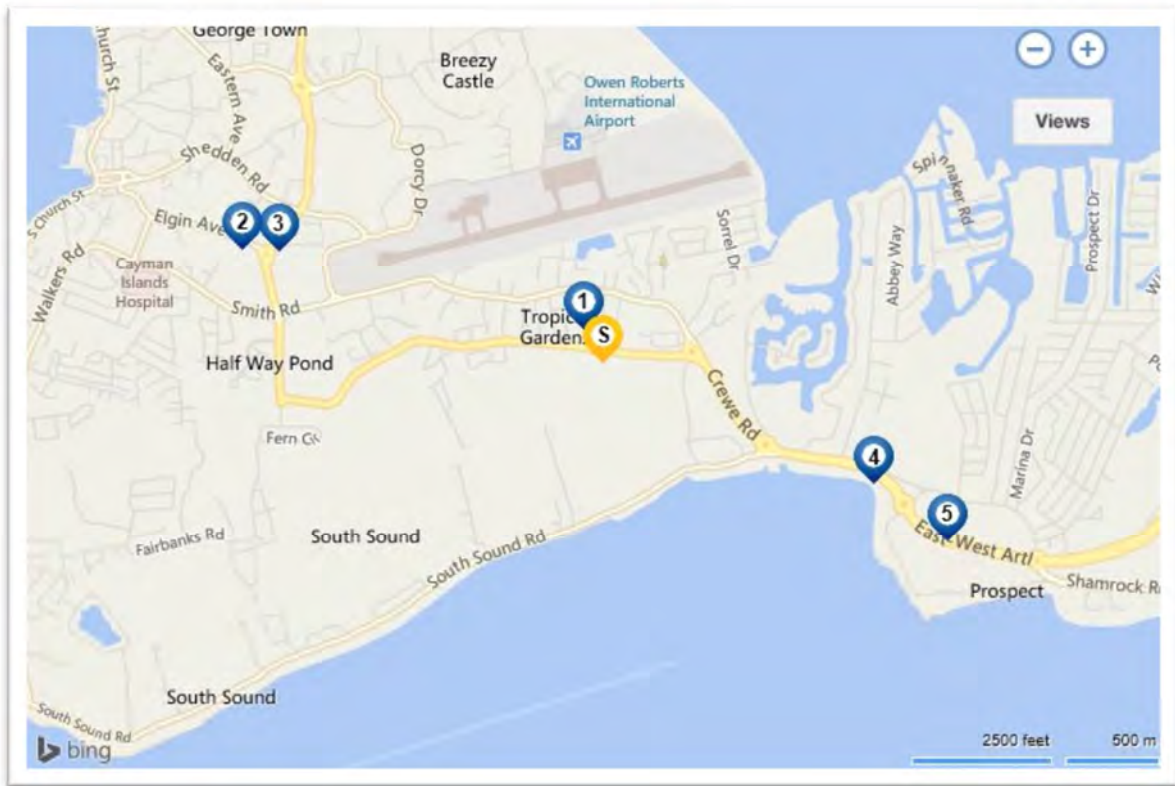
- Location: Parcels within the area between George Town and Prospect Point, and in vicinity of the subject development in particular
- Size: Parcels with a size range of 40,000 to 200,000 sq. ft.
- Use: Vacant parcels for commercial development
- Transaction Date: within the past five years

For this analysis, we use price per square foot as the appropriate unit of comparison because market participants typically compare sale prices and property values for commercial development properties on this basis. The most relevant sales are summarized in the following table. Although some of these properties have residential zoning, there were acquired for commercial or quasi commercial uses.

Summary of Comparable Land Sales - As Rezoned

No.	Name/Address	Sale Date; Status	Effective Sale Price	SF; Acres	Zoning	\$/SF Land	\$/Acre
1	Block 20D Parcel 440 Linford Pierson Highway George Town East	Aug-11 Closed	\$800,000	159,952 3.67	Low Density Residential	\$5.00	\$217,865
	<i>Comments: Level parcel of Raw land situated in the George Town East area. The site has a very wide configuration with extensive frontage. It has since been subdivided into two parcels. Price in CI\$. Motivated sale.</i>						
2	Block 14D Parcel 284 Elgin Avenue George Town Central	Jan-13 Closed	\$898,800	40,946 0.94	General Commercial	\$21.95	\$956,170
	<i>Comments: Price in CI\$. Land between Cayman National Bank and Cayman Business Park. Remains undeveloped.</i>						
3	Block 14D Parcels 298, Printer Way & Thomas Russell George Town Central	Dec-13 Closed	\$2,100,000	123,275 2.83	General Commercial	\$17.04	\$742,049
	<i>Comments: This property comprises five lots that have an irregular configuration and are split by Printer Way. There is extensive exposure to a busy arterial route. The site is now under development with the Cayman Technology Centre. Price is in CI\$</i>						
4	Block 23C Parcel 77 & Shamrock Road Old Prospect	Mar-15 Closed	\$500,000	110,642 2.54	Neighborhood Commercial	\$4.52	\$196,850
	<i>Comments: This parcel is in two titles and has excellent exposure to the roundabout at Shamrock Road and Prospect Point Road. Raw land that is priced in CI\$</i>						
5	Block 23C Parcel 30 Rem1 East-West Arterial Old Prospect	May-10 Closed	\$630,000	194,713 4.47	Low Density Residential	\$3.24	\$140,940
	<i>Comments: This parcel has good exposure to the highway and is situated on the westbound land. It is now under development with a gas station. Raw land that is priced in CI\$</i>						
	Subject			140,699	Low Density		
	Block 20D Parcel 175			3.23	Residential		

Comparable Land Sales Map – As Rezoned





Sale 1 – Linford Pierson Highway
Block 20D Parcel 440



Sale 2 Elgin Avenue
Block14D Parcel 284



Sale 3 Printer Way
Block14D Parcels 298, 300, 307, 308, 309



Sale 4 Shamrock Road
Block 23C Parcel 77 & Parcel 13



Sale 5 East-West Arterial
Block 23C Parcel 30 Rem1

Analysis and Adjustment of Sales

Adjustment Factor	Accounts For	Comments
Effective Sale Price	Atypical economics of a transaction, such as demolition cost or expenditures by buyer at time of purchase.	Not Applicable
Real Property Rights	Fee simple, leased fee, leasehold, partial interest, etc.	Not Applicable
Financing Terms	Seller financing, or assumption of existing financing, at non-market terms.	Not Applicable
Conditions of Sale	Extraordinary motivation of buyer or seller, assemblage, forced sale.	Comparable 1 is a court ordered sale and has been adjusted upward by 20%
Market Conditions	Changes in the economic environment over time that affect the appreciation and depreciation of real estate.	There is considered to have been some modest appreciation over the past few years; upward adjustments were made accordingly.
Location	Market or submarket area influences on sale price; surrounding land use influences.	Apart from Comparable 1, all other sales require adjustment for superior or inferior location.
Access/Exposure	Convenience to transportation facilities; ease of site access; visibility; traffic counts.	All of the comparables have superior access and/or exposure
Size	Inverse relationship that often exists between parcel size and unit value.	Sales 2 is smaller and requires a negative adjustment; Sale 5 is larger and requires a positive adjustment.
Shape and Topography	Primary physical factors that affect the utility of a site for its highest and best use.	Comparable 2 has an inferior triangular shape, necessitating a positive adjustment; and Comparables 1 and 3 have extensive frontages, requiring negative adjustments.
Zoning	Government regulations that affect the types and intensities of uses allowable on a site.	Comparables 1 and 5 require upward adjustment for their residential zoning (despite

Adjustment Factor	Accounts For	Comments
		commercial use); and Comparables 2 and 3 are zoned General Commercial and were adjusted downward for this superiority.
Entitlements	The specific level of governmental approvals attained pertaining to development of a site.	No adjustments necessary

The following table summarizes the adjustments we make to each sale.

Land Sales Adjustment Grid - As Rezoned						
	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5
Name	Block 20D Parcel 175	Block 20D Parcel 440	Block14D Parcel 284	Block14D Parcels 298, 300, 307, 308, 309	Block 23C Parcel 77 & Parcel 13	Block 23C Parcel 30 Rem1
Address	Linford Pierson Highway	Linford Pierson Highway	Elgin Avenue	Printer Way & Thomas Russell Ave	Shamrock Road	East-West Arterial
City	George Town East	George Town East	George Town Central	George Town Central	Old Prospect	Old Prospect
Sale Date		Aug-11	Jan-13	Dec-13	Mar-15	May-10
Sale Status		Closed	Closed	Closed	Closed	Closed
Sale Price		\$640,000	\$898,800	\$2,100,000	\$500,000	\$630,000
Conditions of Sale Adjustment		\$160,000	\$0	\$0	\$0	\$0
Effective Sale Price		\$800,000	\$898,800	\$2,100,000	\$500,000	\$630,000
Square Feet	140,699	159,952	40,946	123,275	110,642	194,713
Acres	3.23	3.67	0.94	2.83	2.54	4.47
Price per Square Foot		\$5.00	\$21.95	\$17.04	\$4.52	\$3.24
Property Rights		Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Financing Terms		Cash to seller	Cash to seller	Cash to seller	Cash to seller	Cash to seller
Market Conditions	7/24/2015	Aug-11	Jan-13	Dec-13	Mar-15	May-10
Annual % Adjustment	3%	12%	7%	5%	1%	16%
Cumulative Adjusted Price		\$5.60	\$23.49	\$17.89	\$4.56	\$3.75
Location		-	-30%	-30%	10%	10%
Access/Exposure		-10%	-20%	-25%	-20%	-20%
Size		-	-30%	-	-	20%
Shape and Topography		-10%	10%	-10%	-	-
Zoning		10%	-10%	-10%	-	10%
Net \$ Adjustment		-\$0.56	-\$18.79	-\$13.42	-\$0.46	\$0.75
Net % Adjustment		-10%	-80%	-75%	-10%	20%
Final Adjusted Price		\$5.04	\$4.70	\$4.47	\$4.11	\$4.50
Overall Adjustment		1%	-79%	-74%	-9%	39%
Range of Adjusted Prices		\$4.11 - \$5.04				
Average		\$4.56				
Indicated Value		\$4.50				

Land Value Conclusion – As Rezoned

Prior to adjustment, the sales reflect a range of \$3.24 - \$21.95 per square foot. After adjustment, the range is narrowed to \$4.11 - \$5.04 per square foot, with an average of \$4.56 per square foot. We give greatest weight to sales 1, 4 and 5, and arrive at a land value conclusion as follows:

Land Value Conclusion	
As Rezoned	
Indicated Value per Square Foot	\$4.50
Subject Square Feet	140,699
Indicated Value	\$633,146
Rounded	\$630,000

Premium for Special Purchaser

In considering what, if any premium should be associated with the estimated value, assuming the special purchaser is the developer of the adjacent lands, the following is noted.

- ✓ The subject property severs adjacent land parcels that are proposed to be developed in tandem;
- ✓ Although the subject property is identified on the development plan primarily for access purposes, it increases the development options for adjacent lands;
- ✓ Including the subject property in the development spreads development and access costs over a wider site area, bringing economies of scale;
- ✓ If assembled and incorporated into the adjacent lands, the subject site takes on the characteristics of that larger parcel;
- ✓ Excluding the subject property would result in a smaller project, most likely on those lands to the west and excluding those to the east;

The amount of any potential premium associated with an assemblage is somewhat subjective. The purchaser would argue that the premium is nominal; whereas the seller would want the greatest possible premium. Any agreed premium is often settled based on the negotiating strengths of the parties.

If the subject property is not sold to the developer of the adjacent lands, this may have an impact on the viability of their project. However, if not sold to this buyer, no purchaser's premium would be available at the current time, resulting in no premium being achieved for the subject property. These factors will limit the amount of premium that can be demanded.

The subject property is a relatively small percentage of the overall project, but it is strategically located within the development. Typically a larger parcel will sell for a lower rate per unit of comparison, and the sales have been adjusted based on their size.

After considering the foregoing, it is considered reasonable that a premium of 20% is appropriate.

Land Value Conclusion

As Rezoned

Indicated Value per Square Foot	\$4.50
Subject Square Feet	140,699
Indicated Value	\$633,146
Adjustments	
20% Premium for Special Purchaser	\$126,629
Total Adjustments	\$126,629
Indicated Value	\$759,775
Rounded	\$760,000

Summary of Land Values

The two valuation scenarios were carried out based on the sales approach; one assuming the zoning remains as residential and the parcel is sold independently; and the second assuming that the zoning has been changed to neighbourhood commercial and that the buyer is the owner/developer of adjacent lands in keeping with the proposed commercial development plan provided.

Based on this analysis, the individual values are combined into a final value as follows:

Summary of Land Values*

Parcel	Unit of Comparison	Total SF	Value per Square Foot	Indicated Value (Adjusted)	Rounded
As is	Total SF	140,699	\$2.00	\$281,398	\$280,000
As Rezoned	Total SF	140,699	\$4.50	\$759,775	\$760,000

*Values expressed in Cayman Islands Dollars

Reconciliation and Conclusion of Value

As discussed previously, we use only the sales comparison approach in developing an opinion of value for the subject. The cost and income approaches are not applicable, and are not used.

Based on the preceding valuation analysis and subject to the definitions, assumptions, and limiting conditions expressed in the report, our value opinion follows:

Final Value Conclusions			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value As Is	Freehold	July 24, 2015	\$280,000 <i>Two Hundred Eighty Thousand Dollars</i>
Market Value As if Rezoned	Freehold	July 24, 2015	\$760,000 <i>Seven Hundred Sixty Thousand Dollars</i>
*Values expressed in Cayman Islands Dollars			

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is uncertain information accepted as fact. If the assumption is found to be false as of the effective date of the appraisal, we reserve the right to modify our value conclusions.

1. The valuation of the property "as is" assumes the site is sold independently and not necessarily to an adjoining land owner. As such, it is assumed in this valuation premise that vehicular access will be allowed from Linford Pearson Highway, or that other means of adequate vehicular access to the site can be arranged.

The value conclusions are based on the following hypothetical conditions that may affect the assignment results. A hypothetical condition is a condition contrary to known fact on the effective date of the appraisal but is supposed for the purpose of analysis.

1. The second valuation premise "market value as if rezoned" is based on the hypothetical condition that the land has been rezoned to Neighborhood Commercial as of the valuation date. The land is currently zoned for Low Density Residential use and therefore, the proposed use as Neighborhood Commercial is hypothetical at the current time. This valuation premise further assumes the hypothetical situation that the owner of the adjacent lands (and who is contemplating development of the greater site) would be the purchaser the subject property.

Exposure Time

Exposure time is the length of time the subject property would have been exposed for sale in the market had it sold on the effective valuation date at the concluded market value. Based on the concluded market values stated previously, it is our opinion that the probable exposure time is 12 months.

Marketing Period

Marketing time is an estimate of the amount of time it might take to sell a property at the concluded market value immediately following the effective date of value. We estimate the subject's marketing period at 12 months.

Certification

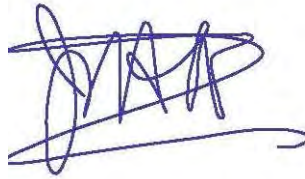
We certify that, to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. We have not performed any services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
5. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice as well as applicable state appraisal regulations.
9. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
10. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
11. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Principles of Appraisal Practice and Code of Ethics of the American Society of Appraisers.
12. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the RICS Valuation Professional Standards as well as the International Valuation Standards as promulgated by the International Valuation Standards Council.

13. Terry L. Kerslake, AACI, P.App, made a personal inspection of the property that is the subject of this report. James V. Andrews, MAI, CRE, FRICS, ASA, CVA, also made a personal inspection of the property that is the subject of this report.
14. We confirm we have the knowledge and skills to undertake the valuation competently. As such, we are also in compliance with the Competency Rule of USPAP.
15. As of the date of this report, Terry L. Kerslake, AACI, P.App, has completed the continuing education program for Designated Members of the Appraisal Institute of Canada.
16. As of the date of this report, James V. Andrews, MAI, CRE, FRICS, ASA, CVA has completed the Continuing Education Requirements for Designated Members of the Appraisal Institute.
17. The American Society of Appraisers has a mandatory recertification program for all of its senior members. As of the date of this report, James V. Andrews, MAI, CRE, FRICS, ASA, CVA, is in compliance with this program.



Terry L. Kerslake, AACI, P.App



James V. Andrews, MAI, CRE, FRICS, ASA, CVA

Assumptions and Limiting Conditions

This appraisal and any other work product related to this engagement are limited by the following standard assumptions, except as otherwise noted in the report:

1. The title is marketable and free and clear of all liens, encumbrances, encroachments, easements and restrictions. The property is under responsible ownership and competent management and is available for its highest and best use.
2. There are no existing judgments or pending or threatened litigation that could affect the value of the property.
3. There are no hidden or undisclosed conditions of the land or of the improvements that would render the property more or less valuable. Furthermore, there is no asbestos in the property.
4. The revenue stamps placed on any deed referenced herein to indicate the sale price are in correct relation to the actual dollar amount of the transaction.
5. The property is in compliance with all applicable building, environmental, zoning, and other federal, state and local laws, regulations and codes.
6. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.

This appraisal and any other work product related to this engagement are subject to the following limiting conditions, except as otherwise noted in the report:

1. An appraisal is inherently subjective and represents our opinion as to the value of the property appraised.
2. The conclusions stated in our appraisal apply only as of the effective date of the appraisal, and no representation is made as to the effect of subsequent events.
3. No changes in any federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated.
4. No environmental impact studies were either requested or made in conjunction with this appraisal, and we reserve the right to revise or rescind any of the value opinions based upon any subsequent environmental impact studies. If any environmental impact statement is required by law, the appraisal assumes that such statement will be favorable and will be approved by the appropriate regulatory bodies.
5. Unless otherwise agreed to in writing, we are not required to give testimony, respond to any subpoena or attend any court, governmental or other hearing with reference to the property without compensation relative to such additional employment.
6. We have made no survey of the property and assume no responsibility in connection with such matters. Any sketch or survey of the property included in this report is for illustrative purposes only and should not be considered to be scaled accurately for size. The appraisal

- covers the property as described in this report, and the areas and dimensions set forth are assumed to be correct.
7. No opinion is expressed as to the value of subsurface oil, gas or mineral rights, if any, and we have assumed that the property is not subject to surface entry for the exploration or removal of such materials, unless otherwise noted in our appraisal.
 8. We accept no responsibility for considerations requiring expertise in other fields. Such considerations include, but are not limited to, legal descriptions and other legal matters such as legal title, geologic considerations such as soils and seismic stability; and civil, mechanical, electrical, structural and other engineering and environmental matters. Such considerations may also include determinations of compliance with zoning and other federal, state, and local laws, regulations and codes.
 9. The distribution of the total valuation in the report between land and improvements applies only under the reported highest and best use of the property. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used. The appraisal report shall be considered only in its entirety. No part of the appraisal report shall be utilized separately or out of context.
 10. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers, or any reference to the Appraisal Institute) shall be disseminated through advertising media, public relations media, news media or any other means of communication (including without limitation prospectuses, private offering memoranda and other offering material provided to prospective investors) without the prior written consent of the persons signing the report.
 11. Information, estimates and opinions contained in the report and obtained from third-party sources are assumed to be reliable and have not been independently verified.
 12. Any income and expense estimates contained in the appraisal report are used only for the purpose of estimating value and do not constitute predictions of future operating results.
 13. If the property is subject to one or more leases, any estimate of residual value contained in the appraisal may be particularly affected by significant changes in the condition of the economy, of the real estate industry, or of the appraised property at the time these leases expire or otherwise terminate.
 14. Unless otherwise stated in the report, no consideration has been given to personal property located on the premises or to the cost of moving or relocating such personal property; only the real property has been considered.
 15. The current purchasing power of the dollar is the basis for the values stated in the appraisal; we have assumed that no extreme fluctuations in economic cycles will occur.
 16. The values found herein are subject to these and to any other assumptions or conditions set forth in the body of this report but which may have been omitted from this list of Assumptions and Limiting Conditions.
 17. The analyses contained in the report necessarily incorporate numerous estimates and assumptions regarding property performance, general and local business and economic

- conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will vary from our estimates, and the variations may be material.
18. -The appraisal report is prepared for the exclusive benefit of the Client, its subsidiaries and/or affiliates. It may not be used or relied upon by any other party. All parties who use or rely upon any information in the report without our written consent do so at their own risk.
 19. No studies have been provided to us indicating the presence or absence of hazardous materials on the subject property or in the improvements, and our valuation is predicated upon the assumption that the subject property is free and clear of any environment hazards including, without limitation, hazardous wastes, toxic substances and mold. No representations or warranties are made regarding the environmental condition of the subject property. Integra Realty Resources – Caribbean, Integra Realty Resources, Inc., Integra Strategic Ventures, Inc. and/or any of their respective officers, owners, managers, directors, agents, subcontractors or employees (the “Integra Parties”), shall not be responsible for any such environmental conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because we are not experts in the field of environmental conditions, the appraisal report cannot be considered as an environmental assessment of the subject property.
 20. Integra Realty Resources – Caribbean is not a building or environmental inspector. Integra Caribbean does not guarantee that the subject property is free of defects or environmental problems. Mold may be present in the subject property and a professional inspection is recommended.
 21. The appraisal report and value conclusions for an appraisal assume the satisfactory completion of construction, repairs or alterations in a workmanlike manner.
 22. It is expressly acknowledged that in any action which may be brought against any of the Integra Parties, arising out of, relating to, or in any way pertaining to this engagement, the appraisal reports, and/or any other related work product, the Integra Parties shall not be responsible or liable for any incidental or consequential damages or losses, unless the appraisal was fraudulent or prepared with intentional misconduct. It is further acknowledged that the collective liability of the Integra Parties in any such action shall not exceed the fees paid for the preparation of the appraisal report unless the appraisal was fraudulent or prepared with intentional misconduct. Finally, it is acknowledged that the fees charged herein are in reliance upon the foregoing limitations of liability.
 23. Integra Realty Resources – Caribbean, an independently owned and operated company, has prepared the appraisal for the specific intended use stated elsewhere in the report. The use of the appraisal report by anyone other than the Client is prohibited except as otherwise provided. Accordingly, the appraisal report is addressed to and shall be solely for the Client's use and benefit unless we provide our prior written consent. We expressly reserve the unrestricted right to withhold our consent to your disclosure of the appraisal report or any

- other work product related to the engagement (or any part thereof including, without limitation, conclusions of value and our identity), to any third parties. Stated again for clarification, unless our prior written consent is obtained, no third party may rely on the appraisal report (even if their reliance was foreseeable).
24. The conclusions of this report are estimates based on known current trends and reasonably foreseeable future occurrences. These estimates are based partly on property information, data obtained in public records, interviews, existing trends, buyer-seller decision criteria in the current market, and research conducted by third parties, and such data are not always completely reliable. The Integra Parties are not responsible for these and other future occurrences that could not have reasonably been foreseen on the effective date of this assignment. Furthermore, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance. While we are of the opinion that our findings are reasonable based on current market conditions, we do not represent that these estimates will actually be achieved, as they are subject to considerable risk and uncertainty. Moreover, we assume competent and effective management and marketing for the duration of the projected holding period of this property.
25. All prospective value opinions presented in this report are estimates and forecasts which are prospective in nature and are subject to considerable risk and uncertainty. In addition to the contingencies noted in the preceding paragraph, several events may occur that could substantially alter the outcome of our estimates such as, but not limited to changes in the economy, interest rates, and capitalization rates, behavior of consumers, investors and lenders, fire and other physical destruction, changes in title or conveyances of easements and deed restrictions, etc. It is assumed that conditions reasonably foreseeable at the present time are consistent or similar with the future.
26. The appraisal is also subject to the following:

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is uncertain information accepted as fact. If the assumption is found to be false as of the effective date of the appraisal, we reserve the right to modify our value conclusions.

1. The valuation of the property "as is" assumes the site is sold independently and not necessarily to an adjoining land owner. As such, it is assumed in this valuation premise that vehicular access will be allowed from Linford Pearson Highway, or that other means of adequate vehicular access to the site can be arranged.

The value conclusions are based on the following hypothetical conditions that may affect the assignment results. A hypothetical condition is a condition contrary to known fact on the effective date of the appraisal but is supposed for the purpose of analysis.

1. The second valuation premise "market value as if rezoned" is based on the hypothetical condition that the land has been rezoned to Neighborhood Commercial as of the valuation date. The land is currently zoned for Low Density Residential use and therefore, the proposed use as Neighborhood Commercial is hypothetical at the current time. This valuation premise further assumes the hypothetical situation that the owner of the adjacent lands (and who is contemplating development of the greater site) would be the purchaser the subject property.
-

Addendum A

Appraiser Qualifications

Mr. James V. Andrews, MAI, CRE, FRICS, ASA, CVA

Experience

James Andrews is the Managing Director of the Caribbean office of Integra Realty Resources. Mr. Andrews has been actively engaged in valuation and consulting since 1987; in the Caribbean since 1997.

Based in the Cayman Islands, James worked with the firm Cardiff & Co. before co-founding Andrews Key Ltd. in 2007 which became the IRR Caribbean office in 2012. He expanded the IRR Caribbean presence to include branch offices in the US Virgin Islands and the Bahamas in 2013.

Mr. Andrews has valued a variety of commercial property types, but concentrates on hotels and resorts. He is also qualified in business valuation and regularly performs valuation and consulting assignments regarding businesses and going concern properties such as hotels, marinas, golf courses, quarry/mining operations, restaurants and hospitality related entities. He has performed a variety of consulting assignments including regional market and feasibility studies to support the decision making of resort developers, as well as litigation support.

Some of the countries in which James has experience include the Cayman Islands, The Bahamas, Turks and Caicos Islands, British Virgin Islands, U.S. Virgin Islands, Puerto Rico, the Dominican Republic, Anguilla, St. Barth, St. Kitts and Nevis, Sint Maarten, Barbados, and St. Vincent and The Grenadines.

Professional Activities & Affiliations

Appraisal Institute, Member (MAI) , October 1992
Counselor of Real Estate (CRE) , August 2014
American Society of Appraisers (ASA) , March 2014
Royal Institute of Chartered Surveyors, Member (MRICS) , April 2005 - September 2008
Royal Institute of Chartered Surveyors, Fellow (FRICS) , September 2008
Member: National Association of Certified Valuers and Analysts, August 2014
Member: International Relations Committee (Appraisal Institute), January 2013
RICS Americas Valuation Standards Board, January 2012 - December 2014
IRR Certified Reviewer, December 2013

Licenses

North Carolina, State Certified General, A2285, Expires June 2015
Virgin Islands, State Certified General, 0-14194-1B, Expires December 2015

Education

Bachelor of Business Administration, Belmont University, Nashville, TN (1985)
Appraisal Institute - Various Qualifying, Advanced and CE Courses
American Society of Appraisers - Various Courses in Business Valuation
NACVA: CVA Certification Courses In Business Valuation

Integra Realty Resources Caribbean

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Cayman Islands

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T 844.952.7304

jandrews@irr.com
www.irr.com/caribbean



Terry L. Kerslake, AACI, P.App

Experience

Terry Kerslake is a Senior Analyst with the Caribbean office of Integra Realty Resources. Mr. Kerslake has been actively engaged in valuation and consulting since 1977; in the United Kingdom, Canada and the Caribbean.

Now based in the Cayman Islands, Terry previously worked with the firm Chalifour Denis & Associates in Alberta, Canada and was a former partner with Flynn Mirtle Moran in British Columbia, Canada. The most recent UK experience was as a Divisional Director for Palmer Snell, in England, with responsibility for the Professional Services Division.

Mr. Kerslake has valued a variety of commercial property types, and has experience in valuing special purpose properties. He regularly performs valuation and consulting assignments on commercial and industrial assets, vacant land and developments and also going concern properties such as hotels, marinas, golf courses, restaurants and hospitality related entities. He has performed a variety of consulting assignments including market studies to support the decision making of developers and owners, as well as litigation support.

Mr. Kerslake has been involved on a provincial and national level with the Appraisal Institute of Canada and held various board and committee positions.

Professional Activities & Affiliations

Member: Appraisal Institute of Canada, June 1997

Royal Institute of Chartered Surveyors, Member (MRICS) Royal Institution of Chartered Surveyors, October 1983 - September 1995

Royal Institute of Chartered Surveyors, Fellow (FRICS) Royal Institution of Chartered Surveyors, October 1995 - March 2010

Licenses

Alberta, Licensed Real Estate Appraiser, AW-1010934, Expires September 2015

Education

RICS Direct Entry Course in Surveying, Reading University, 1980-1983

Integra Realty Resources

Caribbean

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Integra Realty Resources, Inc.

Corporate Profile

Integra Realty Resources, Inc. offers the most comprehensive property valuation and counseling coverage in the United States with 61 independently owned and operated offices in 34 states and the Caribbean. Integra was created for the purpose of combining the intimate knowledge of well-established local firms with the powerful resources and capabilities of a national company. Integra offers integrated technology, national data and information systems, as well as standardized valuation models and report formats for ease of client review and analysis. Integra's local offices have an average of 25 years of service in the local market, and virtually all are headed by a Senior Managing Director who is an MAI member of the Appraisal Institute.

A listing of IRR's local offices and their Senior Managing Directors follows:

ATLANTA, GA - Sherry L. Watkins, MAI, FRICS
AUSTIN, TX - Randy A. Williams, MAI, SR/WA, FRICS
BALTIMORE, MD - G. Edward Kerr, MAI, MRICS
BIRMINGHAM, AL - Rusty Rich, MAI, MRICS
BOISE, ID - Bradford T. Knipe, MAI, ARA, CCIM, CRE, FRICS
BOSTON, MA - David L. Cary, Jr., MAI, MRICS
CHARLESTON, SC - Cleveland "Bud" Wright, Jr., MAI
CHARLOTTE, NC - Fitzhugh L. Stout, MAI, CRE, FRICS
CHICAGO, IL - Eric L. Enloe, MAI, FRICS
CINCINNATI, OH - Gary S. Wright, MAI, FRICS, SRA
CLEVELAND, OH - Douglas P. Sloan, MAI
COLUMBIA, SC - Michael B. Dodds, MAI, CCIM
COLUMBUS, OH - Bruce A. Daubner, MAI, FRICS
DALLAS, TX - Mark R. Lamb, MAI, CPA, FRICS
DAYTON, OH - Gary S. Wright, MAI, FRICS, SRA
DENVER, CO - Brad A. Weiman, MAI, FRICS
DETROIT, MI - Anthony Sanna, MAI, CRE, FRICS
FORT WORTH, TX - Gregory B. Cook, SR/WA
GREENSBORO, NC - Nancy Tritt, MAI, SRA, FRICS
GREENVILLE, SC - Michael B. Dodds, MAI, CCIM
HARTFORD, CT - Mark F. Bates, MAI, CRE, FRICS
HOUSTON, TX - David R. Dominy, MAI, CRE, FRICS
INDIANAPOLIS, IN - Michael C. Lady, MAI, SRA, CCIM, FRICS
JACKSON, MS - J. Walter Allen, MAI, FRICS
JACKSONVILLE, FL - Robert Crenshaw, MAI, FRICS
KANSAS CITY, MO/KS - Kenneth Jagers, MAI, FRICS
LAS VEGAS, NV - Charles E. Jack IV, MAI
LOS ANGELES, CA - John G. Ellis, MAI, CRE, FRICS
LOS ANGELES, CA - Matthew J. Swanson, MAI
LOUISVILLE, KY - Stacey Nicholas, MAI, MRICS
MEMPHIS, TN - J. Walter Allen, MAI, FRICS

MIAMI/PALM BEACH, FL - Anthony M. Graziano, MAI, CRE, FRICS
MINNEAPOLIS, MN - Michael F. Amundson, MAI, CCIM, FRICS
NAPLES, FL - Carlton J. Lloyd, MAI, FRICS
NASHVILLE, TN - R. Paul Perutelli, MAI, SRA, FRICS
NEW JERSEY COASTAL - Halvor J. Egeland, MAI
NEW JERSEY NORTHERN - Matthew S. Krauser, CRE, FRICS
NEW YORK, NY - Raymond T. Cirz, MAI, CRE, FRICS
ORANGE COUNTY, CA - Larry D. Webb, MAI, FRICS
ORLANDO, FL - Christopher Starkey, MAI, MRICS
PHILADELPHIA, PA - Joseph D. Pasquarella, MAI, CRE, FRICS
PHOENIX, AZ - Walter "Tres" Winus III, MAI, FRICS
PITTSBURGH, PA - Paul D. Griffith, MAI, CRE, FRICS
PORTLAND, OR - Brian A. Glanville, MAI, CRE, FRICS
PROVIDENCE, RI - Gerard H. McDonough, MAI, FRICS
RALEIGH, NC - Chris R. Morris, MAI, FRICS
RICHMOND, VA - Kenneth L. Brown, MAI, CCIM, FRICS
SACRAMENTO, CA - Scott Beebe, MAI, FRICS
ST. LOUIS, MO - P. Ryan McDonald, MAI, FRICS
SALT LAKE CITY, UT - Darrin W. Liddell, MAI, CCIM, FRICS
SAN DIEGO, CA - Jeff A. Greenwald, MAI, SRA, FRICS
SAN FRANCISCO, CA - Jan Kleczewski, MAI, FRICS
SARASOTA, FL - Carlton J. Lloyd, MAI, FRICS
SAVANNAH, GA - J. Carl Schultz, Jr., MAI, FRICS, CRE, SRA
SEATTLE, WA - Allen N. Safer, MAI, MRICS
SYRACUSE, NY - William J. Kimball, MAI, FRICS
TAMPA, FL - Bradford L. Johnson, MAI, MRICS
TULSA, OK - Owen S. Ard, MAI
WASHINGTON, DC - Patrick C. Kerr, MAI, SRA, FRICS
WILMINGTON, DE - Douglas L. Nickel, MAI, FRICS
CARIBBEAN/CAYMAN ISLANDS - James Andrews, MAI, FRICS

Corporate Office

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Addendum B

Property Information



Sheet 1 of 1



CAYMAN ISLANDS
LAND REGISTER

Edition 5
Opened 20 FEB 2012

A - PROPERTY SECTION

Ownership Type	Crown / Private		Block and Parcel No. 20D 175	
Nature of Title			Registration Section	GEORGE TOWN EAST
Origin of Title			Name of Parcel	
First Registration	07-Apr-1975		Approximate Area	3.23 Acre (See Survey Plan 51/033, 51/706, PCM 244 & Gaz 4/2011 dated 14-Feb-11) (M 9561) SEB
Mutation No.				

B - PROPRIETORSHIP SECTION

Entry No.	Date	Instrument No.	Name and Address of Proprietor(s)	Signature of Registrar



Addendum C

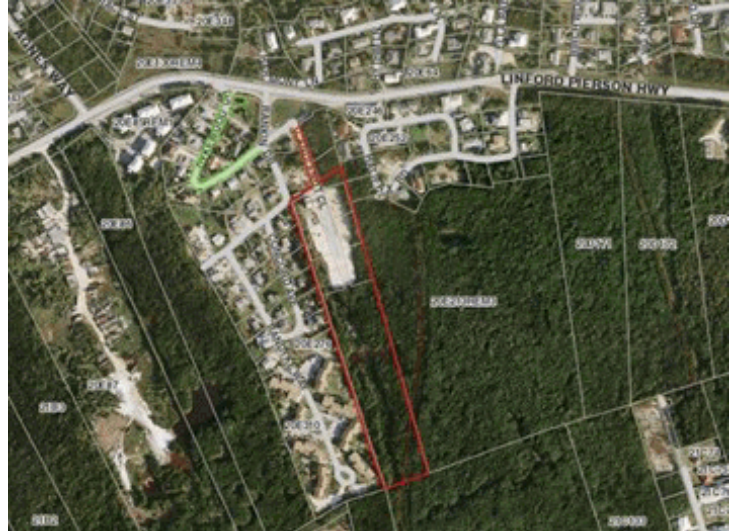
Comparable Data



Land Sale Profile

Location & Property Identification

Property Name:	Block 20E Parcel 83 Rem. 1
Sub-Property Type:	Residential
Address:	Candlenut Close
City/State/Zip:	George Town East, CI KY1
County:	Grand Cayman
Market Orientation:	Suburban
IRR Event ID:	1162218



Sale Information

Sale Price:	\$682,000
Eff. R.E. Sale Price:	\$682,000
Sale Date:	11/28/2011
Sale Status:	Closed
\$/Acre(Gross):	\$76,629
\$/Land SF(Gross):	\$1.76
\$/Acre(Usable):	\$76,629
\$/Land SF(Usable):	\$1.76
Grantee/Buyer:	Satin Wood Gate Limited
Assets Sold:	Real estate only
Property Rights:	Fee Simple
Document Type:	Deed
Verified By:	Terry L. Kerslake, AACI, P.App
Verification Source:	Public Records
Verification Type:	Confirmed-Other

Frontage Desc.:	Panhandle to Dykewood Drive
Zoning Code:	LDR
Zoning Desc.:	Low Density Residential
Easements:	No
Environmental Issues:	No
Utilities:	Electricity, Water Public, Telephone, CableTV
Source of Land Info.:	Public Records

Comments

Level parcel of Raw land situated in the George Town East area. The site has a long narrow configuration. Price in CI\$

This parcel has a deep, narrow configuration with a panhandle access

Improvement and Site Data

Legal/Tax/Parcel ID:	20E 83 Rem. 1
Acres(Usable/Gross):	8.90/8.90
Land-SF(Usable/Gross):	387,684/387,684
Usable/Gross Ratio:	1.00
Shape:	Irregular
Topography:	Level
Vegetation:	Heavily treed
Corner Lot:	No
Frontage Feet:	260

Land Sale Profile

Location & Property Identification

Property Name:	Block 15E Parcel 220
Sub-Property Type:	Residential
Address:	Edgemoor Circle
City/State/Zip:	South Sound, CI KY1
County:	Grand Cayman
Market Orientation:	Suburban
IRR Event ID:	625246



Sale Information

Sale Price:	\$375,000
Eff. R.E. Sale Price:	\$375,000
Sale Date:	07/10/2012
Sale Status:	Closed
\$/Acre(Gross):	\$102,459
\$/Land SF(Gross):	\$2.35
\$/Acre(Usable):	\$102,459
\$/Land SF(Usable):	\$2.35
Grantee/Buyer:	Melissa Lynn Thompson, Etal

Property Rights:	Fee Simple
% of Interest Conveyed:	100.00
Financing:	Cash to seller
Document Type:	Deed
Verified By:	Mr. James V. Andrews, MAI, CRE, FRICS, ASA, CVA
Verification Source:	CaymanLandInfo
Verification Type:	Secondary Verification

Improvement and Site Data

Legal/Tax/Parcel ID:	SS 15E 220
Acres(Usable/Gross):	3.66/3.66
Land-SF(Usable/Gross):	159,429/159,429
Usable/Gross Ratio:	1.00
Shape:	Irregular
Topography:	Level
Corner Lot:	No

Frontage Feet:	700
Frontage Desc.:	Edgemoor Cir
Zoning Code:	LDR
Zoning Desc.:	Low Density Residential
Easements:	No
Environmental Issues:	No
Date:	01/01/1900
Utilities:	Electricity, Water Public, Telephone, CableTV
Source of Land Info.:	Public Records

Comments

Price in CI\$
Low lying parcel with inferior access.

Land Sale Profile

Location & Property Identification

Property Name:	Block 15C Parcel 29 and Parcel 332
Sub-Property Type:	Residential
Address:	Fairview Road
City/State/Zip:	South Sound, CI KY1
County:	Grand Cayman
Market Orientation:	Suburban
IRR Event ID:	1162243



Sale Information

Sale Price:	\$924,000
Eff. R.E. Sale Price:	\$924,000
Sale Date:	03/03/2015
Sale Status:	Closed
\$/Acre(Gross):	\$39,983
\$/Land SF(Gross):	\$0.92
\$/Acre(Usable):	\$40,174
\$/Land SF(Usable):	\$0.92
Grantee/Buyer:	Crighton Investments Ltd.
Assets Sold:	Real estate only
Property Rights:	Fee Simple
Document Type:	Deed
Verified By:	Terry L. Kerslake, AACI, P.App

Verification Source:	Public Records
Verification Type:	Confirmed-Other

Improvement and Site Data

Legal/Tax/Parcel ID:	15C 29 & 332
Acres(Usable/Gross):	23.00/23.11
Land-SF(Usable/Gross):	1,001,880/1,006,671
Usable/Gross Ratio:	1.00
Shape:	Irregular
Topography:	Level
Vegetation:	Heavily treed
Corner Lot:	No

Frontage Feet:	30
Frontage Desc.:	Panhandle access from
Zoning Code:	LDR
Zoning Desc.:	Low Density Residential
Easements:	No
Environmental Issues:	No
Utilities:	Electricity, Water Public, Telephone, CableTV
Source of Land Info.:	Public Records

Comments

Level parcel of Raw land situated in the South Sound area. The site has a rectangular configuration but with panhandle access. There are low lying and wet areas to this parcel. The sale was registered in two simultaneous transactions. Price in CI\$

This parcel comprises an approximately rectangular parcel of 23 acres, with a panhandle access. There are some low lying and wet areas with this site.

Land Sale Profile

Location & Property Identification

Property Name:	Block 20B Parcel 102 & Parcel 27
Sub-Property Type:	Residential
Address:	South Sound Road
City/State/Zip:	South Sound, CI KY1
County:	Grand Cayman
Market Orientation:	Suburban
IRR Event ID:	1162227



Sale Information

Sale Price:	\$3,612,000
Eff. R.E. Sale Price:	\$3,612,000
Sale Date:	02/05/2015
Sale Status:	Closed
\$/Acre(Gross):	\$190,005
\$/Land SF(Gross):	\$4.36
\$/Acre(Usable):	\$197,809
\$/Land SF(Usable):	\$4.54
Grantee/Buyer:	Davenport Development Ltd

Assets Sold:	Real estate only
Property Rights:	Fee Simple
Document Type:	Deed
Verified By:	Terry L. Kerslake, AACI, P.App

Verification Source:	Public Records
Verification Type:	Confirmed-Other

Improvement and Site Data

Legal/Tax/Parcel ID:	20B 102 & 27
Acres(Usable/Gross):	18.26/19.01
Land-SF(Usable/Gross):	795,405/828,075
Usable/Gross Ratio:	0.96
Shape:	Irregular
Topography:	Level
Vegetation:	Heavily treed

Corner Lot:	No
Frontage Feet:	390
Frontage Desc.:	Overlooks public beach to
Zoning Code:	LDR
Zoning Desc.:	Low Density Residential
Easements:	No
Environmental Issues:	No
Utilities:	Electricity, Water Public, Telephone, CableTV
Source of Land Info.:	Public Records

Comments

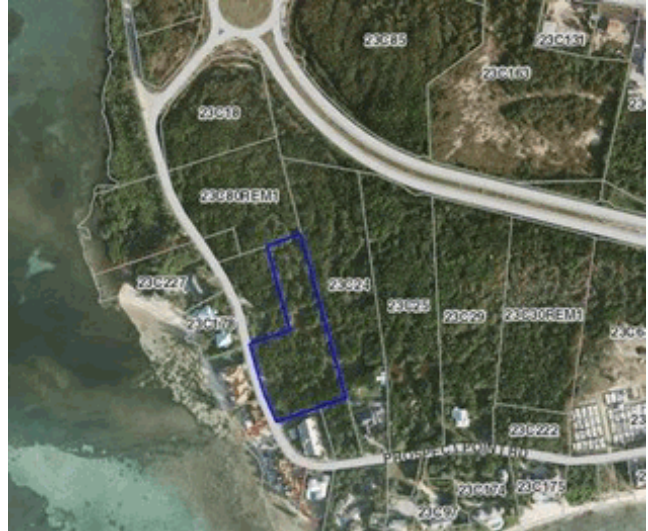
Level parcel of Raw land situated in the South Sound area. The site has a long narrow configuration. The sale was registered in two transactions, with the first parcel (27) occurring December 17, 2014. Price in CI\$

This parcel has a deep, narrow configuration with slight loss in useable area at the rear. The property comprises two titles with some ocean view exposure to the south

Land Sale Profile

Location & Property Identification

Property Name:	Block 23C Parcel 156 Rem. 2
Sub-Property Type:	Residential
Address:	Prospect Point Road
City/State/Zip:	Prospect Point, CI KY1
County:	Grand Cayman
Market Orientation:	Suburban
IRR Event ID:	1162213



Sale Information

Sale Price:	\$315,000
Eff. R.E. Sale Price:	\$315,000
Sale Date:	02/17/2015
Sale Status:	Closed
\$/Acre(Gross):	\$108,997
\$/Land SF(Gross):	\$2.50
\$/Acre(Usable):	\$108,997
\$/Land SF(Usable):	\$2.50
Grantee/Buyer:	Paul Harris
Assets Sold:	Real estate only
Property Rights:	Fee Simple
Document Type:	Deed
Verified By:	Terry L. Kerslake, AACI, P.App

Verification Source:	Public Records
Verification Type:	Confirmed-Other

Improvement and Site Data

Legal/Tax/Parcel ID:	23C 156 Rem. 2
Acres(Usable/Gross):	2.89/2.89
Land-SF(Usable/Gross):	125,888/125,888
Usable/Gross Ratio:	1.00
Shape:	Irregular
Topography:	Level
Vegetation:	Heavily treed
Corner Lot:	No
Frontage Feet:	300

Frontage Desc.:	Prospect Point Road
Zoning Code:	LDR
Zoning Desc.:	Low Density Residential
Easements:	No
Environmental Issues:	No
Utilities:	Electricity, Water Public, Telephone, CableTV
Source of Land Info.:	Public Records

Comments

Level parcel of Raw land situated in the Prospect Point area. The site has an irregular configuration. Price in CI\$

Low lying parcel with irregular shape.

Land Sale Profile

Location & Property Identification

Property Name:	Block 20D Parcel 440
Sub-Property Type:	Residential
Address:	Linford Pierson Highway
City/State/Zip:	George Town East, CI KY1
County:	Grand Cayman
Market Orientation:	Suburban
IRR Event ID:	1162300



Sale Information

Sale Price:	\$640,000
Eff. R.E. Sale Price:	\$800,000
Sale Date:	08/24/2011
Sale Status:	Closed
\$/Acre(Gross):	\$217,865
\$/Land SF(Gross):	\$5.00
\$/Acre(Usable):	\$217,865
\$/Land SF(Usable):	\$5.00
Grantee/Buyer:	Faith Worship Centre Ministries
Assets Sold:	Real estate only
Property Rights:	Fee Simple
Terms of Sale:	This was court directed sale.
Document Type:	Deed
Verified By:	Terry L. Kerslake, AACI, P.App
Verification Source:	Public Records
Verification Type:	Confirmed-Other

Sale Analysis

Conditions of Sale Adj.:	\$160,000.00
Adjust. Comments:	The sale price is estimated to be 20% below market value due to the motivation involved in this sale.

Improvement and Site Data

Legal/Tax/Parcel ID:	20E 83 Rem. 1
Acres(Usable/Gross):	3.67/3.67
Land-SF(Usable/Gross):	159,952/159,952
Usable/Gross Ratio:	1.00
Shape:	Irregular
Topography:	Level
Vegetation:	Heavily treed
Corner Lot:	No
Frontage Feet:	690
Frontage Desc.:	Panhandle to Dykewood Drive
Zoning Code:	LDR
Zoning Desc.:	Low Density Residential
Easements:	No
Environmental Issues:	No
Utilities:	Electricity, Water Public, Telephone, CableTV
Source of Land Info.:	Public Records

Comments

Level parcel of Raw land situated in the George Town East area. The site has a very wide configuration with extensive frontage. It has since been subdivided into two parcels. Price in CI\$. Motivated sale.

This parcel has an extensive frontage to the highway. It has since been subdivided into two lots.

Land Sale Profile

Location & Property Identification

Property Name:	Block14D Parcel 284
Sub-Property Type:	Commercial
Address:	Elgin Avenue
City/State/Zip:	George Town Central, CI 00KY1
County:	Grand Cayman
Market Orientation:	Redevelopment District
IRR Event ID:	1141258



Sale Information

Sale Price:	\$898,800
Eff. R.E. Sale Price:	\$898,800
Sale Date:	01/30/2013
Sale Status:	Closed
\$/Acre(Gross):	\$956,170
\$/Land SF(Gross):	\$21.95
\$/Acre(Usable):	\$956,170
\$/Land SF(Usable):	\$21.95
Grantee/Buyer:	Investment Holdings Ltd.
Assets Sold:	Real estate only
Property Rights:	Fee Simple
Document Type:	Deed
Verified By:	Mr. James V. Andrews, MAI, CRE, FRICS, ASA, CVA
Verification Type:	Secondary Verification

Frontage Desc.:	Road
Zoning Code:	GC
Zoning Desc.:	General Commercial
Utilities:	Electricity, Water Public
Source of Land Info.:	Public Records

Comments

Price in CI\$. Land between Cayman National Bank and Cayman Business Park. Remains undeveloped.

Sale Analysis

Current Use:	Vacant
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Improvement and Site Data

Legal/Tax/Parcel ID:	Block 14D Parcel 284 George Town Central
Acres(Usable/Gross):	0.94/0.94
Land-SF(Usable/Gross):	40,946/40,946
Usable/Gross Ratio:	1.00
Frontage Feet:	225

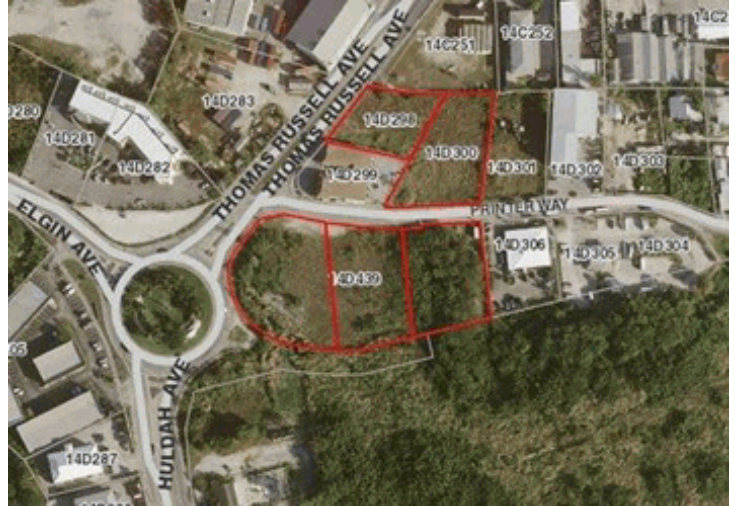
Block14D Parcel 284



Land Sale Profile

Location & Property Identification

Property Name:	Block14D Parcels 298, 300, 307, 308, 309
Sub-Property Type:	Commercial
Address:	Printer Way & Thomas Russell Ave
City/State/Zip:	George Town Central, CI KY1
County:	Grand Cayman
Market Orientation:	Redevelopment District
IRR Event ID:	1162376



Sale Information

Sale Price:	\$2,100,000
Eff. R.E. Sale Price:	\$2,100,000
Sale Date:	12/09/2013
Sale Status:	Closed
\$/Acre(Gross):	\$742,049
\$/Land SF(Gross):	\$17.04
\$/Acre(Usable):	\$742,049
\$/Land SF(Usable):	\$17.04
Grantee/Buyer:	Cayman Technology Centre Ltd.
Property Rights:	Fee Simple
Document Type:	Deed
Verified By:	Terry L. Kerslake, AACI, P.App
Verification Date:	8/1/15
Verification Source:	Public Records
Verification Type:	Secondary Verification

Sale Analysis

Current Use:	Vacant Land (under development)
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Improvement and Site Data

Legal/Tax/Parcel ID:	14D, 298, 300, 307, 308, 309
Acres(Usable/Gross):	2.83/2.83

Land-SF(Usable/Gross):	123,274/123,274
Usable/Gross Ratio:	1.00
Vegetation:	Minimal
Corner Lot:	Yes
Frontage Feet:	700
Frontage Desc.:	Extensive to roundabout,
Zoning Code:	GC
Zoning Desc.:	General Commercial
Easements:	No
Utilities:	Electricity, Water Public, Telephone, Fiber Optics
Source of Land Info.:	Public Records

Comments

This property comprises five lots that have an irregular configuration and are split by Printer Way. There is extensive exposure to a busy arterial route. The site is now under development with the Cayman Technology Centre. Price is in C\$

This property comprises 5 parcels and has an irregular configuration. There is excellent exposure to a roundabout and Thomas Russell Ave. Now under development.

Land Sale Profile

Location & Property Identification

Property Name:	Block 23C Parcel 77 & Parcel 13
Sub-Property Type:	Residential
Address:	Shamrock Road
City/State/Zip:	Old Prospect, CI KY1
County:	Grand Cayman
Market Orientation:	Suburban
IRR Event ID:	1162367



Sale Information

Sale Price:	\$500,000
Eff. R.E. Sale Price:	\$500,000
Sale Date:	03/19/2015
Sale Status:	Closed
\$/Acre(Gross):	\$196,850
\$/Land SF(Gross):	\$4.52
\$/Acre(Usable):	\$196,850
\$/Land SF(Usable):	\$4.52
Grantee/Buyer:	Sara & Anthony Raj
Assets Sold:	Real estate only
Property Rights:	Fee Simple
Document Type:	Deed
Verified By:	Terry L. Kerslake, AACI, P.App

Verification Date:	8/1/15
Verification Source:	Public Records
Verification Type:	Confirmed-Other

Sale Analysis

Current Use:	Vacant Land
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Improvement and Site Data

Legal/Tax/Parcel ID:	23C 77 & 13
Acres(Usable/Gross):	2.54/2.54
Land-SF(Usable/Gross):	110,642/110,642

Usable/Gross Ratio:	1.00
Shape:	Irregular
Topography:	Level
Vegetation:	Heavily treed
Corner Lot:	No
Frontage Feet:	610
Frontage Desc.:	Exposure to Shamrock
Zoning Code:	NC
Zoning Desc.:	Neighborhood Commercial
Easements:	No
Environmental Issues:	No
Utilities:	Electricity, Water Public, Telephone, CableTV
Source of Land Info.:	Public Records

Comments

This parcel is in two titles and has excellent exposure to the roundabout at Shamrock Road and Prospect Point Road. Raw land that is priced in CI\$

This parcel has an extensive frontage to the highway and is adjacent to a roundabout. It is in two titles.

Land Sale Profile

Location & Property Identification

Property Name:	Block 23C Parcel 30 Rem1
Sub-Property Type:	Residential
Address:	East-West Arterial
City/State/Zip:	Old Prospect, CI KY1
County:	Grand Cayman
Market Orientation:	Suburban
IRR Event ID:	1162371



Sale Information

Sale Price:	\$630,000
Eff. R.E. Sale Price:	\$630,000
Sale Date:	05/10/2010
Sale Status:	Closed
\$/Acre(Gross):	\$140,940
\$/Land SF(Gross):	\$3.24
\$/Acre(Usable):	\$140,940
\$/Land SF(Usable):	\$3.24
Grantee/Buyer:	Barcam (Cayman) Ltd.
Assets Sold:	Real estate only
Property Rights:	Fee Simple
Document Type:	Deed
Verified By:	Terry L. Kerslake, AACI, P.App

Verification Date:	8/1/15
Verification Source:	Public Records
Verification Type:	Confirmed-Other

Sale Analysis

Current Use:	Vacant Land
Proposed Use Change:	Yes
Proposed Use Desc.:	Gas Station

Improvement and Site Data

Legal/Tax/Parcel ID:	23C 30 Rem.1
Acres(Usable/Gross):	4.47/4.47

Land-SF(Usable/Gross):	194,713/194,713
Usable/Gross Ratio:	1.00
Shape:	Irregular
Topography:	Level
Vegetation:	Heavily treed
Corner Lot:	No
Frontage Feet:	310
Frontage Desc.:	Exposure to East-West
Zoning Code:	LDR
Zoning Desc.:	Low Density Residential
Easements:	No
Environmental Issues:	No
Utilities:	Electricity, Water Public, Telephone, CableTV
Source of Land Info.:	Public Records

Comments

This parcel has good exposure to the highway and is situated on the westbound land. It is now under development with a gas station. Raw land that is priced in CI\$

This parcel has an extensive frontage to the highway and is on the westbound lane. It is under development with a gas station.

Addendum D

Engagement Letter

Telephone: (345) 244 3420
Fax: (345) 949-2187
Direct Line: (345) 244-3644
Email: jon.hall@gov.ky

Our Ref: JH / 20D 175
Your Ref:



Lands & Survey Department
Government Admin Building
Box 120,
133 Elgin Avenue
Grand Cayman, KY1-9000
Cayman Islands, BWI

Mr. James Andrews
Integra Realty Resources
P.O Box 11905
Grand Cayman, KY1-1011
Cayman Islands

1 May 2015

Private & Confidential

By Email Only

Dear Mr. Andrews,

RE: Valuation Tender – Crown Parcel 20D 175

We write to invite a fee quote for a Red Book valuation of the above mentioned land parcel as outlined on the attached plan.

Government is proposing to sell the parcel and in order to comply with the provisions set down in the Governor (Vesting of Lands) Law (2005 Revision), we thus require two independent valuations to assist in determining an appropriate transfer value.

Whilst the parcel is presently zoned 'low density residential' (LDR), we understand that an application has recently been submitted for a re-zone to 'general commercial' (GC). We attach a plan which we believe details the proposed land use scheme.

We therefore require market value assessments based on both (a) the present zoning (LDR) and also (b) the proposed zoning (GC).

As usual, your valuation and report must be undertaken in accordance with the terms of your current appointment as one of our Panel Valuers and of course in compliance with the RICS Valuation – Professional Standards, January 2014.

If you wish to be considered for undertaking this commission please kindly send us your fee quote by 5.00 pm on Thursday 7th May 2015 and please note that the turnaround time for the valuation report will be two weeks from the date of instruction.

If you have any questions regarding this letter please contact us on the above number or by email.

Yours sincerely,

Jon Hall
Chief Valuation Officer
For Director, lands & Survey



21st May | 2015

VALUATION OF LAND

Valuation of Land
At Block 20D Parcel 175
Linford Pierson Highway
George Town East
Grand Cayman

Blue Point Consultants Ltd
PO Box 793 KY1-1103, Grand Cayman B.W.I.
Grand Cayman
www.bluepointproperty.com

BLOCK: 20D

PARCEL: 175

REGISTRATION SECTION: GEORGE TOWN EAST

CONTENTS

SECTION	
1	Executive Summary
2	Property Information -Location -Existing description -Environmental issues -Site and ground conditions -Tenure
3	Market Conditions and Trends -Market overview -Availability -Demand
4	Valuation -Comparable sales
5	Opinion of Value
6	Appendices -Land Registry document -Maps and location plans -Photographs

BLOCK: 20D

PARCEL: 175

REGISTRATION SECTION: GEORGE TOWN EAST

1: EXECUTIVE SUMMARY

DESCRIPTION	Undeveloped land parcel intersecting Linford Pierson Highway.	
LOCATION	Eastern section of Linford Pierson Highway and inland South Sound. Approximately 1.5 miles East of George Town.	
TENURE	Freehold	
DATE OF VALUATION	21 st May 2015	
DATE OF INSPECTION	21 st May 2015	
PURPOSE OF VALUATION	Sale	
VALUATIONS	Market Value LDR	CI\$492,000
	Market Value GC	CI\$1,407,000
CLIENT DETAILS	Cayman Islands Government Lands and Survey Department POBox 120 Grand Cayman KY1-9000	
REGISTERED OWNERS	Cayman Islands Government (Crown)	

BLOCK: 20D

PARCEL: 175

REGISTRATION SECTION: GEORGE TOWN EAST

1. TERMS OF REFERENCE

- | | | |
|-----|-------------------|---|
| 1.1 | Instructions | This valuation is prepared in accordance with your instructions of 19th May 2015 and to the Valuation Procedures and Assumptions enclosed with that letter. Copies of these documents are enclosed in the Appendices. |
| 1.2 | Date of valuation | 21st May 2015. The importance of the valuation date must be stressed as property values may change over a relatively short period. |
| 1.3 | Loan terms | “Not advised”. |
| 1.4 | Standards | The report has been prepared in accordance with the RICS Appraisal and Valuation Standards 2014, (the “Red Book”) and The International Valuation Standards (IVS). |
| 1.5 | Status of valuer | We confirm that we have no material connection with either the Lender or the Borrower and therefore are acting in the capacity of External Valuers. |
| 1.6 | Valuer details | This report has been prepared by Fleur Vagniez BSc MSc MRICS Director Blue Point Consultants Ltd. |
| 1.7 | Indemnity | We have sufficient professional indemnity cover for this instruction and our overall workload. |

BLOCK: 20D

PARCEL: 175

REGISTRATION SECTION: GEORGE TOWN EAST

2. EXTENT OF DUE DILIGENCE & INFORMATION SOURCES

2.1	Inspection	The Property was inspected on 19 th May 2015 by Fleur Vagniez.
2.2	Floor areas	N/A
2.3	Condition	N/A
2.4	Environmental investigation	None.
2.5	Tenure, title and tenancies	A copy of the Land Registry documents is attached.
2.6	Town planning	The property is zoned Low Density Residential. We have also been asked to give opinion of value assuming it is re zoned to General Commercial.

BLOCK: 20D

PARCEL: 175

REGISTRATION SECTION: GEORGE TOWN EAST

2: PROPERTY DESCRIPTION

2.1 Location

The subject property is located on the Linford Pierson Highway, just South of the Owen Roberts International Airport. It lies in the George Town East Registration Section of Grand Cayman and is approximately 1.5 miles East of the centre of George Town, the capital and business centre of Grand Cayman.

Nearby amenities are good with Foster's Supermarket located in the Airport Centre less than 1 mile to the North, and the Grand Harbour shopping centre 1.5 miles to the East. There are also gas stations and shops nearby, and restaurants, shops, bars and churches in the centre of George Town. The surrounding area is a mixture of rural and developed land, with condominium complexes to the North and the residential community of South Sound to the South.

We attach a copy of the Land Registry Map Extract showing the position of the Property.

2.2 Description

THE LAND

We attach an extract from the Lands and Survey Map Extract on which we show our understanding of the boundary of the Property edged in red. The site area extends to about 3.23 acres (140,699 sq.ft). It has an elevation of 1-6ft above sea level.

20D 175 North Section

Dimensions	Lin Feet	Boundary with
North	159	20D 212
South	148	Road – Linford Pierson Highway

BLOCK: 20D

PARCEL: 175

REGISTRATION SECTION: GEORGE TOWN EAST

East	158	20D 451
West	156	20D 448

20D 175 South Section

Dimensions	Lin Feet	Boundary with
North	145	Road – Linford Pierson Highway
South	133	21C 7
East	930	20D 452 & 21C 7
West	997	20D 174REM1

ZONING:

Low Density Residential

2.5 Services and amenities

Element	Description
Public services	Mains water in area
Drainage	Septic tank/Sewage treatment plant required
Deep water well	None

BLOCK: 20D

PARCEL: 175

REGISTRATION SECTION: GEORGE TOWN EAST

2.6 Site

The site is covered in dense bush and trees. The Linford Pierson Highway intersects the northern section of the parcel. To the South East there is a dirt track road leading half way down the Eastern boundary. Parts of the surrounding area are waterlogged, therefore it requires fill prior to development.

2.7 Ground conditions

We have made the assumption that ground conditions are suitable for structures or for any re-development.

2.8 Environmental issues

As provided in our terms of engagement, we have not made detailed enquiries into the previous uses or to establish whether or not contamination is present.

However, as a result of our normal inspection and other enquiries in connection with this valuation, we are not aware of any potential contamination. Accordingly, our valuation assumes that there is no latent contamination that could adversely affect the property. If a detailed environmental survey reveals actual or potential contamination, our valuation may be adversely affected.

2.9 Tenure Freehold

A copy of the Land Registry Document is attached.

3: MARKET CONDITIONS AND TRENDS

3.1 Market overview

The 2008 global recession had a significant impact on the Cayman Islands real estate market. The drop in demand coupled by the oversupply, especially in the residential sector, caused values to decrease in most sectors. Transaction numbers also declined as businesses made cut backs and local and visitor spending was reduced. Land values in the low to middle level have remained constant or risen with inflation over the last 2 years, however we are still seeing stagnant values in the secondary house market. There remains a strong demand for both the good quality family home of CI\$1M and under, as well as rental income properties for the local market whilst lending rates remain low.

In 2014 the Cayman Islands ranked 13th top tourism market in the Caribbean. This was measured by the number of stay-over arrivals, with 382,816 arrivals in 2014. This made the Cayman Islands second for growth in arrivals, with 10.84% growth. There are some new developments of significance that are achieving record rates per sq.ft such as the new Watercolours condominium building on Seven Mile Beach where units are successfully selling for US\$3.5M, or US\$1,200 psf. There are some recent successful developments such as Cricket Square, Camana Bay and Caribbean Plaza which are fully let and achieving high rates. Unfortunately this new space is being occupied by businesses that have moved out of the centre of George Town, leaving secondary vacant space in town. 2014 construction figures indicate a varied performance; a 190.4% increase in the total value of building permits has been matched by a 46.4% decrease in project approvals. This increase was largely caused by the Kimpton project, which will provide a hotel and condominiums and accounted for 71.2% of permit values.

Over 2014, hotel occupancy rates rose by 0.88% to 70.5% compared to 2013. ADR also rose to \$340.95, an increase of 4.03% and as a result RevPar rose 5.34% to \$240.27. The proposed 263-room Kimpton Hotel, which is the only project currently in the active pipeline, will add 6.4% to the existing stock of 3,862 rooms.

As the graph below illustrates, real estate trade, which had been showing signs of recovery, dipped slightly in 2014, with the value of traded properties dropping by 9.9% due to a decline in freehold property transfers. This was following a 29% rise in 2013. A reason for this could be an unusually strong second quarter in 2013, which saw the \$143.9M transfer of the Ritz Carlton Hotel. The value of freehold property transfers also declined by 11.1%, but conversely leasehold transfers rose by 26.7%. Additionally it should be noted that trends in sales volume in Cayman can be erratic due to the relatively small size of the market.

The retail market has been hard hit as the number of cruise ship and air visitors decreased in the years 2009-2011. The West Wing building, located opposite the cruise ship terminal in George Town, owned by Dart and Island Companies, have recently closed their ground

BLOCK: 20D

PARCEL: 175

REGISTRATION SECTION: GEORGE TOWN EAST

floor retail space due to poor trading. There is also a significant amount of vacant retail and office space in the centre of George Town. However, cruise ship arrivals appear to be on the up in 2014, with a reported increase of 8.6% in June 2014 compared to 2013. This translates to 29 more cruise ship visits to the Cayman Islands as of June, and an increase of 381 passengers per day.

Despite increasing pressure on the financial services sector, the office market has continued to grow. The Cayman Islands has the largest office market of all the offshore financial centres in the Caribbean. However, the vacancy rate is 12.5%, and this does not take into account the new office space currently being constructed in Camana Bay. The vacancy rate has been gradually decreasing over the past five years however, despite the gradual increase in availability.

In 2014 American Airlines reported lower passenger traffic to most Caribbean destinations. However, this can be explained by their merger with US Airways and the desire not to compete on Caribbean routes. It can also be partly attributed to American Airlines reducing the number of direct flights from Miami during 2014. A new competitor, JetBlue, has been expanding its Caribbean presence, with new routes from the US around the Caribbean. Demand for Caribbean holidays has been increasing, with travel site Expedia reporting that bookings grew nearly 30% year over year during the first three quarters of 2014.

The new government is aware of the need to continue to increase tourism numbers by building a port, as well as extending the airport and runway. These two projects are in the tender process and under review, however by the end of 2014 these issues remained unresolved. The government are also keen to focus any new development in the eastern districts due to the limited remaining space in the Seven Mile Beach area. The idea is to focus on boutique hotels with 50-100 rooms due to the continued success of the island's smaller hotels and condominiums.

There are signs of recovery, with tourism numbers and hotel occupancy levels up from 2013 to 2014, and nearly reaching or exceeding levels before the recession. Caribbean wide, hotels and resorts are experiencing improved trading with Average Daily Rates just below their pre-recessionary peak, however they are not yet as high as they have been on the basis of the ratio of rate to occupancy. The number of hotel rooms in the active pipeline in 2014 is slightly less than in 2013, which indicates that rates and occupancy levels will rise in 2015 and will in turn lead to higher revenues for hotels and increased interest from investors and lenders.

The Cayman Islands continues to do well in comparison with other Caribbean locations, with the average room rate at US\$258, US\$86 higher than the regional average, although countries such as Bermuda, Turks and Caicos and St. Lucia are doing better. Locally small businesses are still struggling and we expect it to take another 12-24 months to see a full recovery. We are therefore cautiously optimistic for the remainder of 2015.

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3.2 Availability

On Dorcy Drive there is 2.97 acres of industrial land available, listed for CI\$2,999,000. It is located near the entrance to the airport and ideal for retail or industrial use.

In Industrial Park, opposite the Barcadere Marina, there is a parcel listed for CI\$1,100,000. The land has road access from the airport and North Sound Road, is filled and there is a duplex on the site which is included, each side of which rents for CI\$900 pcm. It is 1.62 acres.

On Crewe Road there is a site listed for CI\$500,000. It is ideal for apartments and near to town, churches, gas stations and supermarkets.

On Maclendon Drive there is commercial land available for CI\$455,453. It is zoned Neighbourhood Commercial and the NRA plans for a new road through the parcel.

3.3 Demand/Transactions

The value of freehold property transfers in the Cayman Islands for 2014 declined slightly (-1%) to just over US\$640,000, following a 29% bump in the prior year however the sales volume in Cayman has been fluctuated greatly since 2006 (source IRR report 2015). Actual sales transactions on the other hand saw a 27% increase from 2013-2014, indicating an

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improvement in activity, however this still falls 28% below the peak in 2005. (Source Charterland report 2015). Overall we are seeing an upward trend in demand for all property types.

3.4 Development

There are some large scale developments in the pipeline including the new 263 bed boutique Kimpton Hotel by Dart, which will comprise a 4/5 star hotel as well as 56 residences. The \$200 million project will include two 10-storey buildings, six beachfront bungalows, a destination spa and five restaurants and lounges, including a restaurant in the lobby and one on the rooftop. Located at the northern end of Seven Mile Beach, it is under construction and opening in 2016.

The Ironwood community is now under construction in Northside/East End. This \$300 million project will consist of a town centre, golf course, sports complex, condominiums and family homes. Ironwood will also contain a full service vacation resort with shuttle service to and from local attractions, and provides easy access to Health City for medical tourism. The developers have agreed to finance construction of an extension to the East-West Arterial, which has already commenced, and construction of the commercial and residential element is due to commence in 2015. Ironwood hopes to attract more visitors to the eastern side of the island, advertising itself as ‘one of Cayman’s best places to live’.

The former Hyatt and current Beach Suites Hotel has plans to construct an additional 2 storeys on the existing beach front building to add to the existing 52 suites. Also inland on the same development they plan to build a corporate style hotel as well as residential units in a later phase. This is due to commence in 2014.

The Cayman Islands Health City and Shetty Hospital is underway with the first building, a 140 bed facility now complete. Over the next 10 years they aim to construct a 2,000 bed facility with two hotels and residential community. This is located in East End, approximately 40 minutes from George Town. It will provide first class health care to local and overseas patients from the USA, Caribbean, South America and further afield in high end facilities.

The Cayman Enterprise City is running and offering work permit free packages to overseas businesses. They plan to construct a 100,000 sq.ft office complex and are negotiating with land owners for a site. Meanwhile their current tenants are occupying space in George Town. Enterprise City recently announced that it has 122 international companies signed up in the special economic zone, and another 300 in the sales pipeline.

Dart Realty have revealed plans to extend Camana Bay, and will spend \$1.3 billion in the next 10-15 years, including \$400 million on infrastructure. The plans include a second beachfront resort on Seven Mile Beach, connecting to the greater development, in addition to the Kimpton Hotel.

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The Treasure Island Hotel and Resort, located on West Bay Road with beach access is in receivership and under offer with potential investors wanting to transform it into a high class hotel.

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4: VALUATION

Market Value is an internationally recognised basis and is defined as:

“The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.”

4.1 COMPARABLE METHOD OF VALUATION:

The sales comparison approach is used to estimate market value (MV) for properties for which there is good comparable evidence of prices paid in an open and free market place. It is the recommended method of valuation for residential properties. Evidence gleaned from recent sales is derived from the Lands and Survey database.

In analysing the comparables listed below we have taken into consideration changes in underlying market conditions. If the market has been rising but an increase in interest rates at which capital can be borrowed has also occurred then a percentage increase in value may be tempered by the increased cost of borrowing money. Typical of the factors that can affect sale prices of real estate are:

- changes in interest rates;
- changes in terms and conditions relating to lending policies; and

Comparables should always be of sales where there has been no financial, family or fiduciary relationship. Nevertheless, some of the sales listed below may be subject to special interest (such as an adjoining property owner for whom a property has a value above the market level), or under a time constraint which has an impact on the price achieved. The definition of market value requires MV to be based on an 'arm's length' sale, that is one uninfluenced in any way, hence the need for comparables to be on the same basis.

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TABLE OF COMPARABLE EVIDENCE

Block and Parcel No	Area (Acres)	Area (Sq.Ft)	Date of Sale	Price (C\$)	Price per Sq.Ft (C\$)	Location and Description
21B 102	9.01	392,476	05/02/15	1,617,000	4.12	Inland on South Sound Road. Mostly covered in dense bush and trees. Small access road. Storage units. Zoned Low Density Residential.
21B 101	0.7492	32,635	03/04/14	300,000	9.19	Inland on South Sound Road. Some dense bush and trees. Zoned Low Density Residential.
21E 152	1	43,560	03/12/13	335,000	7.69	Inland on South Sound Road. Mostly covered in dense bush and trees. Zoned Low Density Residential.
20D 448	1.672	72,832	26/03/13	298,700	4.1	Linford Pierson Highway. Covered in dense bush and trees. Zoned Low Density Residential.
20D 418	1.058	46,086	29/10/12	185,000	4.01	Inland parcel zoned Medium Density Residential. East of Silver Oaks apartments. Requires clearance and fill.

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4.2 COMPARABLE COMMENTARY AND ANALYSIS:**21B 102:**

This is a long narrow parcel located inland on South Sound Road. It required fill and clearance prior to development and is water logged to the northern end. It is slightly superior in location to the subject.

21B 101:

This is a smaller parcel adjacent to 21B 102. It is superior in location and smaller in size than the subject, allowing a higher rate psf.

21E 152:

This is adjacent to 21B 101 and similar in that it is in a superior location to the subject but smaller in size, allowing a higher rate psf.

20D 448:

This is a residential parcel located on and north of the Linford Pierson Highway. It is smaller in size than the subject and has a residential home built on site. It is therefore slightly superior.

20D 418:

This is a Medium Density Residential lot with poor access located North and inland of the Linford Pierson Highway. It is inferior to the subject.

The subject parcel has a total area of 3.23 acres and is therefore larger than most of the comparables listed above. The site has good frontage onto the highway however is low lying therefore requires fill. Taking the above into consideration and allowing for variables such as dates of sale, size and location I anticipate the subject parcel to have a value of C\$3.50 per sq.ft or **C\$492,449, say C\$492,000.**

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Value assuming rezoned to General Commercial

Block and Parcel	Area (Acres)	Area (Sq.Ft)	Date of Sale	Price (CIS)	Price per Sq.Ft (CIS)	Location and Description
14CJ 157	0.6406	27,904	17/09/14	588,000	21.07	In between Elgin Ave and Shedden Road. Zoned General Commercial. Adjacent to Cricket Square.
14CJ 21	0.6	26,136	29/07/14	360,000	13.77	Myles Land South of Shedden Road. Zoned General Commercial. Crown owned
14D 55	0.29	12,632	17/09/13	350,000	27.71	Huldah Ave, zoned Neighbourhood Commercial. Owned by CISCA Credit Union.
14D 284	0.94	40,946	30/01/13	898,800	21.95	Elgin Ave. Zoned General Commercial.
14E 316, 371	1.4	62,988	04/11/11	1,700,000	26.98	Corner of Smith Road and Hospital Road. Zoned General Commercial.
20B 87	1.128	49,136	29/11/10	924,000	18.81	Shedden Road, narrow parcel zoned General Commercial.

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There are no vacant land sales zoned General Commercial in the immediate area, however we have looked at the sale of lots closer to town. The above comparables are all in superior locations to the subject and are smaller in size, therefore would attract a higher rate per sq.ft. However, we anticipate the subject to be a good size for a development, and have been provided with architects plans for a larger scale mixed use development in the area. It is close to town and has good road frontage.

Taking this into consideration we estimate a reasonable value assuming the parcel was rezoned to General Commercial would be CI\$10 psf or CI\$1,406,998, say **CI\$1,407,000**.

Value to a special purchaser:

We have been provided with plans for a large mixed use scheme that will include land to the West of the subject parcel. We have been instructed to give our opinion of value for a special purchaser. There are very few comparable transactions in the area that comprise sales of parcels to a special purchaser, however an example listed in the comparables above is 21B 101 which is adjacent to 21B 101 and was purchased for CI\$9.19 psf in April 2014 by the owner of adjacent parcel 21E 152 which sold for CI\$7.69 psf in December 2013. This would indicate a 16% increase in value for similar sized parcels. Therefore assuming the land is rezoned to General Commercial and is 3.23 acres in size, we estimate a special purchaser would pay a premium of approximately 10% to the market value. Our opinion of value is therefore **CI\$1,547,000**.

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5. OPINION OF MARKET VALUE

Based on the evidence supplied above our opinion of market value of the subject property is;

CIS\$492,000

(Four Hundred and Ninety Two Thousand Cayman Islands Dollars)

And assuming it is re-zoned to General Commercial;

CIS\$1,407,000

(One Million Four Hundred and Seven Thousand Cayman Islands Dollars)

Validity:

This valuation may not be considered valid after 12 months from the date hereof, nor if the circumstances alter. If necessary, please refer back to the valuer for a periodic review.

This Valuation has been prepared by
BLUE POINT CONSULTANTS LTD.

A handwritten signature in black ink, appearing to read "Fleur Vagniez".

.....
FLEUR VAGNIEZ BSC, MSC, MRICS
CHARTERED SURVEYOR

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BLUE POINT CONSULTANTS LTD.

P.O. Box 793, Grand Cayman KY1-1103

Cayman Islands, British West Indies

Tel: 345-525-0706

ASSUMPTIONS AND LIMITING CONDITIONS

GENERAL CONDITIONS

This report is provided for the stated purpose and only for the use of the party to whom it is addressed. No responsibility is accepted to any other party. Should you wish to syndicate the loan you must inform us in order that we may make arrangements to supply them with a copy of this report which will then be directly addressed to them.

Neither the whole nor any part of this report nor any reference thereto may be included in any document, circular or statement without our prior approval of the form and context in which it will appear.

We hereby certify that to the best of our knowledge and belief, the statements contained in this valuation report are correct and no responsibility has been assumed for matters which are legal in nature. The valuation assumes marketable title. Employment in and compensation for making this report are in no way contingent upon the value. We further certify that we have no interest, present or contemplated, in the property valued nor have any material connection with either the lender or the borrower and that we have undertaken this valuation in the capacity of External Valuers.

This report has been prepared in accordance with the latest edition of the RICS Appraisal and Valuation Standards, (the "Red Book"). Except as may be varied by your instructions.

In order to arrive at a supportable opinion of value, it was necessary to utilise both documented and hearsay evidence of market transactions. A concerted effort has been made to verify the accuracy of the information contained herein. Accordingly, the information is believed to be reliable and correct and has been gathered according to procedures and principles which are laid down by the Royal Institution of Chartered Surveyors. Comparable sales prices have been obtained from the Cayman Islands Land Registry, or as reported to us by the Realty Companies active in the subject area or by published reports.

The opinion of market value excludes the following:-

- a) Selling expenses**
- b) Legal fees and expenses**
- c) Stamp duty or other fees levied by Government**
- d) Furniture, contents and possessions**
- e) Sales commissions**

We have assumed no responsibility for matters legal in character, nor do we render any opinion as to title, which is assumed to be good. All existing liens, encumbrances or encroachments, if any, have been disregarded and the property appraised as though free and clear. This report is intended for the sole use of the client and their representatives and no reliance on its contents by third parties will be accepted under the principles of Hedley Byrne & Co. Ltd. –V- Heller &

Partners Ltd., (1963). Photographs, sketches, etc. presented in this valuation report are included for the sole purpose of illustration.

No legal survey or soil test reports concerning the subject property have been presented to us. Accordingly, no responsibility is assumed concerning these matters, or other technical or engineering techniques which would be required to discover any latent or inherent hidden defective condition of the subject property.

For the purposes of this valuation, therefore, we have assumed that the subject land and property are free from any defects as stated. Parcels sizes have been obtained from the Land Register unless otherwise stated. The property rights valued exclude any mineral rights or values arising therefrom.

Possession of this valuation report, or a copy thereof, does not carry with it the right of publication. Neither the whole nor any part of this valuation report or any reference thereto may be included in any published document, circular or statement, nor published in any way without the valuer's written approval of the form and context in which it may appear.

It is assumed that there are no charges against the subject property which would have a bearing on the market value, except for those, if any, noted in the report and on the Land Register.

It is assumed that the buildings are structurally sound and in need of no immediate repairs, unless noted within the report. **It is not intended that this valuation report is to be read as a structural survey report.** We have **not** carried out a structural survey nor have we inspected woodwork or other parts of the property which are covered, unexposed or inaccessible, and such parts will be assumed to be in good repair and condition. The report will not purport to express an opinion about or to advise upon the condition of un-inspected elements and should not be taken as making any implied representation or statement about such elements.

We have not arranged for any investigation to be carried out to determine whether or not high alumina cement or calcium chloride additive or any other potentially deleterious material has been used in the construction of this property or has since been incorporated and we are, therefore, unable to report that the property is free from risk in this respect. For the purposes of this valuation, we have assumed that such investigation would not disclose the presence of any such material in any adverse conditions.

We have not arranged for any investigation, inspection or test of any of the services in connection with the subject land and property - gas, electrical, water (cistern, mains, well, hot, cold, waste), drainage (septic tank, sewage disposal or treatment and mains) or air conditioning. We are, therefore, unable to report that the services have been correctly designed and/or installed or that they are in accordance with the byelaws and regulations appertaining to the property. For the purpose of this valuation, we have assumed that such investigation or test would not disclose any adverse defects.

APPENDICES

**INSTRUCTION LETTER
LAND REGISTRY DOCUMENT
MAP AND LOCATION PLANS
PHOTOGRAPHS**

Telephone: 244 3420
Fax: 949 2187
Direct Line: 244 3644
Email: jon.hall@gov.ky



Valuation & Estates Office
Lands & Survey Department
Government Administration
Building, Box 120
Grand Cayman
Cayman Islands, KY1-9000

REF NO.: VAL/20D 175

Mrs. Fleur Vagniez
Blue Point Consultants Ltd.
PO Box 793
Grand Cayman
KY1-1103

19th May 2015

**Confidential
By Email Only**

Dear Mrs. Vagniez,

RE: Valuation on Block 20D Parcel 175

We are pleased to confirm that your proposal to undertake the valuation the above mentioned property for an all-inclusive fee of CI\$600 has been accepted.

As you are aware, the purpose of this valuation is to determine the market value of the parcel on the following two bases, being (a) its present planning zoning of Low Density Residential, and (b) re-zoned to General Commercial in order to assist in determining an appropriate freehold sale transfer value.

According to the outline development proposal which has been furnished to you, Parcel 175 will form an integral part of a larger scheme and therefore please also comment on the extent if any, that an uplift in value arising from a 'special purchaser' scenario may be applicable.

This valuation must be completed by a Chartered Valuation Surveyor who should be a Registered Valuer. This valuation must also be undertaken in accordance with the provisions of our Valuation Instruction Agreement (attached) and the RICS Valuation Professional Standards - January 2014. Please return a signed copy of this letter and instruction agreement.

The deadline for completing this valuation is 5 pm on Tuesday 2nd June 2015.

If you require additional information, please contact us on the above number or by email.

Yours sincerely,

A handwritten signature in black ink, appearing to be "Jon Hall", with a long horizontal flourish extending to the right.

Jon Hall
Chief Valuation Officer
For Director, Lands & Survey

Valuation Instruction Agreement

Compliance

The VEO will only accept Valuation Reports that comply with the most recent RICS Valuation – Professional Standards, Global Edition (currently January 2014), and this document (The VEO Valuation Instruction Agreement).

Appraisal/Valuation Report

The Appraisal Report must contain the following information under the specified headings, and be set out in the order shown below.

1. Executive Summary

A 'bullet point' summary in relation to the Property, in particular commenting upon, identifying and/or confirming, as appropriate:

- (i) likely demand and purchasers;
- (ii) volatility of property performance, capital value and rental value or fair, maintainable operating profit;
- (iii) access;
- (iv) any title issues requiring further investigation;
- (v) any pertinent issues, whether adverse or otherwise, requiring further investigation; and
- (vi) necessary capital expenditure (if any).

2. Location

A description of the general location, together with a further detailed account of the immediate area in which the Property is located. An area map detailing the Property with its boundaries edged clearly and/or such other maps/extracts or plans as are deemed appropriate should be provided.

3. Description

A concise description of the Property together with the type of construction, the property's suitability and flexibility for other uses, as required. Photographs of the Property showing it in context are necessary and should be appended to the report.

4. Accommodation

For buildings where accepted practice requires Valuer's to state areas, these should be measured in accordance with the current Code of Measurement Practice of the RICS. If physical measurement of the property is not possible confirmation should also be provided as to whether the measurements have been derived from on-site measurements, scale plans, Caymap or the Land Register.

For built property full details of the existing accommodation should be made, together with your opinion of the adequacy of:

- (i) the unit layout(s) and size(s);
- (ii) the standard of finishes, fixtures, fittings and facilities;
- (iii) the common areas;
- (iv) the internal and external amenities;
- (v) any staff accommodation;
- (vi) car parking provision/facilities; and
- (vii) other factors the Valuer deems relevant.

For raw land, the area, approximate shape and height range above sea level of the site will be sufficient.

5. Condition

Concise comment is required on the external and internal condition of existing buildings. Specific comment is required on any defect that can be reasonably identified on inspection that may have an adverse effect on its future marketability and the estimated useful remaining lifespan, both functional and economic.

If a more detailed investigation of any defect or suspected defect is considered appropriate, the VEO should be made aware immediately.

6. Statutory Enquiries

A statement is required as to (where appropriate):

- (i) the current zoning of the Property;
- (ii) the availability and nature of existing planning consent(s);
- (iii) where applicable, whether the building(s) appear(s) to comply with existing planning consent(s) and the terms of any material planning conditions or agreements existing in relation to the Property;
- (iv) the likelihood and timing of achieving planning and building consents for any assumed Works to be undertaken and the likely nature of any material planning conditions that may be imposed;
- (v) the availability of appropriate licences etc., required for the occupation/business(es) carried on and/or proposed to be carried on;
- (vi) the condition and suitability of the access to the Property and whether the access roads have been adopted by the NRA.
- (vii) any affect on the property due to a proposed road scheme.

Oral inquiry of the appropriate authorities may be sufficient but the VEO should be advised if it is considered that written confirmation is necessary.

7. Services

Detail the services provided and/or to be provided. General comment is required on the condition of existing services, any obvious defects and estimated useful remaining life span. Comment should include not only the main utility services but also, where appropriate, air-conditioning, comfort cooling, chilled ceilings, lift equipment, raised floors, perimeter trunking, suspended ceilings, sprinkler systems, kitchen and catering equipment, etc.

Plant and machinery should be considered only insofar as it forms/will form an integral part of the Property for letting or sale purposes. Where the basis of valuation reflects a commercial occupation being carried on from the Property, comment should be made on the condition and remaining life expectancy of any trade fixtures and fittings which are/will be required for the future operation of the business.

8. Site and Ground Conditions

Where appropriate, the total site area, shape and principal dimensions and topography should be stated along with details and sizes of any external areas.

If there is evidence that the Property has been affected by any adverse ground conditions this should be specified together with an opinion as to the likely effect of such on the future marketability and

value. If there are known adverse ground conditions in the locality, even if the Property shows no apparent signs of being affected, the VEO must be advised.

9. Environmental Issues

The VEO will advise if it is aware of any contamination to the Property and make available any specialist reports in its possession. All such reports must be regarded as confidential and their existence and the contents thereof may not be disclosed to any other party, without prior written permission.

It is recognised that a firm of Surveyors is not in a position to give formal comment on the implications of site contamination. However, in order that the VEO can fully assess its position, informal comment as to the potential for contamination is required.

The VEO should be advised and provided with an opinion as to whether a full specialist environmental assessment is necessary, if it is observed during the course of inspection and/or considered that:

- (i) the Property and/or its immediate locality is being or has been used for the manufacture, storage and/or sale of hazardous/toxic materials such as chemicals, petroleum products, pesticides, fertilisers, acids, explosives, paint or any other hazardous materials; and if
- (ii) (a) deleterious or hazardous materials or techniques have been used in the construction of any existing building or have subsequently been incorporated into the structure;
(b) there may be water or land pollution on or close to the Property;
(c) the Property is on or near to a landfill site;
(d) there are storage tanks below ground; or
(e) nearby incinerators or chimneys giving off heavy emissions;
- (iii) there are any adverse ground conditions in and/or uses of adjoining properties which might give rise to ground/soil contamination.

Where an environmental report has been provided the Valuer should advise the VEO as to the impact of the content of such on the marketability and value of the Property.

10. Tenure

Tenure should be stated and, if leasehold, details of the principal lease terms should be provided. Detail and comment upon any known Easements or Rights of Way, Light or Escape that may affect the use or value of the Property.

11. Occupational Leases and Other Agreements

Full details should be provided of existing or proposed free or tied leases, tenancy agreements, franchises etc.

Comment is required as to the appropriateness of such, having regard to prevailing market practice or conditions and on any adverse impact of the same on:

- (i) rental and capital performance; and
- (ii) letting or sale prospects; and
- (iii) net income having regard to rent payment and collection arrangements, tenant incentives, irrecoverable void costs, maintenance repair and insurance costs etc.

12. Development Issues

Comment should be made with regard to the adequacy of any assumed project, in relation to:

- (i) projected development costs (including site clearance and remediation, infrastructure and construction fees, etc);
- (ii) the level of development profit; and
- (iii) the achievability of the development timescale.

Comment should also be made as to the market perception of the developer, contractor and/or professional team and the availability of any warranties.

13. Market Trends and General Comments

Where appropriate, a concise history of recent market conditions that have affected the Property is required, together with an opinion as to the likely market trends that may affect the Property performance along with rental and capital values in the immediate future.

Having regard to condition, obsolescence and any planning applications, consents or proposed developments in the locality which would have an effect, either adverse or beneficial, on the Property and other relevant information; specific comment is required on the following issues:

- (i) the value and marketability in comparison to other competing properties and schemes in that market sector i.e. how is the Property placed in comparison to the rest of the market in which it competes; and will it perform better or worse than its peers?
- (ii) a complete and thorough commentary of the rationale behind the valuation figure stated, including but not limited to, an explanation of how that figure has been reached with reference to the comparable data listed and any adjustments made and why;
- (iii) the volatility of the sector compared to the market as a whole;
- (iv) in the event of the Property remaining or becoming vacant (in whole or part), its letting prospects;
- (v) in event of refurbishment or redevelopment, the letting or sale prospects of the refurbished or new building, having regard to the timescale to complete such works;
- (vi) the merits and defects of the Property as these might relate to its value and marketability;
- (vii) the proposed purchase/disposal price of the Property, as applicable; and
- (viii) the number and nature of potential purchasers;

14. Trading Performance and General Comments (Trading Related Property only)

Where appropriate, an opinion as to the current trading performance and future trading prospects of the business is required. Copies of trading accounts and projections etc. should be sought and where such information is not available you should advise the VEO accordingly, and comment specifically on the impact the absence has on the accuracy of your advice to the VEO.

For an existing business you are expected to analyse and comment upon, where available, the historical trading figures for the three trading years ended immediately prior to the date of valuation, together with any projections covering current year and future trading performance, the relative underlying assumptions and the reasonableness of the same.

For a proposed new venture the Valuer is expected to analyse and comment upon, where available, any business plans/projections covering current year and future trading performance, the relative underlying assumptions and the reasonableness of the same.

Comment is also required as to:

- (i) the state and volatility of the local market in which the business competes;

- (ii) the number and nature of competing establishments and the position of the business within its local market;
- (iii) **a complete and thorough commentary of the rationale behind the valuation figure stated, including but not limited to, an explanation of how that figure has been reached with reference to the comparable data listed and any adjustments made and why;**
- (iv) the sources of existing and/or projected turnover, respective gross profit percentages and operating costs and the appropriateness of the same;
- (v) existing and/or projected staffing levels and the appropriateness of the same;
- (vi) the suitability of the Property for its current, proposed and any alternative use;
- (vii) the adaptability of the Property to a different and more profitable style of operation;
- (viii) potential impact on the business of implementation of existing or likely new legislation affecting the sector; and
- (ix) the skills and experience of the existing and/or proposed owner(s) and/or management team and the extent to which you consider trading levels might be affected by the departure of any key personnel.

It should be clear in the report what the Valuer considers to be the fair maintainable operating profit of the existing/proposed business and, where applicable, the period required to achieve that level, having regard to RICS Professional Standards VPGA 4 and IVS 200.

A full explanation of how the opinion of the fair maintainable operating profit has been arrived at should be provided, along with the calculation and a note of all assumptions.

Where significant expenditure is necessary and/or proposed to secure the fair maintainable operating profit used in establishing the opinion of Capital Value, the amount of such should be identified and comment made on the adequacy of the same.

A schedule of comparable evidence and a detailed analysis of the factors that have been considered when comparing the Property to any comparative properties should be provided.

15. Rental Value

If a lease has been or will be granted in respect of the Property, opinion should be provided of its current market rent, as at the date of the report, with your justification for this opinion.

A schedule of comparable evidence and a detailed analysis of the factors that have been considered when comparing the Property to any comparable properties should be provided.

Opinion as to the current rental value of the Property assuming completion of any assumed Works as at the date of the report will be required, together with justification for this opinion. Any factors that the Valuer considers likely to impact on achievable rental levels at completion of the assumed Works should be identified.

16. Capital Value

Opinion is required at the date of the report as follows:

A. For all property:

- (i) the Market Value (MV) of the Property in its existing state;
- (ii) whether any alternative uses for the Property might give rise to a higher Market Value (MV), the nature of such use and level of Market Value (MV) in such circumstances;
- (iii) the Market Value (MV) on any special assumptions that the Valuer in his/her professional judgment feels appropriate;
- (iv) If applicable, the Fair Value of the property.

B. For trading related property:

- (i) the Market Value (MV) of the Property on the special assumption that it is fully equipped as an operational entity and is valued having regard to trading potential;
- (ii) the Market Value (MV) of the Property on the same basis as B.(i)., but subject to the following special assumptions:
 - (a) the timescale allowed for disposal is six months or less;
 - (b) the Property is vacant;
 - (c) the accounts and records of trade would not be available or relied upon by a prospective purchaser;
 - (d) the business is closed; and
 - (e) the Liquor/other licences, consents, certificates, permits etc., are lost or in jeopardy.

With regard to B.(ii), advice should be provided as to realistic periods of time that will be required to achieve the stated values, and any factors which are considered to adversely affect the Property performance and rental and/or capital values.

If a capital deduction has been made to cover the likely cost of essential repairs/remedying defects, this should be highlighted. Where it is agreed with the VEO that an alternative basis of valuation is more appropriate the definition should be attached to the report to the VEO.

In many instances a property may have more than one value, i.e. subject to a lease or with vacant possession. An opinion should therefore be given as to the price likely to be paid by different purchasers, as appropriate for the circumstances.

Comment should be provided where any special assumptions are made in arriving at the opinions of value.

17. Publication & Valuer's Signature

Your report may be tabled within the Legislative Assembly of the Cayman Islands, and/or be subject to a Freedom of Information request. The report will state that you allow publication of the report in these circumstances.

It is required that valuation commissions for VEO are undertaken by an RICS Registered Valuer, however, regardless of who has undertaken the valuation instruction on behalf of the VEO, **each report must be countersigned by a competent Chartered Valuation Surveyor**, who will declare that he/she accepts full responsibility for the content, conclusions, advice and figures reported.

Please note that reports cannot be prepared by a firm and as such the Valuer responsible must always be identified.

AGREEMENT

I verify my firm’s agreement to adhere to the reporting requirements of this document.

(Name) _____ (Position) PARTNER / DIRECTOR

(Firm) _____

(Signature) _____ (Date) _____



CAYMAN ISLANDS
LAND REGISTER

Edition 5
Opened 20 FEB 2012

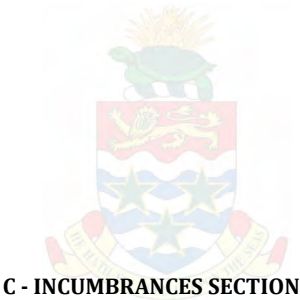
A - PROPERTY SECTION

Ownership Type	Crown / Private	APPURTENANCES 	Block and Parcel No. 20D 175	
Nature of Title			Registration Section	GEORGE TOWN EAST
Origin of Title			Name of Parcel	
First Registration	07-Apr-1975		Approximate Area	3.23 Acre (See Survey Plan 51/033, 51/706, PCM 244 & Gaz 4/2011 dated 14-Feb-11) (M 9561) SEB
Mutation No.				

B - PROPRIETORSHIP SECTION

Entry No.	Date	Instrument No.	Name and Address of Proprietor(s)	Signature of Registrar

Block and Parcel No. 20D 175
Edition 5



C - INCUMBRANCES SECTION

Entry No.	Date	Instrument No.	Nature of Incumbrance	Further Particulars	Signature of Registrar
1	07/04/75	A. Record	Easement	A Right of Way as indicated on the Registry Map. (MRCU)	J WITTER

Aerial Map 20D 175



Legend

- Parcels ID
- Parcels - Map Tips ID

5/21/15 2:57 PM

1:2,416



Notes

[Add Map Notes]



CROWN PARCEL - 20D 175



Legend

- Parcels ID
- Parcels - Map Tips ID

5/1/15 8:59 AM

1: 2,416

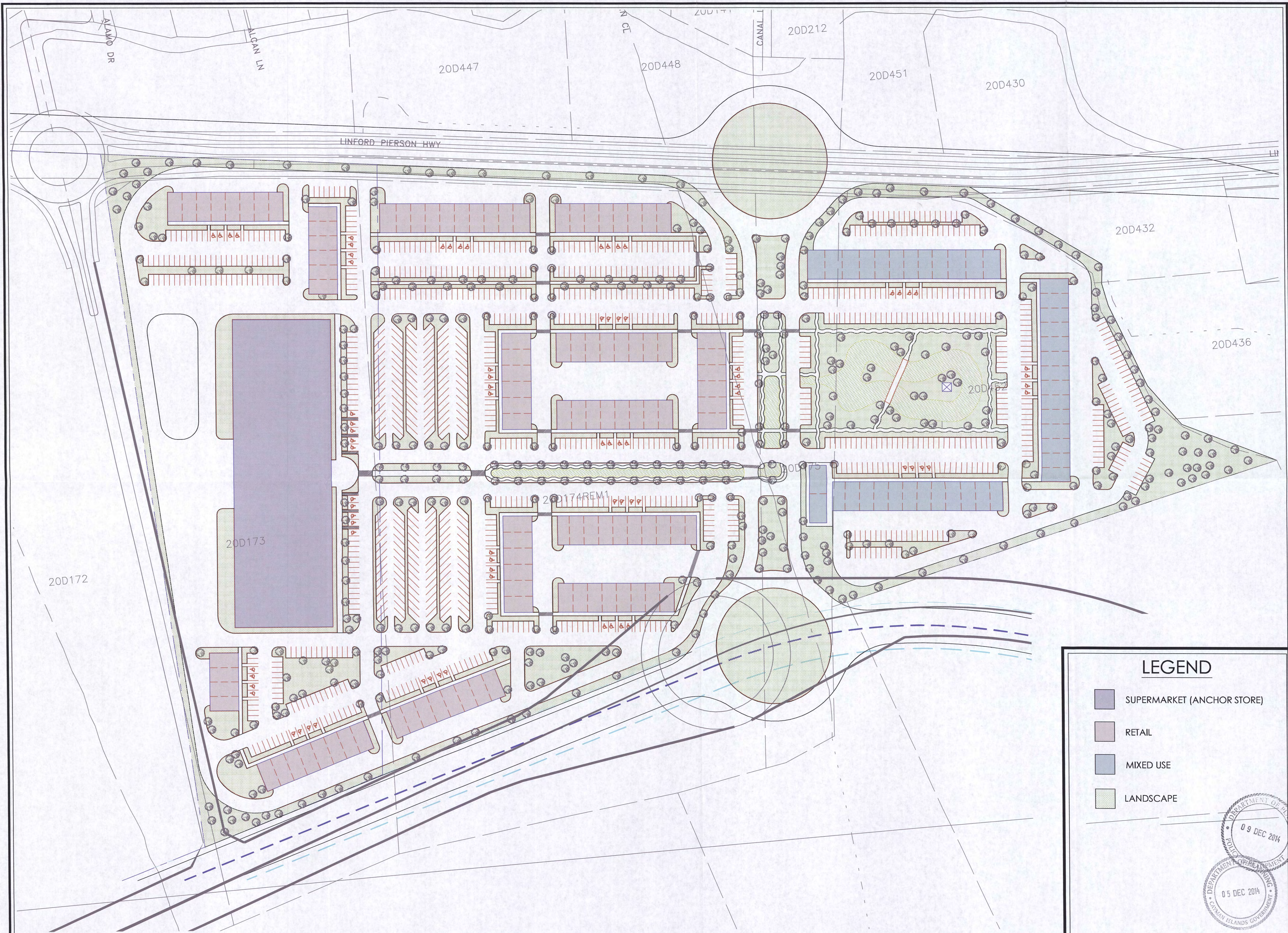


Notes

[Add Map Notes]

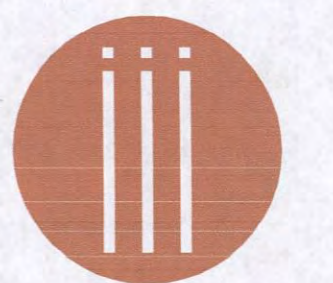
This map is a user generated static output from Caymap and is for reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable.

402.7 0 201.33 402.7 Feet



01 SITE PLAN

1/64" = 1'-0"



TRIO

DESIGN CONSULTANTS, LLC.

17100 COLLINS AVE, SUITE 220
SUNNY ISLES BEACH, FL 33160

T: 305.940.0555
F: 866.294.3579

PROJECT

CAYMAN
SOUTH LAND VILLAGE

GRAND CAYMAN

CAYMAN ISLANDS

TEAM

EXETER
PROPERTY DEVELOPMENT

THE
PHOENIX
GROUP

REVISIONS

No.	DATE	DESCRIPTION

PROJECT PHASE

- ☐ SITE PLANNING
☒ SCHEMATIC DESIGN
☐ DESIGN DEVELOPMENT
☐ WORKING DRAWINGS

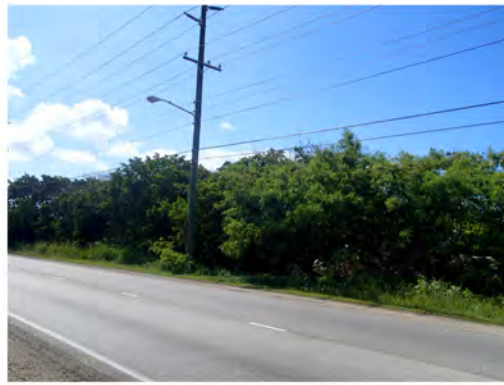
SITE PLAN

PROJECT NUMBER:	SOU01
ISSUED:	06/27/14
DRAWN BY:	JCA
CHECKED BY:	DBR
FILENAME:	SOU01
SEAL	SHEET

SP-3.0



North section and Linford Pierson Highway



North Section



Linford Pierson Highway facing West



Linford Pierson Highway facing West



Linford Pierson Highway facing East



Entrance to South dirt track road



South section



Southern section



East boundary



East boundary



Central East boundary



Central East boundary



Dirt track road

VALUATION REPORT
Freehold Land Parcel



LOCATION

George Town East
Block 20D Parcel 175
Grand Cayman
CAYMAN ISLANDS

ISSUE DATE OF REPORT

28th May 2015

DDL REFERENCE

20063/UO

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1. VALUATION SUMMARY:**1.1. Market Value:**

In our opinion the Market Value of the freehold interest in the subject property, with vacant possession, as at the date of valuation, is: -

CI\$495,000 (Four Hundred and Ninety Five Thousand Cayman Islands Dollars)

1.2. Market Value assuming zoning is changed to General Commercial

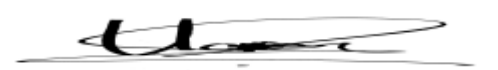
In our opinion the Market Value of the freehold interest in the subject property as at the date of valuation assuming the zoning is changed from Low Density Residential (LDR) to General Commercial (GC), is

CI\$565,000 (Five Hundred and Sixty Five Thousand Cayman Islands Dollars)

1.3. Declaration:

These valuation figures are based on the information contained in this report and we recommend that you read and consider the entire report prior to entering into any binding agreement, or taking action based upon these figures.

We confirm that the property has been inspected by Mr. Uche Obi, who undertook this valuation and prepared this report. As Mr. Obi has no conflict of interest with the property, client, or property owner, he is not disqualified from reporting on the property.



.....
Uche Obi, MA FRICS
RICS Registered Valuer (Reference #0102048)
Chartered Valuation Surveyor
For and on behalf of DDL Studio Ltd.
P.O. Box 31318
Grand Cayman KY1-1206
Cayman Islands, British West Indies

28th May 2015

.....
DATE

2. REGULATORY REQUIREMENTS:**2.1. Valuer's Qualifications and Experience:**

Valuer & Qualifications: Uche Obi, MA FRICS

Experience: Mr. Obi has seventeen years valuation experience of which the last thirteen years has been in the Cayman Islands. Thus, he has sufficient experience and training to undertake this valuation.

Production of Valuation: The valuation, including inspection, collating and analysis of comparable transactions and preparing the report were carried out by Uche Obi, without delegation.

Status of the Valuer: Independent external valuer

2.2. Conflicts of Interest:

Previous Involvements: DDL Studio Limited has not previously valued this property. We further confirm that DDL Studio Ltd. have no ongoing fee-earning relationship with the client, or property owner.

Conflicts of Interest: We confirm that neither the Valuer nor DDL Studio Limited have any conflict of interest in accepting this instruction.

2.3. Compliance:

Standards followed: We confirm that this valuation conforms to RICS Valuation Standards – Global and UK (January 2014).

RICS Regulation: DDL Studio Limited are an RICS Regulated Valuation firm (Registration #0352223). As such our valuations, including this one, may be subject to monitoring under the RICS' conduct and disciplinary regulations.

Disputes: We would be pleased to discuss the contents of this report and our valuation reasoning and process with you, should you have any queries. Additionally, a copy of our Complaints Handling Procedure is available upon request.

3. VALUATION INSTRUCTIONS:**3.1. Client Details and Instructions:**

Client's Name and Address:	Mr Jon Hall MRICS Chief Valuation Officer, Valuation & Estates Office Lands & Survey Department Cayman Islands Government P.O.Box 120, Grand Cayman KY1-9000 CAYMAN ISLANDS
Source of Instructions:	See attached Terms of Engagement/Instruction Confirmation Letter in the Appendix 17 to this report.
Date of Instruction:	19 th May 2015
Date of Inspection:	20 th May 2015
Date of Valuation:	20 th May 2015
Purpose of Valuation:	Proposed disposal We understand that a developer is interested in acquiring the subject parcel as part of a land assembly site for a proposed scheme called 'South Cayman Village'. The plan for the scheme is attached as Appendix 16 with the instruction letter. It shows that the scheme will include a supermarket as an anchor tenant, several retail units and mixed use land.
Basis of Valuation:	Market Value - defined by the Royal Institution of Chartered Surveyors (RICS) as "The estimated amount for which an asset or liability should exchange on the <i>valuation date</i> between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."
Currency Adopted	Cayman Islands Dollars (CI\$)
Other authorised users:	none

4. PROPERTY AND TITLE SUMMARIES:**4.1. Property Summary:**

Registration District:	George Town East.
Registration details:	Block 20D Parcel 175.
Registered owner:	The Crown
Interest to be Valued:	Absolute Freehold interest.
Type of Property:	Undeveloped land split by Linford Pierson Highway.
Registered area of parcel:	3.23 acres (140,699 square feet)
Dimension:	Northern section – 0.50 acres (21,780 square feet) 145 feet wide and average depth of 150 feet. Southern Section – 2.73 acres (118919 square feet) 145 feet wide and average depth of 820 feet.
Zoning:	Low Density Residential (LDR).
Elevation:	The southern section of the parcel has an elevation of 2 to 3 feet. The northern section has an elevation of 3 to 5 feet which gradually reduces to between 1 and 3 feet in the middle section and increases slightly to between 2 and 3 feet at the southern boundary.
Leases and tenancies:	We are not aware of any leases of tenancies in respect of the land.
Use:	At the time of our inspection, the subject parcel was vacant. We have been instructed to provide our opinion of value assuming the zoning is changed from Low Density Residential (LDR) to General Commercial (GC)
Occupation:	Vacant possession

4. PROPERTY AND TITLE SUMMARIES: (continued)**4.2. Title and Land Register Details:**

Gazettes: The Land Register which is attached as Appendix 12 indicates that the parcel was affected by a road scheme with the Section 5 notice declaring the land as a public road published on 14th February 2011 (PCM 244)

We are aware of proposal to widening Linford Pierson Highway in future, however, we do not know if this parcel will be affected.

Easements There is a right of way at the northern boundary of the northern section and at the southern boundary of the southern section. This is shown on the Registry Map attached as Appendix 21. The parcel is not subject to any appurtenances of incumbrances

5. LIMITATIONS & EXTENT OF INVESTIGATIONS:

Our full assumptions and limiting conditions are set out towards the end of this report and we recommend that these are read in full and understood. If you have any questions relating to these please contact us.

In particular we would draw your attention to the fact that our inspection was limited in extent and that we did not test the top soil, or sub-strata, nor services; that it may not have been possible to inspect all areas of the parcel due to vegetation, materials or other impediments, that we have not made planning enquiries; that we have relied upon information from third parties, in particular title information on the Land Register and information on the Lands and Survey Lands Information System (LIS) website and we have not carried out a full legal search.

6. SPECIAL ASSUMPTIONS AND INSTRUCTIONS, RESERVATIONS AND DEPARTURES:**6.1. Market Value assuming change in planning zone:**

In addition to providing our opinion of the Market Value of the land, we have been instructed to provide our opinion of the Market Value assuming the present zoning is changed from Low Density Residential (LDR) to General Commercial (GC). Also, we have been asked to comment on any uplift in value arising from the acquisition by a special purchaser.

6.2. Other Special Assumptions, Reservations and Departures:

We have not been given any other special instructions, nor have reservations to report, nor have departed from the RICS Valuation – Professional Standards January 2014.

7. LOCATION AND DESCRIPTION:**7.1. Location:**

The parcel is located at the eastern section of Linford Pierson Highway close to the Tropical Gardens Roundabout.

Linford Pierson Highway is a primary arterial highway with a single lane in both directions providing access to/from George Town, the capital and business centre of the Cayman Islands, which is approximately 2 miles to the west.

To the east of the parcel is a parcel currently used as a storage for containers while the parcel to the west is being developed into Plant Nursery. There is a residential property to the north of the northern section. The parcels surrounding the southern section are undeveloped. Majority of the parcels to the immediate west have been developed into residential properties while there is a church and a large residential complex called Silver Oaks to the east of the subject parcel.

The exact location of the parcel is highlighted on the copy extract of the Land Registry Map Extract as well as the 2013 aerial photograph attached as Appendix 12 & 13 respectively.

7.2. Parcel Description:

The entire parcel is undeveloped and has an area of 3.23 acres (140,699 square feet) which is bisected by Linford Pierson Highway. The northern section has an area of 0.50 acres (21,780 square feet) while the southern portion has an area of 2.73 acres (118,919 square feet). Each section has a road frontage of 145 feet.

The northern section which can be accessed from Canal Lane which runs off Old Crewe Road, has an elevation of between 2 to 3 feet. The southern portion has an elevation of 3 to 5 feet at section adjoining the road. It gradually slopes down to between 1 and 3 feet in the middle while the rear has a slightly higher elevation of 2 to 3 feet.

There is a track on the parcel to the east of the southern portion which leads to its middle section.

Attached as Appendix 14 are photographs taken during our recent inspection.

7 LOCATION AND DESCRIPTION: (continued)

7.3. Services:

Electricity: Mains electricity is available in the area (Caribbean Utilities Ltd.).

Water: Mains water is available to the parcel

Drainage: No mains drainage is available. A septic tank will be required

Telephones: Full telecommunications services are available to the parcel

8. FACTORS AFFECTING OPINION OF MARKET VALUE:

We have had regard to the following matters in considering our opinion of Market Value of the subject property: -

8.1. Contamination:

Our visual inspection did not reveal any contamination to this, or neighbouring property. However, should such contamination come to light, our reported valuation figures may need to be reduced.

8.2. Flooding:

The Cayman Islands Government's Lands and Survey data indicates that the middle section of the northern section of the parcel is low lying and may be susceptible to some flooding during periods of heavy rainfall.

8.3. Market Commentary:

The Cayman Islands Property market is presently static, having experienced a period of deflation and lower number of sales since approximately late 2008, which resulted from a number of factors combining.

There have been signs of improved conditions recently, which is starting to show in modest increases to values, this being more marked in areas and for types of property for which there are no adverse factors and lower supply. Accordingly, although we would expect the Market Value of this property to rise over the long term, there are few signs of any increase yet from the bottom of the market. This does, however, make property prices in this area relatively appealing to those able to make a purchase.

9. VALUATION

9.1. Comparable Sales Method:

In order to derive a value for the land we have based our valuation on the Sales Comparison or Market Data approach. This is a method of estimating the Market Value by comparing the land to recent sales of similar parcels in this locality with adjustment made for the following factors:-

- a) Location.
- b) Characteristics which would include size, shape, elevation, zoning, road frontage/depth, configuration etc.
- c) Market condition at the time of the sale on the comparable property.

9.2. Valuation Analysis

We have researched sales over the last few years at the Land Registry in this and adjacent blocks although sales in the last few months which have not yet been recorded by Land Registry may be excluded. Our research indicated that the following freehold sales of undeveloped land parcels have taken place within this locality recently: -

Block 20D Parcel 448 – This parcel which was undeveloped is located on the northern side of Linford Pierson Highway and it adjoins the western boundary of the subject parcel. It has an area of 1.672 acres and had an elevation of 2 to 3 feet above sea level. The parcel sold in March 2013 for CI\$298,700 which equates to a rate per square foot of CI\$4.1.

We have been advised by the Government's Planning Department that planning permission was granted on 8th July 2013 for the use of the land as a nursery for plants although it is still zoned Low Density Residential (LDR).

Compared to the subject parcel, this parcel is more attractive as it has a wider road frontage and as it is not split by the road it would be cheaper develop. Also, as it is smaller, it is likely to achieve a higher rate per square foot due to economies of scale, however, the comparable evidence does not show a discount due to size. Both parcels have similar zoning, elevation and as the market values have not altered significantly between March 2013 and our valuation date, no adjustment is required for time.

We are of the view that the subject parcel would achieve a slightly low rate per square foot.

9. VALUATION (continued)

Block 20D Parcel 418 – This parcel has an area of 1.058 acres and it sold in October 2012 for CI\$185,000 which equates to a price per square foot of CI\$4. It is located to the north of the subject parcel along a side street which runs off Crewe road and is parallel to Canal Lane. The parcel is zoned LDR and has an elevation of 3 to 4 feet above sea level.

The subject parcel is in a more prominent location being on Linford Pierson Highway. However, this parcel is smaller than the subject parcel, it has a slightly superior elevation and is not bisected by a road. Therefore, we are of the opinion that the market value of the subject parcel is slightly less than the price achieved on this property

Block 20D Parcel 440 (Now Parcel 447) – this parcel sold in August 2011 for CI\$640,000. Based on its area of 3.672 acres (159,952 square feet) the price paid equates to CI\$4 per square foot. This parcel is located at the western boundary of Parcel 448. It has a road frontage of 375 feet and an elevation of 2 to 3 feet. Although it is zoned LDR we have been advised by the Government's Planning Department that planning permission was granted by the Central Planning Authority (CPA) on 4th September 2013 for the construction of a church.

This parcel is superior to the subject parcel as it has a wider road frontage and is not bisected by the road. Therefore, the market value of the subject parcel is likely to be lower.

Block 23C Parcel 30REM1 – this parcel is located along the East West Arterial Highway between the Ocean club and Red Bay Primary School roundabouts. The parcel has an area of 4.47 acres and it sold in May 2010 for CI\$630,000 (CI\$3.24 per square foot). The parcel had an elevation of 1 to 2 feet with several wet patches in the middle section. At present, the parcel is being developed into a petrol filling station.

We are of the opinion that the market value of the subject parcel is likely to be higher as it has a slightly higher elevation

In conclusion, the above comparable evidence suggests that parcels along Linford Pierson Highway have achieved a rate per square foot of CI\$4. As this parcel is bisected by the road which would make it less attractive to a developer due to the additional cost of development, we have applied a rate per square foot of CI\$3.50 to arrive at a market value of CI\$492,446, say **CI\$495,000**.

9 VALUATION (continued)**9.3. Opinion of Market Value:**

In our opinion the Market Value of the freehold interest in the land, with vacant possession, as at the date of valuation is:-

CI\$495,000 (Four Hundred and Ninety Five Thousand Cayman Islands Dollars).

9.4. Opinion of Market Value assuming zoning is changed from Low Density Residential (LDR) to General Commercial (GC)

We have been instructed to provide a valuation on the assumption that the zoning is changed LDR to GC.

We have not been able to identify any relevant comparable transactions to assist us with determining the market value of the subject parcel assuming it is zoned General Commercial, so we have used our experience and judgement to arrive at a value on this basis.

The Planning Guidelines indicates that permitted uses within the LDR zone include houses, duplexes, semi-detached houses and horticulture. The guides also lists conditional uses which are permitted subject to Central Planning Authority (CPA) approval and advertising. These include guest houses, commercial, religious, social educational development.

For the General Commercial zone, the uses include retail shops, banks, health care restaurants, supermarkets, motor vehicle sales and rentals, bars/nightclubs, gas stations etc.

Comparing the permitted uses mentioned above, it is obvious that the GC zone is wider and more commercial (business) orientated. Also, the subject parcel is located along the main thoroughfare to eastern district and is more suitable for commercial as opposed to residential use. Therefore, we are of the opinion that if the parcel is zoned GC, it is likely to attract a premium. As there is no comparable evidence we have assumed a likely premium would be at least 15% greater than the market value of CI\$3.50 per square foot. This produces a Market Value of CI\$562,795, say CI\$565,000 based on a rate per square foot of CI\$4 per square foot.

9 VALUATION (continued)**9.5. Opinion of Market Value:**

In our opinion the Market Value of the freehold interest in the land, with vacant possession assuming the zoning is changed from Low Density Residential (LDR) to General Commercial (GC), as at the date of valuation is:-

CI\$565,000 (Five Hundred and Sixty Five Thousand Cayman Islands Dollars)

10. COMMENT ON BID FROM A SPECIAL PURCHASER:

We have also been requested to comment on any uplift in value arising from a 'special purchaser' scenario.

We have been informed that a developer is interested in acquiring the land as part of a land assembly site for a proposed scheme called 'South Cayman Village'. The plan which is attached as Appendix 16 shows that the scheme will include a supermarket as an anchor tenant, several retail units and mixed use land.

The developer does not presently own the adjoining parcels, therefore, it is unlikely that the acquisition of the subject land would have an effect on the market value of the adjoining land. However, the parcel may be critical to the development as it is in the middle of the proposed scheme. Therefore, it is likely that the purchaser would be willing to pay a premium which would be arrived at by negotiation. In our opinion the minimum premium the vendor should request is 20% of the market value which equates to **CI\$595,000 (Five Hundred and Ninety Five Thousand Cayman Islands Dollars)**

An alternative way of determining the premium is by undertaking a residual valuation to ascertain the value of the land to the developer, however, we would need information on the proposed scheme, construction cost as well as anticipated rents to undertake this valuation. This has not been provided.

11.0 Terms and Conditions:

The following are the terms and conditions (the “Terms and Conditions”) on which we, DDL Studio Ltd will provide certain services (the “Services”) to you as set out within the attached Letter of Engagement. The Letter of Engagement and the Terms and Conditions are together referred to as the “Contract” or “the Engagement”.

11.1 The Contract Between us:

11.1.1 This Contract represents the entire understanding and constitutes the entire agreement between the parties in relation to the services to be undertaken and supersedes any previous agreement between the parties as to such subject matter. Each party acknowledges and agrees that in entering into this Contract it has not relied on any representation or warranty or undertaking other than those expressly within this Contract and, except in relation to any liability for fraudulent misrepresentation, neither party shall be under any liability or shall have any remedy in respect of misrepresentation or untrue statement unless and to the extent that a claim lies under this Contract.

11.1.2 If we have already started work (e.g. by inspecting the property, by gathering information or giving initial advice) then you agree that this Contract applies retrospectively from the start of our work.

11.2 Reports and Advice; Communications:

11.2.1 Reliance on Drafts or Oral Advice: You shall not place reliance on oral advice or draft reports, conclusions or advice, issued by us, as the same may be subject to further work, revision and other factors which may mean that such drafts are substantially different from any final report or advice issued.

11.2.2 Use and Purpose of Advice and Reports: Any advice given or report issued by us is provided solely for your use and benefit and then only in connection with the purpose in respect of which the Services are provided. You shall not provide such report or advice to any third party without our prior written consent, which we may at our discretion grant, withhold or grant subject to conditions. In no event, regardless of whether consent has been provided, shall we assume any liability or responsibility to any third party to whom any advice or report is disclosed or made available and you will indemnify us against all claims resultant from your breach of this clause 7.2.2.

10.3 The Services and our Respective Responsibilities in Relation to them:

11.3.1 The scope of the Services and any reports to be provided under this Contract together with our responsibilities for them are as described in the Letter of Engagement. Unless specifically agreed otherwise between you and us, all dates given or specified by you for the supply of the Services are intended for planning and estimating purposes only and are not contractually binding.

11.3.2 You agree that (except as otherwise specifically notified to us by you in writing) all information provided by and on your behalf in respect of the Services is complete and accurate and is not misleading (either on its face or by inference or omission) and that there are no other material facts known to you that may be relevant to us in carrying out the Services and further that we may rely on such information. Any reports issued or conclusions reached by us may be based upon information provided by and on your behalf. Accordingly, we assume no responsibility and make no representations with respect to the accuracy or completeness of any information provided by you and on your behalf.

11.0 Terms and Conditions: (Cont'd)

11.3 The Services and our Respective Responsibilities in Relation to them: (Cont'd)

11.3.3 Where you are using third parties to provide information, materials or other assistance in support of the Services, or you are employing other suppliers whose work may affect our ability to deliver the Services, you will be responsible for the management of such persons and their performance, including the timeliness and quality of their input and work

11.3.4 You agree that you will apply your independent judgment to evaluate any report advice or recommendations we give you. You will be responsible for deciding whether our recommendations make sense in the context of your situation and whether you wish to rely on, implement or act on them, including the actions necessary to realize any expected benefits. (i.e. you must use reasonable judgment in deciding whether to rely on it after our advice in the extent that they apply specifically to you.

11.3.5 Unless the Letter of Engagement specifies otherwise, you agree that any report prepared pursuant to the Services will be deemed accepted by you when it is delivered to you in its final form.

11.4 Fees:

11.4.1 Fee Basis: Our fees will be charged on the basis set out in the Letter of Engagement or as otherwise notified to you. Any deposits, part or full payment are non-refundable except where no substantial work has been undertaken by DDL Studio Limited. You will be contractually liable for the fees in agreed in full, upon signing these Terms and Conditions and/or the Letter of Engagement.

11.4.2 Payment of Fees: The timing for payment of fees and expenses shall be of the essence. If we do not receive payment of any invoice within 30 days of the invoice date we shall be entitled, without prejudice to any other rights that we may have, to charge you interest accruing on the sum due to us at the rate of 3% above the base rate of the CNB Bank from time to time calculated on a daily basis from the date of the relevant invoice until the date of payment in full.

11.5 Other Consultants:

11.5.1 Your Responsibility for Other Parties: You shall be solely responsible for the work and fees (which shall be paid directly by you) of any other party (including co-consultants and contractors) engaged by you, or by us on your behalf, to participate in the Engagement regardless of whether such party was introduced to you by us. Except as provided in the Letter of Engagement we shall not be responsible for providing or reviewing specialist advice or services including surveying, legal, due diligence or any other investigative services.

11.5.2 We will have no liability for services or products that we reasonably need to obtain from others in order to provide our Services, including services provided by Lands & Survey Department of the Cayman Islands government.

11.6 Changes To Services and To The Contract:

11.6.1 Either party may request changes to the Services. We shall work with you to consider and, if appropriate, vary any aspect of the Engagement, subject to payment of reasonable additional fees and a reasonable additional period to provide any additional Services. Any variation to the Contract, including any variation to fees and services shall only be effective if set forth in a supplemental letter of engagement signed by both parties and shall form part of the Contract and to which these Terms and Conditions shall apply.

11.0 Terms and Conditions: (Cont'd)

11.7 Liability:

11.7.1 Limitation of our Liability:

(a) We will seek to provide a service such as would be expected of a small local firm of professional consultant surveyors and we will use reasonable skill, care and diligence in the provision of the Services. We agree with you to limit liability, including consequent and contingent liability, to a multiple of three times the valuation fee. We will not accept liability for any loss, or damage in excess of this figure.

(b) Nothing in this Contract shall exclude, restrict or prevent a claim being brought in respect of any liability arising from fraud or other liabilities which cannot lawfully be limited or excluded.

(c) We shall not accept liability for any loss, damage, cost or expense arising from (i) any breach by you of your agreement with us or any act or omission of any other person or (ii) any use by you of our reports or Services for a purpose other than as set out in the Letter of Engagement.

(d) Our liability to you and to all other persons who we both have agreed may have the benefit of and rely on our work on the terms hereof (you and they each "a Beneficiary") to pay damages as a direct result of breach of contract or negligence or any other tort by us in connection with or arising out of the Engagement or any addition or variation thereto shall be limited to that proportion only of your actual loss which was directly caused by us and in any event our liability shall in no circumstances exceed in aggregate the amount specified in the Letter of Engagement or, if no amount is specified in there, the amount of the fees paid by you to us under this contract. In any event, we will not be liable for any indirect, special and consequential loss, and/or any loss which is caused by circumstances beyond our reasonable control.

(e) Any liability which we may have to you under or in connection with this Contract for losses suffered by you shall (so far as permitted by law) be limited to such an amount as is finally determined to be just and equitable, having regard to the extent of responsibility for those losses of us, you (including your directors, officers, employees or agents), and any person other than us who is jointly or severally liable to you for all or part of the same losses, provided always that our liability to you shall not under any circumstances exceed in aggregate the amount set out in this contract. Any limitation or exclusion or restriction on the liability of any such other person under any jurisdiction, whether arising under statute or contract or resulting from death, bankruptcy or insolvency, or any settlement of such liability agreed with you, shall be ignored for the purposes of determining whether that other person is liable to you and the extent of responsibility of that other person to you.

(f) Where there is more than one Beneficiary of the Services, the limit of liability specified in clause 7.1(a) above will have to be allocated between all Beneficiaries. No Beneficiary shall dispute or challenge the validity, operation or enforceability of this clause on the grounds that no such apportionment has been so agreed or on the grounds that the agreed share of the limitation amount so apportioned to any Beneficiary is unreasonably low.

(g) We have no responsibility for anything that is beyond the scope of the Services defined in the Letter of Engagement. In particular, we have no obligation to provide, nor any liability for advice, or failure to advise, on the condition of a property (unless specifically instructed to carry out a formal building survey).

11.0 Terms and Conditions: (Cont'd)

11.7 Liability: (Cont'd)

11.7.1 Limitation of our Liability: (Cont'd)

(h) This contract is between the Client and DDL Studio Ltd. only and no duty of care or liability is intended to be extended to any individual employee, consultant, director performing the work on behalf of DDL Studio Ltd. (whether professionally qualified or not). The Client agrees not to pursue any claims in contract, tort or for breach of statutory duty (including negligence) against any individuals working for DDL Studio Ltd. in carrying out its obligation under the Engagement at any time, whether named expressly in the Appointment or not. The Client acknowledges that such individuals are entitled to enforce this term of the Appointment pursuant to the Contracts (Rights of Third Parties) Act 1999.

11.7.2 Liability Limitation and the Provision of Information: Notwithstanding clause 7.7.1(b) and 7.7.1(d), but subject always to clause 7.7.1(a), in no circumstances shall we be liable to pay any damages to you for losses arising out of or in any way connected with the provision of information to us by you or your failure to provide information to us either punctually or at all or any fraudulent act, misrepresentation or wilful default on your part.

11.8 Miscellaneous Provisions:

11.8.1 Actions Required by Law: Nothing in the Contract shall prevent us from taking all such action as may be required by law or statute or to comply with the regulations of any relevant professional or regulatory bodies. This includes compliance with Anti-Money Laundering Regulations.

11.8.2 Conflict: In the event of any conflict between the Terms and Conditions and the Letter of Engagement, the Terms and Conditions shall prevail. In the event and only to the extent of any conflict between the Letter of Engagement and any referenced or attached document the Letter of Engagement will take precedent.

11.8.3 Force Majeure: Neither party shall be liable for any failure or delay in performing any of its obligations hereunder if such failure or delay is caused by an event outside of that party's reasonable control.

11.8.4 Waiver of Remedies: No forbearance, delay or indulgence by either party in exercising or enforcing the provisions of this Contract shall prejudice or restrict the rights (whether provided by this Contract or by law) of that party nor shall any waiver of its rights operate as a waiver of any subsequent breach and no right, power or remedy herein conferred upon or reserved for either party or available by law is exclusive of any other right, power or remedy available to that party (whether under this Contract or at law)

11.8.5 Severability: If any provision in this Contract is, in whole or in part, held by a court or administrative body of competent jurisdiction to be illegal, invalid or unenforceable under any enactment or rule of law then that provision or part thereof shall to that extent be deemed not to form part of this Contract and the enforceability and validity of the remainder of this Contract shall not be affected. Provided always that if any such deletion substantially affects or alters the commercial basis of these Terms and Conditions the parties shall negotiate in good faith to amend and modify them as may be necessary or desirable in the circumstances.

11.8.6 Rights of Third Parties: No person who is not a party to this Contract shall have any rights to enforce any of its terms.

11.8.7 Assignment: Neither of us may assign nor otherwise transfer the benefit of this Contract without the prior express written consent of the other, including any successor to our business. Further, neither of us will directly nor indirectly transfer any claim against the other arising out of this Contract to any other person.

11.0 Terms and Conditions: (Cont'd)

11.8 Miscellaneous Provisions: (Cont'd)

11.8.8 Interpretation: “DDL Studio Ltd “we”, “our” and “us” refers to DDL, a limited liability partnership registered in The Cayman Islands and includes all owners, directors, employees and agents of all such entities. References to “Addressee(s)”, “you” and “your” refers to the original addressee(s) of the Letter of Engagement on whose behalf this Contract was acknowledged and accepted, together with any other persons whom we have agreed in writing may have the benefit of the Services or to whom we have assumed a duty of care in respect of the Services under written arrangement with them, provided that such other persons have agreed to the terms of this Contract.. We use the word partner to describe a member of DDL Studio Ltd. in their capacity as such.

11.8.9 Governing Law: This Contract (including all contractual and non-contractual rights and obligations arising out of or relating thereto) shall be governed by and interpreted in accordance with The Cayman Islands Law. Each party hereby irrevocably agrees to submit to the exclusive jurisdiction of the courts of The Cayman Islands in respect of any claim, dispute or difference of whatever nature concerning the Contract and any matter arising from it.

11.8.10 Dispute Resolution: The parties will attempt to resolve any dispute that may arise under or in connection with this contract by negotiation. If after a reasonable time any dispute has not been resolved by negotiation, then subject to both parties’ consent in writing, the parties may refer the dispute to mediation. A copy of our Complaints Handling Procedure is available upon request

11.9 Valuation-Specific terms:

11.9.1 RICS Valuation Standards: All valuations are carried out in accordance with the latest edition of the Valuation Standards published by the Royal Institution of Chartered Surveyors, (“the Valuation Standards”) and are undertaken by appropriately qualified valuers as defined therein.

11.9.2 Valuation Basis: Unless stated otherwise within the report, we have adopted ‘Market Value’ and its interpretative commentary as the basis of valuation in accordance with the Valuation Standards, which is defined as:

“The estimated amount for which an asset or liability 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 the parties had each acted knowledgeably, prudently and without compulsion.”

It should be noted that the interpretive commentary of the Valuation Standards makes it clear that, amongst other things, the valuation assumes that the appropriate marketing period had occurred prior to the valuation date and that simultaneous signing of contract and closing/completion of the sale took place on the valuation date. Our valuations are, therefore, based upon the facts and evidence available as at the date of valuation.

We would also draw your attention to the fact that we are required to assume that the buyer will purchase in accordance with the realities of the current market, and with current market expectations, and that the seller will sell the property at market terms for the best price attainable in the open market after proper marketing, whatever that price may be.

No allowances are made in our valuations for any expenses of realization that would be incurred on a sale, or to reflect the balance of any outstanding mortgages, either in respect of capital or interest accrued thereon. Costs of acquisition are also not included in our valuations.

Unless it has been made apparent by an express statement within this report we have assumed that vacant possession is provided.

11.0 Terms and Conditions: (Cont'd)

11.9 Valuation-Specific Terms: (Cont'd)

11.9.3 Information Supplied: We have assumed that where any information relevant to our valuation is supplied by you, or by any third party at your instigation, it is correct and comprehensive, and can be safely relied upon by us in preparing our valuation.

11.9.4 Documentation and Title: Unless specifically instructed, we do not read legal documentation and we take information from the Land Register and assume that this comprises a full and legally accurate record of all relevant title information. Unless shown on the Land Register, or expressly disclosed to us in writing we assume that the title, property and all documentation are free from any unusual or onerous easements, restrictions, covenants, encumbrances, Gazettes (compulsory purchase notices), or other outgoings which would adversely affect the value of the relevant interest(s) and that good title can be shown.

We have taken the boundaries of the property to as marked on the Lands and Survey Land online Land Information System (LIS) and no on-site boundary measurements are taken.

Where legal documentation is provided to us, we will have regard to the matters therein but recommend that reliance should not be placed on our interpretation thereof without prior verification by your legal advisors.

Unless notified to the contrary, we assume that each property has a good and marketable title and is free from any pending litigation or accrued liabilities. In respect of leasehold properties, we will assume that your landlord will give any necessary consents to an assignment and that there are no unusual or onerous provisions in the lease or any side agreements.

11.9.5 Inspections: We undertake such inspections and investigations as are, in our opinion, necessary to produce a valuation which is professionally adequate for its purpose.

Our inspection was undertaken from floor level and the substructure, superstructure, services and finishes were not opened up, exposed nor inspected where concealed. Our inspection was visual only, non-destructive and non-intrusive. Large items of furniture, fittings and chattels were not moved and areas concealed in this manner could not be inspected. We cannot comment upon nor accept liability for defects or damage concealed in this manner or otherwise not visible during our inspection and our valuations are prepared on the basis that an inspection or survey of those parts which have not been inspected would not reveal material defects or cause the Valuer to alter the valuation materially.

11.9.6 Tenancies (in the Case of Commercial Properties): Unless disclosed to us, it is assumed that all properties are subject to normal outgoings and that tenants are responsible for all repairs, the cost of insurance and payment of rates and other usual outgoings, either directly or by means of service charge provisions.

Unless we state otherwise, it is further assumed that rent reviews are on an upward-only basis to the open market rent and that no questions of doubt arise as to the interpretation of the rent review provisions in the lease. We assume that neither the landlord nor the tenant may terminate the lease prematurely.

11.9.7 Tenant's Covenant Strength: Unless specifically requested, we do not make detailed enquiries into the covenant strength of occupational tenants but rely on our judgment of the market's perception of them. Any comments on covenant strength should therefore be read in this context. Furthermore, we assume, unless otherwise advised, that the tenant is capable of meeting its financial obligations under the lease and that there are no arrears of rent or other payments or undisclosed breaches of covenant.

11.0 Terms and Conditions: (Cont'd)

11.9 Valuation-Specific Terms: (Cont'd)

11.9.8 Measurements: All property measurement is carried out in accordance with the latest edition of the Code of Measuring Practice issued by the Royal Institution of Chartered Surveyors, unless stated otherwise. Unless specifically instructed, we do not undertake a measured site survey but calculate site areas by reference to the identified boundaries of the property and the appropriate Ordnance Survey Plan.

11.9.9 Planning and Other Statutory Regulations: Unless specifically instructed, we do not normally undertake enquiries to obtain land use and development planning and highway information from the relevant Local Authority.

Our valuations are prepared on the assumption that all required valid planning permissions and statutory approvals for the buildings and their use, including any extensions or alterations, have been obtained and compiled with and that there are no unusual, or onerous planning, or building control issues. We also assume that all necessary consents, licences and authorisations for the use of the property and the process carried out therein have been obtained and will continue to subsist and are not subject to any onerous conditions.

Unless disclosed to us, we assume that there are no outstanding statutory breaches or impending litigation in respect of the property.

11.9.10 Comparable Evidence: We may rely on both documented (electronically or otherwise) and hearsay evidence of market transactions, in particular information provided on the Lands and Survey Land Information System (LIS) and Land Registry and from Realty Companies. Whilst we make reasonable efforts to verify the accuracy of such information we assume that it is reliable, correct and accurate. We do not accept liability for errors, omissions, or misrepresentations in such information. Were we believe there to be the possibility of inaccuracies or such information to be less reliable than usually expected, we will state this in the report.

11.9.11 Building Surveys: Unless specifically instructed, we do not undertake building surveys, nor do we inspect those parts that are covered, unexposed or inaccessible, or test any of the electrical, air-conditioning, drainage or other services, nor appliances and our inspection was visual only. Any readily apparent defects or items of disrepair noted during our inspection will, unless otherwise stated, be reflected in our valuation, but no assurance is given that any property is free from defect. We assume that those parts which have not been inspected would not reveal material defects which would cause us to alter our valuation.

11.9.12 New Buildings and Structures: That in the case of a property to be constructed, or under construction, the construction of which has not been completed, any valuation assuming completion assumes that all construction and finishes will be satisfactorily completed, to a good standard, to Code and without concealed defects, or construction disputes arising.

11.9.13 Hazardous and Deleterious Materials: Unless specifically instructed, we do not carry out investigations to ascertain whether any building has been constructed or altered using deleterious materials or methods. Unless specifically notified, our valuation assumes that no such materials or methods have been used. Common examples include defective concrete, asbestos and substandard or deteriorated steel reinforcement.

11.9.14 Site Conditions: Unless specifically instructed, we do not carry out investigations on site in order to determine the suitability of ground conditions and services, nor do we undertake environmental, archaeological, or geotechnical surveys. Unless notified to the contrary, our valuation is on the basis that these aspects are satisfactory and also that the site does not have any existing or potential sink holes.

11.0 Terms and Conditions: (Cont'd)

11.9 Valuation-Specific Terms: (Cont'd)

11.9.14 Site Conditions: (Cont'd) In the case of properties that may have development potential, we assume that the site has load-bearing capacity suitable for the anticipated form of development without the need for additional and expensive foundations, clearing, filling or drainage systems.

11.9.15 Environmental Contamination: In preparing our valuation we assume that no contaminative or potentially contaminative use is, or has been, carried out at the property. Unless specifically instructed, we do not undertake any investigation into the past or present uses of either the property or any adjoining or nearby land, to establish whether there is any potential for contamination from these uses and assume that none exists. Should it, however, be subsequently established that such contamination exists at the property or on any adjoining land or that any premises have been or are being put to contaminative use, this may have a detrimental effect on the value reported.

11.9.16 High Voltage Electrical Supply Apparatus: Where there is high voltage electricity supply apparatus within close proximity to the property, unless otherwise stated we have not taken into account any likely effect on future marketability and value due to any change in public perception of the health implications.

11.9.17 Chattels and Plant and Machinery: Our valuation includes those items usually regarded as forming part of the building and/or comprising landlord's fixtures, such as A/C, gas installations, lighting, alarms, sprinklers and ventilation systems, kitchen and bathroom appliances and lifts but generally exclude chattels, furnishings, processing plant, machinery and equipment and those fixtures and fittings normally considered to be the property of the owner or tenant.

11.9.18 Taxation: In preparing our valuations, no allowances are made for any liability which may arise for payment of any property related tax, whether existing or which may arise on development or disposal, deemed or otherwise, either in the Cayman Islands or other jurisdiction in which you operate or are deemed resident.

11.9.19 Aggregation: In the valuation of portfolios, each property is valued separately and not as part of the portfolio. Accordingly, no allowance, either positive or negative, is made in the aggregate value reported to reflect the possibility of the whole or part of the portfolio being put on the market at any one time.

11.9.20 Confidentiality/Third Party Liability: Our valuations and reports are strictly confidential to the party to whom they are addressed, or their other professional advisors, for the specific purpose to which they refer. No third parties may rely upon our valuations and reports and no responsibility whatsoever is accepted to any third parties for the whole or part of their contents without our written approval.

11.9.21 Publication: Neither the whole nor any part of our report, nor any reference thereto, may be included in any published document, circular or statement, nor published in any way nor disclosed orally to a third party, without our written approval of the form and context of such publication or disclosure. Such approval is required whether or not DDL Studio Limited are referred to by name and whether or not the report is combined with others.

11.9.22 Complaints Procedure: In accordance with the RICS Rules of Conduct, we operate a Complaints Procedure. Should you have any reason to complain, please contact our Head of Compliance & Best Practice at PO Box 31318, Grand Cayman KY1-1206, Cayman Islands.

November 2013

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12.0 LAND REGISTRY MAP EXTRACT AND REGISTER:



CAYMAN ISLANDS
LAND REGISTER

Edition 5
Opened 20 FEB 2012

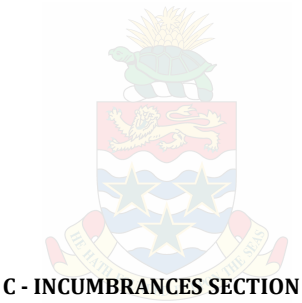
A - PROPERTY SECTION

Ownership Type	Crown / Private	APPURTENANCES 	Block and Parcel No. 20D 175	
Nature of Title			Registration Section	GEORGE TOWN EAST
Origin of Title			Name of Parcel	
First Registration	07-Apr-1975		Approximate Area	3.23 Acre (See Survey Plan 51/033, 51/706, PCM 244 & Gaz 4/2011 dated 14-Feb-11) (M 9561) SEB
Mutation No.				

B - PROPRIETORSHIP SECTION

Entry No.	Date	Instrument No.	Name and Address of Proprietor(s)	Signature of Registrar

Block and Parcel No. 20D 175
Edition 5



C - INCUMBRANCES SECTION

Entry No.	Date	Instrument No.	Nature of Incumbrance	Further Particulars	Signature of Registrar
1	07/04/75	A. Record	Easement	A Right of Way as indicated on the Registry Map. (MRCU)	J WITTER



REGISTRY MAP EXTRACT

SECTION : GEORGE TOWN EAST

Block/Parcel(s) : 20D 175

Last Mutation Date: 17/2/2014

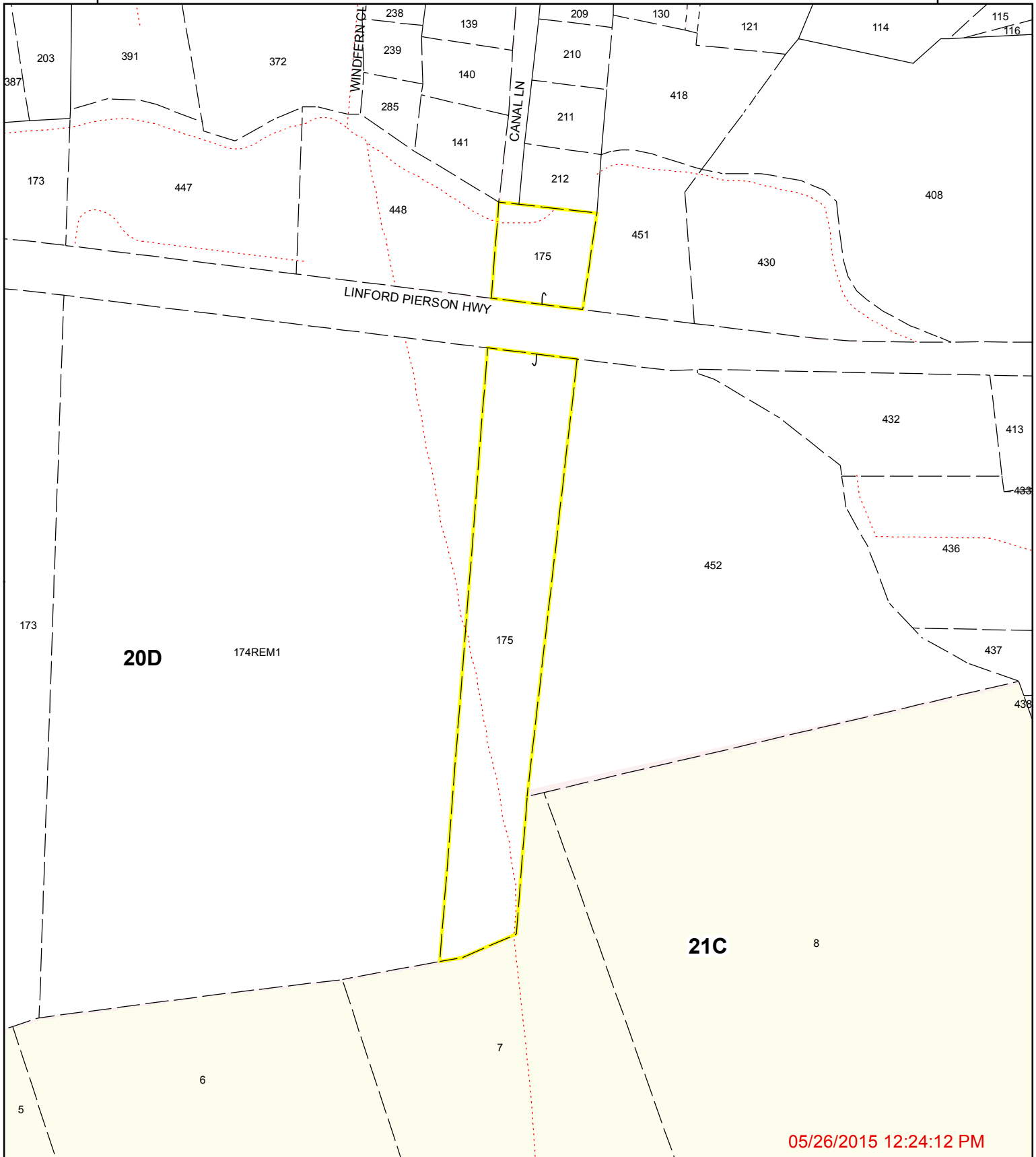
Registry Map Extracts must be printed to fit a paper size of 8.5" x 11" in order to retain a scale of **1:2,500**

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Lands & Survey Department, P.O. Box 1089, Grand Cayman KY1-1102, Cayman Islands. Tel: 1 (345) 244-3420 | Fax: 1 (345) 949-2187 | Web: www.caymanlandinfo.ky

N



05/26/2015 12:24:12 PM

13.0 2013 AERIAL PHOTOGRAPH:

Block 20D Parcel 175 - Land Off Linford Pierson Highway



Legend

Parcels ID

Parcels - Map Tips ID

5/20/15 9:07 AM

1: 3,000



Notes

[Add Map Notes]



500.0 0 250.00 500.0 Feet



14.0 PHOTOGRAPHS OF THE LAND



View of southern section from Linford Pierson Highway



View of northern section from Linford Pierson Highway

15.0 MAP OF THE SUBJECT PARCEL AND COMPARABLE PARCELS

Map of 20D175 & Comparables

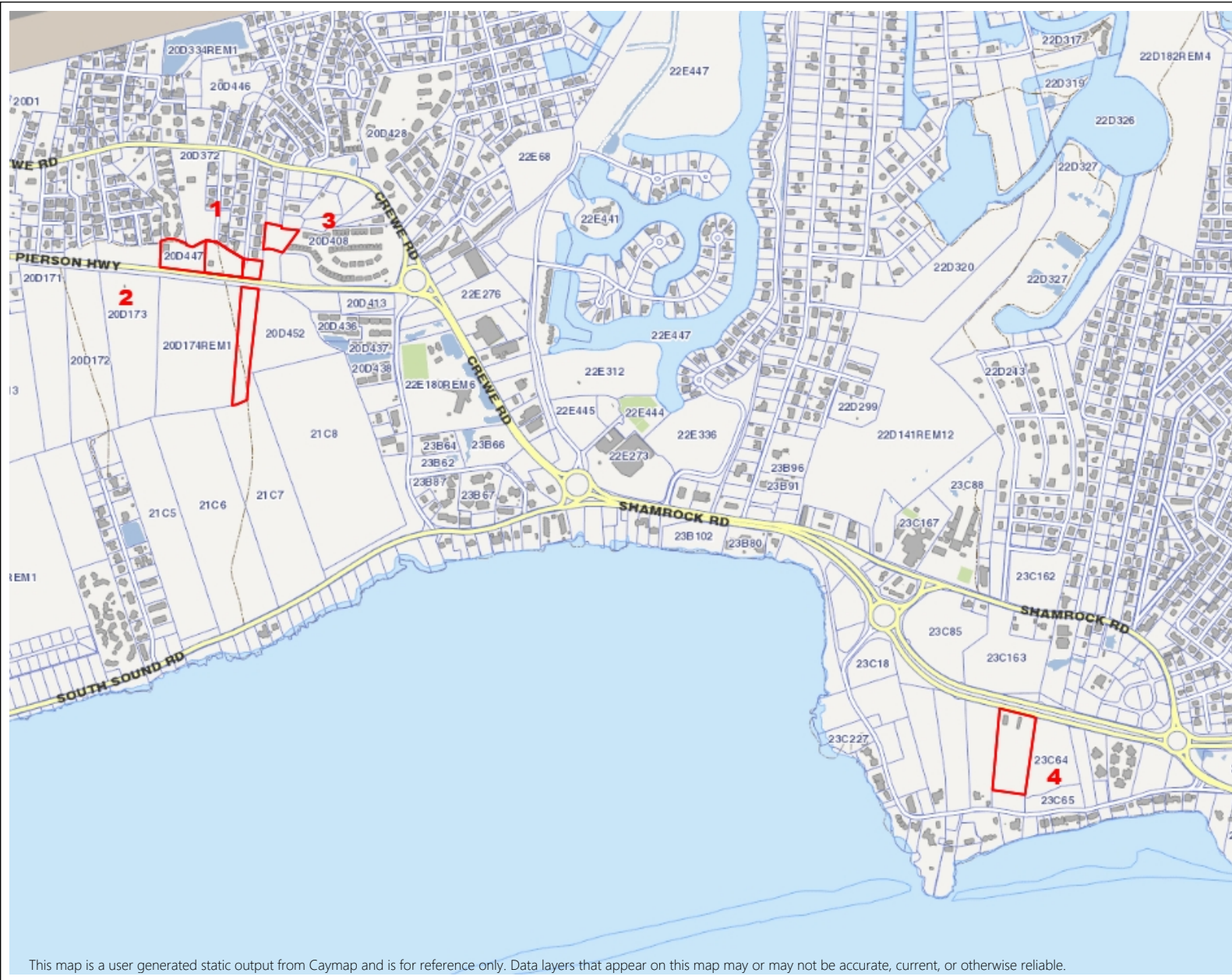


Legend

Parcels ID

Parcels - Map Tips ID

Buildings



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1: 15,000



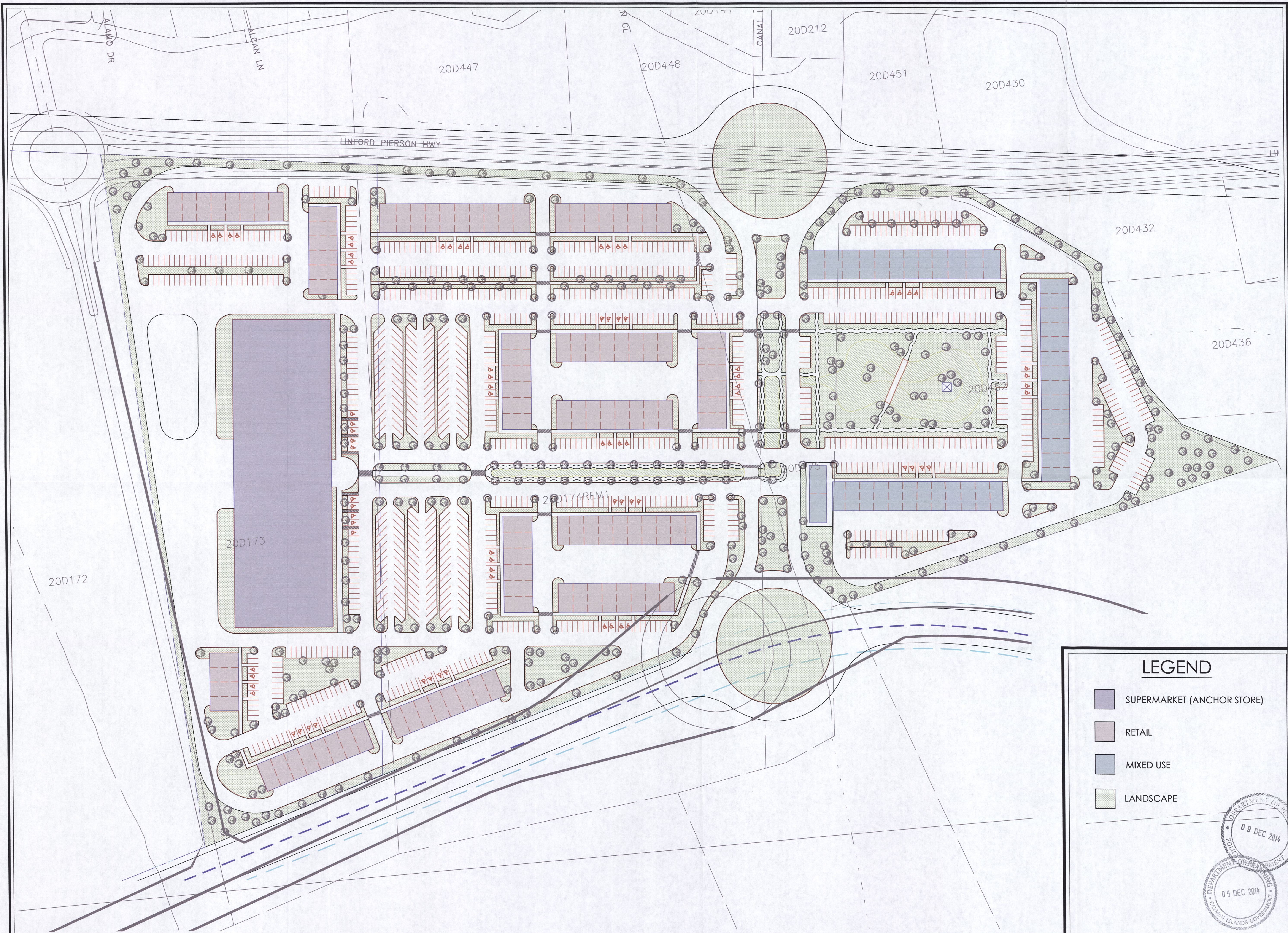
Notes

Comparable 1 - 20D448
 Size - 1.672 acres
 Price - CI\$298,700 (CI\$4.1 psf)
 Date - March 2013
 Comparable 2 - 20D418
 Size - 1.058 acres
 Price - CI\$185,00 (CI\$4psf)
 Date - October 2012
 Comparable 3 0 20D447
 Size - 3.672 acres
 Price - CI\$640,00 (CI\$4 psf)
 Date - August 2012
 Comparable 4 - 23C08EM1

2,500.0 0 1,250.00 2,500.0 Feet



16.0 PLAN OF PROPOSED SCHEME:

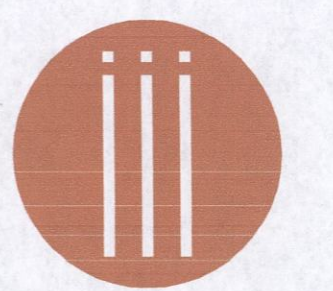
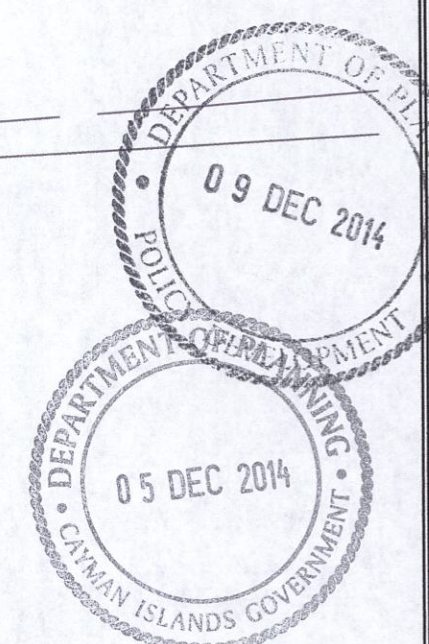


01 SITE PLAN

1/64" = 1'-0"

LEGEND

- SUPERMARKET (ANCHOR STORE)
- RETAIL
- MIXED USE
- LANDSCAPE



TRIO

DESIGN CONSULTANTS, LLC.

17100 COLLINS AVE, SUITE 220
SUNNY ISLES BEACH, FL 33160

T: 305.940.0555
F: 866.294.3579

PROJECT

CAYMAN
SOUTH LAND VILLAGE
GRAND CAYMAN
CAYMAN ISLANDS

TEAM

EXETER
PROPERTY DEVELOPMENT

THE
PHOENIX
GROUP

REVISIONS

No.	DATE	DESCRIPTION

PROJECT PHASE

- ☐ SITE PLANNING
- ☒ SCHEMATIC DESIGN
- ☐ DESIGN DEVELOPMENT
- ☐ WORKING DRAWINGS

SITE PLAN

PROJECT NUMBER:	SOU01
ISSUED:	06/27/14
DRAWN BY:	JCA
CHECKED BY:	DBR
FILENAME:	SOU01
SEAL	SHEET

SP-3.0

16.0 INSTRUCTION LETTER:

Telephone: (345) 244 3420
Fax: (345) 949-2187
Direct Line: (345) 244-3644
Email: jon.hall@gov.ky

Our Ref:: JH / 20D 175
Your Ref::



CAYMAN ISLANDS
GOVERNMENT

Lands & Survey Department
Government Admin Building
Box 120,
133 Elgin Avenue
Grand Cayman, KY1-9000
Cayman Islands, BWI

Mr. David Groves
DDL Studio
P.O Box 31318
Grand Cayman, KY1-1206
Cayman Islands

1 May 2015

Private & Confidential

By Email Only

Dear Mr. Groves,

RE: Valuation Tender – Crown Land Parcel 20D 175

We write to invite a fee quote for a Red Book valuation of the above mentioned land parcel as outlined on the attached plan.

Government is proposing to sell the parcel and in order to comply with the provisions set down in the Governor (Vesting of Lands) Law (2005 Revision), we thus require two independent valuations to assist in determining an appropriate transfer value.

Whilst the parcel is presently zoned 'low density residential' (LDR), we understand that an application has recently been submitted for a re-zone to 'general commercial' (GC). We attach a plan which we believe details the proposed land use scheme.

We therefore require market value assessments based on both (a) the present zoning (LDR) and also (b) the proposed zoning (GC).

As usual, your valuation and report must be undertaken in accordance with the terms of your current appointment as one of our Panel Valuers and of course in compliance with the RICS Valuation - Professional Standards, January 2014.

If you wish to be considered for undertaking this commission please kindly send us your fee quote by 5.00 pm on Thursday 7th May 2015 and please note that the turnaround time for the valuation report will be two weeks from the date of instruction.

If you have any questions regarding this letter please contact us on the above number or by email.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Jon Hall", with a long horizontal flourish extending to the right.

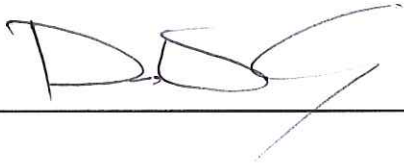
Jon Hall
Chief Valuation Officer
For Director, Lands & Survey

AGREEMENT

I verify my firm's agreement to adhere to the reporting requirements of this document.

(Name) DAVID GROVES (Position) PARTNER / DIRECTOR

(Firm) DPL STUDIO LTD

(Signature)  (Date) 19/5/2015

GOVERNMENT

Land Notice

**GOVERNOR (VESTING OF LANDS) LAW (2005)
NOTICE UNDER SECTION 10(1)(a)
DISPOSITION OF CROWN LAND**

Notice is hereby given that on the recommendation of Cabinet, Her Excellency the Governor is proposing to vest the Crown property specified in the Schedule below to CADS Holdings Ltd (or its assigns) in return for a consideration of CI\$ 639,338.83 (six hundred and thirty nine thousand, three hundred and thirty eight Cayman Islands dollars & 83 cents) payable to the Government. The amount payable is to reflect a net Parcel area of 2.718 acres after anticipated land-take of 0.694 acres for proposed public road schemes. A pro rata per square foot reconciliation payment to be made/refunded if the actual land take for public road schemes is more/less than the 0.694 acres anticipated. Purchaser to pay Stamp Duty and certain costs, and to waive rights to Roads Law compensation.

THE SCHEDULE

The property located by the Linford Pierson Highway, and is more particularly described as:

REG ISTRATION SECTION	BLOCK	PARCEL	AREA
George Town East	20D	175	3.412 acres gross
	(2.718 acres net)		

The location of the Parcel may be inspected from the Registry Map at the Lands & Survey Dept, Government Administration Building, 133 Elgin Avenue, George Town, Grand Cayman, and at the Lands Office, 19 Kirkconnell Street, Cayman Brac.

Approved by Cabinet on 30 August 2016

RUPERT VASQUEZ
Director, Lands & Survey Dept
Cayman Islands Government

RESOLUTION

SECTION 10 (2) (e) GOVERNOR (VESTING OF LANDS) LAW, (2005 REVISION)

PROPOSED DISPOSITION OF CROWN LAND BLOCK 20D PARCEL 175

Whereas:

- 1) The Cayman Islands Government proposes to sell the Crown's freehold interest in Block 20D Parcel 175 to CADS Holdings Ltd (or its assigns).
- 2) The Parcel area comprises 3.412 acres (2.718 acres net after intended land-take for public roads).
- 3) After careful analysis and consideration Cabinet has advised Her Excellency the Governor that it is in the best interest of the Cayman Islands to sell the freehold interest in Block 20D Parcel 175 to CADS Holdings Ltd for a consideration of CI\$ 639,338.83 (six hundred and thirty nine thousand three hundred and thirty eight Cayman Islands dollars & 83 cents).
- 4) Purchaser to waive rights to compensation under the Roads Law upon gazettal of the South Sound bypass
- 5) Reconciliation payment of CI\$5.40/sq ft to be refunded to the purchaser or paid back to Government upon post-construction survey of actual land-take under Boundary Plan 592 and for the proposed South Sound bypass, based on any plus/minus variance from pre scheme land-take estimates of 0.079 acres and 0.615 acres respectively.
- 6) Purchaser to pay Stamp Duty
- 7) Purchaser to pay Governments costs (each party to meet its own legal costs)

IT IS FURTHER RESOLVED that full details of the property and of the disposition proposed shall forthwith be published in the Cayman Islands Gazette and a local newspaper and that copies of this entire resolution and of the said advertisements in the Gazette and in the newspaper, together with all other items required for the purpose of the said Section 10, shall be laid on the table of the Legislative Assembly by the Minister responsible for land.

PASSED in Cabinet this 30TH day of AUGUST 2016


CLERK OF THE CABINET

**REPORT OF THE CHIEF OFFICER,
MINISTRY OF PLANNING, LANDS, AGRICULTURE, HOUSING &
INFRASTRUCTURE**

**VESTING OF CROWN LAND
BLOCK 20D PARCEL 175
TO CADS HOLDINGS LTD**

Block 20D Parcel 175 comprises an elongated rectangular undeveloped Parcel of Crown land severed into two parts by construction of the Linford Pierson Highway. It was rezoned from Low Density Residential to Neighbourhood Commercial in 2015. The Parcel has been surveyed and has an area of 3.412 acres. The topography is generally flat, at 1-3 ft above sea level.

The Parcel is affected by two proposed public road construction schemes. Firstly, the Linford Pierson Highway widening scheme, currently under construction, is anticipated to require 0.079 acres under Boundary Plan 592. Secondly, the South Sound Bypass scheme, still in the final design stage and soon ready for gazettal, is anticipated to require 0.615 acres.

CADS Holdings Ltd approached the Government expressing an interest in purchasing the subject Parcel, as it already owns (or has options over) the development land either side, where it is planning a commercial development scheme. The Crown Parcel is considered non-operational and surplus to the Government.

A report on this matter was considered by Cabinet. After careful analysis and consideration of the reports provided by the Lands and Survey Department it was resolved (CP 1853/16, 30th August 2016) that Cabinet advise Her Excellency The Governor to approve the vesting of Crown land Block 20D Parcel 175 to CADS Holdings Ltd (or its assigns), in return for a consideration of CI\$639,338.83 (CI\$5.40/sq ft) plus Stamp Duty, Registration Fees and Government costs.

It was further approved that the purchaser pay only for the net area of the Parcel, excluding the 0.694 acres area anticipated as being required for the two public road schemes. It was approved that a reconciliation payment of CI\$5.40/sq ft is to be refunded to the purchaser or paid to the Government upon post-construction survey of actual land take under Boundary Plan 592 and for the proposed South Sound Bypass, based on any plus/minus variance from pre-scheme land-take estimates of 0.079 acres and 0.615 acres respectively. Accordingly, the purchaser agrees to waive any rights to compensation for land-take in relation to the current Linford Pierson Highway widening works and the proposed South Sound Bypass scheme, providing said land take does not exceed the anticipated 0.694 acres in total.

In accordance with Section 10 (2) of The Governor (Vesting of Lands) Law, (2005 Revision), three (3) valuations were commissioned; one from Government's Lands and Survey Department and two from private sector property valuation companies Blue Point and DDL, following a competitive procurement exercise. Upon consideration of the differing opinions, it was agreed a fourth valuation would be commissioned, from IRR. On receipt of this, CADS Holdings Ltd made an offer based on CI\$5.40/sq ft. The Chief Valuation Officer recommended this be accepted.

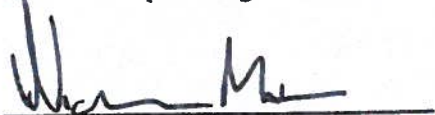
The table below outlines the four opinions of value, devalued on a square foot basis for ease of comparison as they were commissioned on an estimated gross area of 3.32 acres prior to undertaking a fixed boundary survey. Given the narrowness of the Parcel and the purchaser's interest in the adjacent properties, two of the four valuers considered a slightly higher 'Special Purchaser' value to be appropriate in this instance.

Valuer	Market Value	Special Purchaser Value
Lands & Survey Dept	CI\$ 4.50/ sq ft	Not applicable
Blue Point Consultants	CI\$ 10.00/ sq ft	CI\$ 11.00/ sq ft
DDL Studio	CI\$ 4.00/ sq ft	Not applicable
Integra Realty Resources (commissioned later)	CI\$ 4.50/ sq ft)	CI\$ 5.40/ sq ft

The vesting of Crown land Block 20D Parcel 175 to CADS Holdings Ltd is recommended on the following terms and conditions:

Vendor:	The Governor of the Cayman Islands
Purchaser:	CADS Holdings Ltd
Property:	Block 20D Parcel 175
Area:	3.412 acres (2.718 acres net)
Consideration:	CI\$ 639,338.83 (CI\$5.40/sq ft) plus Stamp Duty
Compensation:	Purchaser waives right to compensation for upto 0.694 acres anticipated as required for public road schemes.
Reconciliation payment:	+/- CI\$5.40/sq ft based on post road construction survey of actual land-take.
MRCU Easement:	Removal of the abandoned MRCU easement encumbering the Parcel
Costs:	Purchaser

Accompanying this report are all the documents specified in Section 10 (2) of The Governor (Vesting of Lands) Law, (2005 Revision), including the valuation reports.



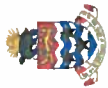
Leyda Nicholson-Makasare
Acting Chief Officer

Ministry of Planning, Lands, Agriculture, Housing & Infrastructure

Appendix 1

Regional Context Plan and Ownership Plan

Subject Property



Legend
Parcels ID

6/4/15 9:44 AM
1: 309,248



Notes
Location of subject property in relation to
Grand Cayman.



This map is a user generated static output from Caymap and is for reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable.

51,541.3 0 25,770.67 51,541.3 Feet



CAYMAN LAND INFO
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Legend

Parcels ID

Parcels - Map Tips ID

6/4/15 9:40 AM

1:4,832



Notes

Property subject to valuation.



805.3

402.67

805.3 Feet



CAYMAN LAND INFO

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Appendix 2

Land Register and Registry Map Extract

Edition 5

A - PROPERTY SECTION

Ownership Type	Crown / Private		Block and Parcel No. 20D 175	
Nature of Title			Registration Section	GEORGE TOWN EAST
Origin of Title			Name of Parcel	
First Registration	07-Apr-1975			
Mutation No.			Approximate Area	3.23 Acre (See Survey Plan 51/033, 51/706, PCM 244 & Gaz 4/2011 dated 14-Feb-11) (M 9561) SEB

[illegible]

[illegible]



REGISTRY MAP EXTRACT

SECTION : GEORGE TOWN EAST

Block/Parcel(s) : 20D 175

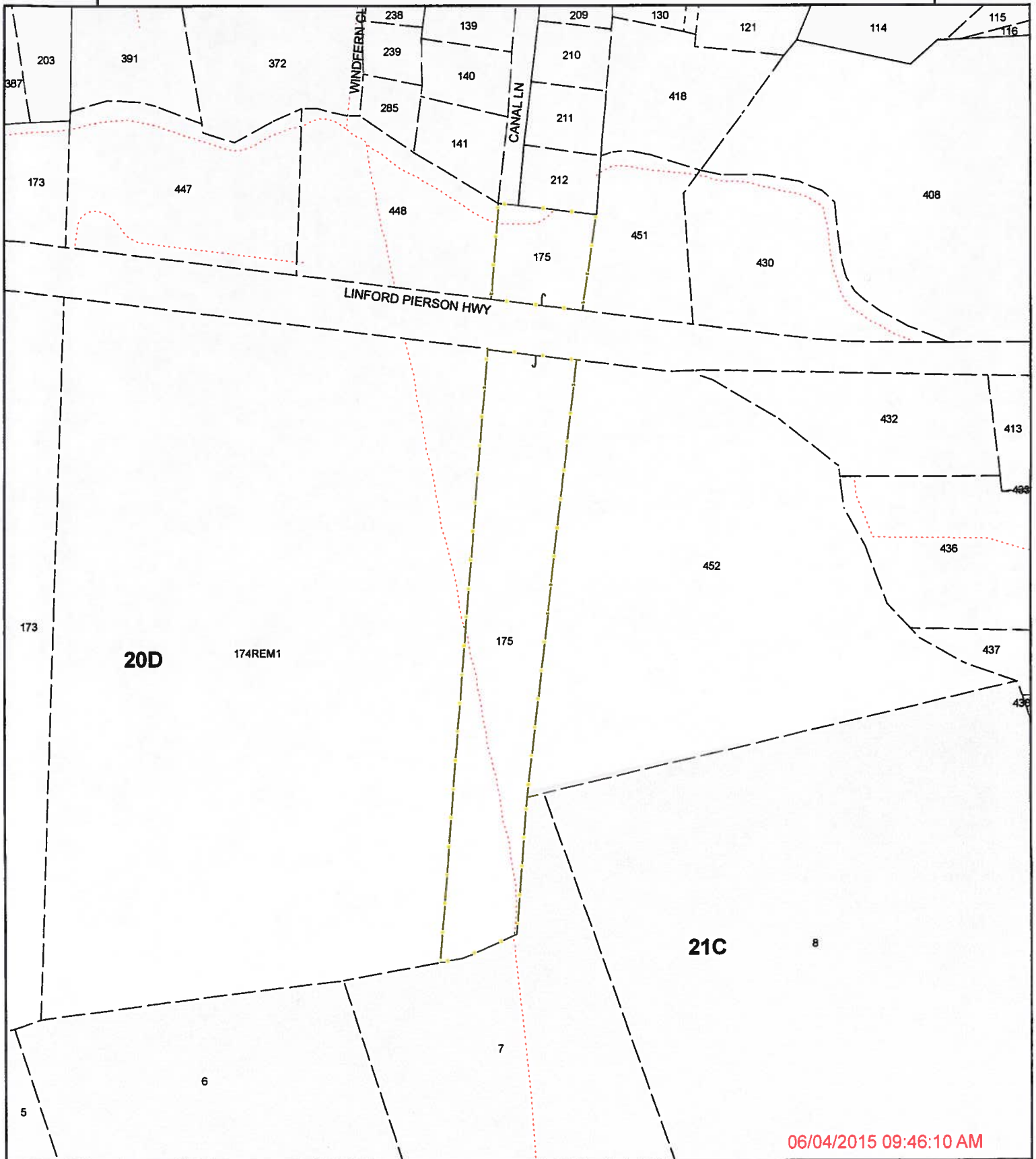
Last Mutation Date: 17/2/2014

Registry Map Extracts must be printed to fit a paper size of 8 5/8" x 11" in order to retain a scale of 1:2,500

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Lands & Survey Department, P.O. Box 1059, Grand Cayman KY1-1102, Cayman Islands. Tel 1 (345) 943-1111. Fax 1 (345) 943-1112. Web www.caymanland.gov.ky



06/04/2015 09:46:10 AM

Appendix 3
Proposed Development Plan



TRIO

DESIGN CONSULTANTS, LLC

1105 COLUMBIA AVE. SUITE 200
SUNNY BEACH, FL 33150
T 305.940.0555
F 866.294.3379

PROJECT

CAYMAN
SOUTH LAND VILLAGE
GRAND CAYMAN
CAYMAN ISLANDS

TEAM

EXETER

THE PHOENIX
GROUP

REVISIONS

NO. DATE DESCRIPTION

PROJECT PHASE

☐ SITE PLANNING
☒ SCHEMATIC DESIGN
☐ DESIGN DEVELOPMENT
☐ WORKING DRAWINGS

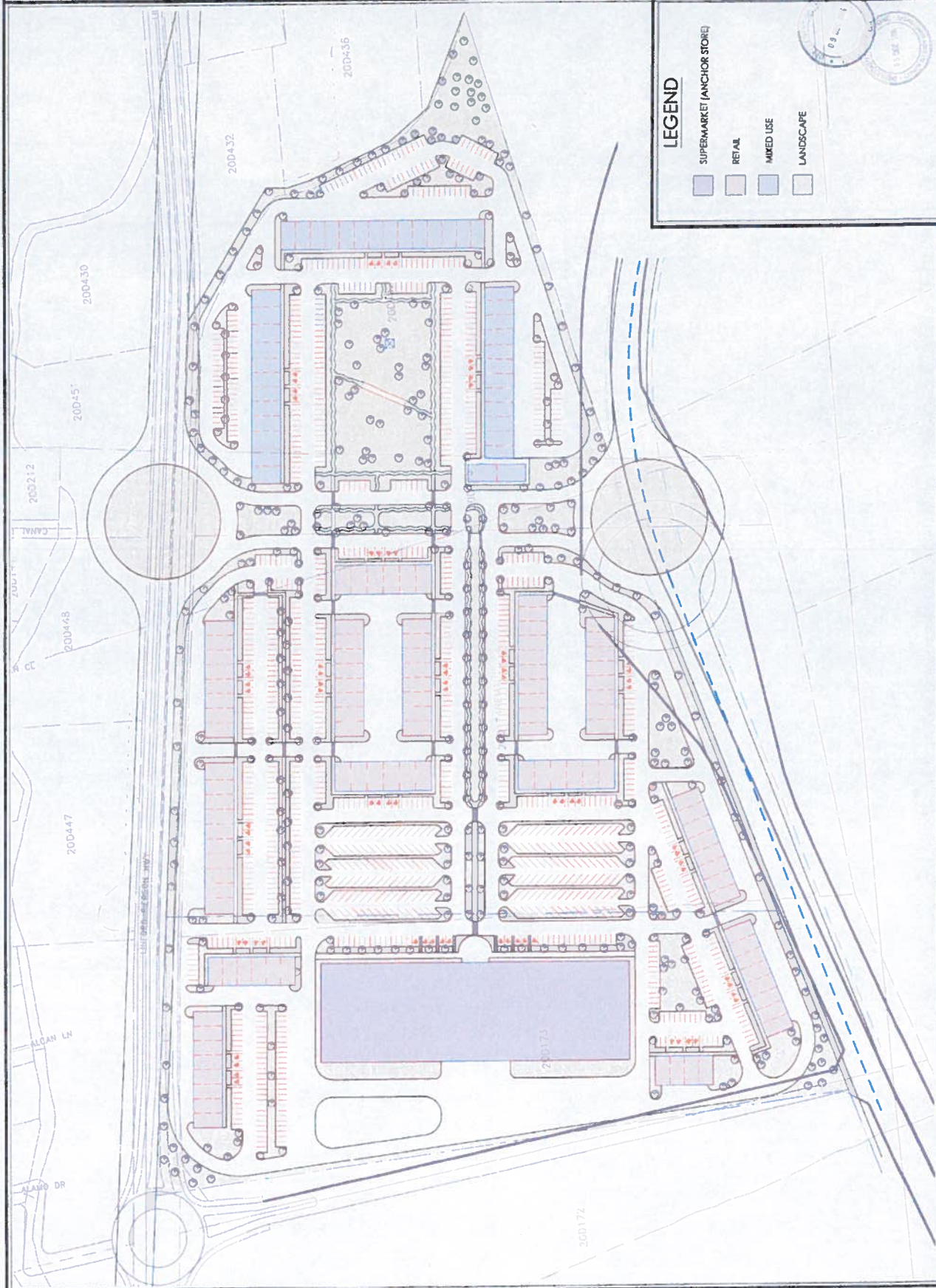
SITE PLAN

PROJECT NUMBER: 200447
DRAWN: J. L. LEE
CHECKED BY: J. L. LEE
REVIEWED: J. L. LEE
DATE: 11-20-20

SP-3.0

LEGEND

- SUPERMARKET (ANCHOR STORE)
- RETAIL
- MIXED USE
- LANDSCAPE



01 SITE PLAN

1/64" = 1'-0"

Appendix 4

Selected Photographs from Inspection

1. Southerly part of the subject parcel fronting LPH



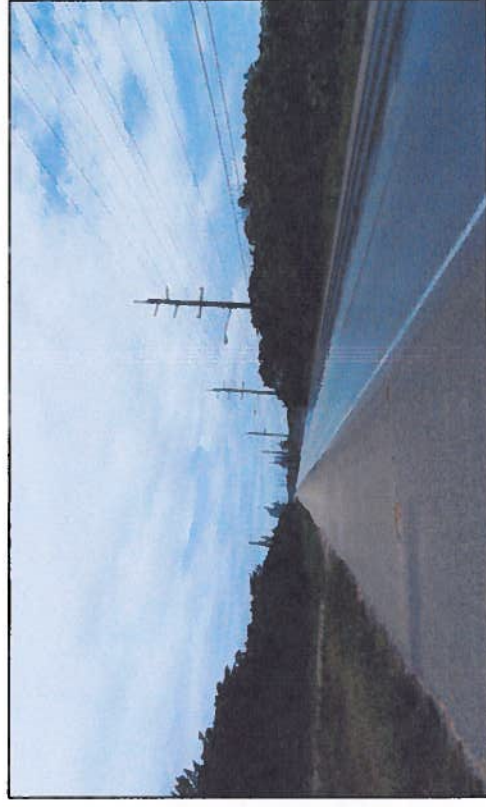
2. Northerly part of the subject parcel fronting LPH



3. Gravel vehicular access along eastern boundary



4. LPH

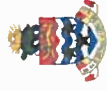


Appendix 5

Comparable Schedule and Location of Sales Evidence

Block & Parcel	Address	Date of Sale	Parcel Size (Ac)	Parcel Size (Sq Ft)	Net Price (C\$)	Price Per Sq Ft (C\$)	Land Zoning	Comments
20D 448	Linford Pierson Highway	March 2013	1.672	72,832	298,700	4.10	LDR	
20D 418	Off Crewe Road	October 2012	1.058	46,087	185,000	4.01	LDR	
23C 30REM1	East-West Arterial	May 2010	4.47	194,713	630,000	3.24	LDR	
23C 17	Shamrock Road	March 2010	1.19	51,836	420,000	8.10	NC	

Location of Subject Property & Sales Evidence



This map is a simplified representation of the land and may not be accurate, current, or otherwise reliable.

3,221.3 0 1,610.67 3,221.3 Feet

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Legend

Parcels ID
Parcels - Map Tips ID

6/8/15 10:25 AM

1:19,328



Notes

Location of subject property in relation to sales evidence used in valuation. Subject in red hatch.

Appendix 6

Instruction

Cooper, James

From: Fawcitt, David
Sent: Tuesday, March 17, 2015 3:09 PM
To: Hall, Jon
Subject: Valuation: Crown's Block 20D Parcel 175 for disposal

Jon,

Government is considering the sale of Block 20D Parcel 175 to the Phoenix Group, who own or have options over the adjacent undeveloped lands (Block 20D Parcels 172, 173, 174REM1 and 452).

The Phoenix Group is assembling a site for development of a retail complex including a large supermarket, and approached Government requesting to purchase the Parcel.

You should be aware that the Group has submitted an application to the Central Planning Authority seeking a rezone of Block 20D Parcels 172, 173, 174REM1, 175, and 452 from Low Density Residential to Neighbourhood Commercial.

The CPA recently put the application out to 90 day public consultation.

In the first instance, please can you commission two independent valuations, and undertake your own in-house, for the purposes of compliance with the Governor (Vesting of Lands) Law (2005 Revision).

I suggest the valuations include appropriate assumptions, including both existing and proposed zoning.

Any questions please let me know.

David

Appendix 7

Valuation Assumptions

VALUATION ASSUMPTIONS

1. The definitions of the valuations to be used in our report are referred to in the Terms and Conditions of Engagement (attached).
2. The parcel of land has been assumed to have no deleterious materials or environmental issues present.
3. We have assumed that the property is of good freehold title with no onerous or unusual outgoing covenants or restrictions affecting the property ownership, which would have any impact on value.
4. We are not aware of any present or previous contamination affecting this property and we will not give any assurance that the property has been or is free from contamination. A desktop assessment to confirm this point would be advisable, through an environmental company, and please advise whether you wish us to commission such a survey.
5. We have assumed that the property complies with all statutory requirements and that there are no outstanding notices or disputes affecting the property, unless these are brought to our attention.
6. We have assumed that all the information provided to us is complete and correct. We will make express or implied assumptions in arriving at our conclusions.

Appendix 8

Terms and Conditions of Engagement

Terms & Conditions of Engagement

Definition

Unless the context otherwise requires, the following terms have the meanings ascribed (where appropriate references in the singular will also apply in the plural):-

"CIG"	Means Cayman Islands Government whose registered office is at 133 Elgin Avenue, George Town, Grand Cayman, Box 120, Cayman Islands
"The Client"	Means the person(s) or body from whom the instructions to prepare the Report have been received. Reference to the Client, who shall be identified on the front page of the Report, shall in all cases be interpreted to mean only this person(s) or body.
"The Property"	Means the freehold premises which have been inspected by CIG and reported upon.
"The Report"	Means a Report on the property prepared by CIG.
"Date of Inspection"	Means the date on which CIG's representative carried out the inspection of the premises.
"Valuation Date"	Means the date as of which the Valuation and/or Appraisal is stated to be expressed.

Limitations of Report

CIG has prepared this Report for use only by the Client to assist them in the consideration of the proposal stated and in respect of the subject premises, and for no other purpose whatsoever. It is confidential to the client and other than for information purposes it is not for use by the client or any other party in any way.

CIG accepts responsibility to the Client alone that the Report will be prepared with the skill, care and diligence to be expected of a competent business valuer and appraiser, but accepts no responsibility whatsoever to any person other than the Client. No person or body other than the Client may rely on the Report and neither the whole, nor any part of the Report, nor any reference thereto, is to be included in any published document, circular or statement, nor published in any way without the written approval of CIG as to the form and context in which it may appear.

This Report is not intended to replace any of the investigations or enquiries normally undertaken in connection with the purchase or mortgage of a property and we do not accept responsibility for loss of whatever nature directly or indirectly arising out of failure to make such enquiries. Such enquiries include, but are not limited to, the taking of independent professional advice from solicitors and accountants.

It must be remembered that the Report does not contain a decision as to whether the proposal should proceed.

Unless otherwise stated, the Report is not a Report of a survey, whether 'Building Survey', 'Structural Survey' or otherwise and no such building or structural survey has been carried out. In making the Report regard will be had to the apparent state of repair, construction and condition of the Property, taking into consideration major defects which are obvious in the course of a visual inspection of so much of the exterior and interior of the Property as is assessable at the time of inspection with safety, and without undue difficulty. The inspection will view those parts of the Property as can be seen whilst standing at ground level within the boundaries of the site and adjacent public/communal areas and whilst standing at the various floor levels, which CIG considers reasonably necessary to provide the service, having regard to its purpose.

CIG shall be under no duty to examine those parts of the Property which are covered, unexposed or inaccessible, or to raise boards, inspect woodwork, move anything, or use a moisture detecting meter. Neither shall CIG have a duty to arrange for the testing of electrical, heating or other services which, unless indicated to the contrary, shall be

assumed to be in a working and serviceable condition. If CIG's inspection suggests that there may be material hidden defects CIG will so advise and may exceptionally defer submitting a final Report until the results of further investigations are available.

It is assumed that those parts of any building erected on the Property which have not been inspected or made available for inspection would not reveal material defects of such a nature as to cause CIG to alter the Report and Valuation.

In making the Report CIG will make the following assumptions:

CIG cannot give any opinion whatsoever regarding the structural design of any construction upon the property nor as to the suitability of any foundations in such constructions.

That the plant, machinery, equipment, fixtures and fittings are in serviceable order, adequate for the effecting trading of the business, and will remain so for the foreseeable future.

Aspects of Title

In making the Report CIG will make the following assumptions:

That the property is not subject to any unusual or especially onerous covenants, restrictions, encumbrances or outgoing which might affect CIG's valuation or which might prevent all or part of the Property from being properly used in connection with the Business.

That the Title is as described to CIG and referred to in this Report and that there is good and marketable Title to the Estate or Interest which CIG has valued. Unless indicated to the contrary, Title deeds and/or lease documents have not been inspected.

CIG's understanding of the boundaries is noted, but CIG has no knowledge (expressed or implied) of the responsibilities for fencing and legal advice should be sought in this respect, if required. CIG will assume that such boundaries show the true extent of the property and that there are no potential or existing boundaries or other disputes or claims outstanding. Where indicated site areas will be obtained from published plans or as advised to CIG. They will not be derived from a physical site survey and are approximate unless otherwise indicated. Unless otherwise stated, any measurements noted will be carried out in accordance with the Code of Measuring Practice issued by the Royal Institution of Chartered Surveyors.

CIG shall be under no obligation to verify any of these assumptions. It remains the responsibility of the Client to ensure that all appropriate enquiries and investigations are made and the Report is not intended to replace any of those enquiries/investigations.

Environmental Matters

CIG will not carry out, nor commission, a site investigation, geographical or geophysical survey and therefore can give no opinion or assurance or guarantee that the ground has sufficient load bearing strength to support the existing constructions or any other construction that may be erected upon it in the future. CIG cannot give any opinion or assurance or guarantee that there are no underground mineral or other workings beneath the site or in the vicinity nor that there is any fault or disability underground. It will not be possible for CIG therefore to certify that any land is capable of further development at a reasonable cost for the use for which there is permission.

Unless otherwise stated, we are not aware of the content of any environmental audit or any other environmental investigation or soil survey which may have been carried out on the property and which may draw any attention to contamination or the possibility of any subsequent contamination. In our undertaking we will assume that no contaminative or potentially contaminative uses have ever been carried out in the property. We will not carry out

an investigation into past or present uses, either of the property or of any neighbouring land, to establish whether there is any potential for contamination to the subject property from these uses or sites, and will therefore assume that none exist. Should it be established subsequently that any contamination exists at the property or on any neighbouring land, or that the premises have been or are being put to a contaminated use, this might reduce the values reported.

Generally

The Report has been prepared in good faith on the basis of enquiries made and information supplied to use. We reserve the right to claim qualified privilege in respect of any part of this Report should the contents be subsequently challenged by a party claiming to be aggrieved at anything stated herein.

Valuations may be relied upon for the stated purpose as at the date specified. It is for the Client alone to make judgment as to their reliance upon the contents of the Report thereafter. In normal market conditions the value may not change materially in the short term (approximately 3-6 months). However, the property market is constantly changing and is susceptible to many external factors which can affect investor confidence and corresponding values.

CIG are deemed to be 'Internal Valuers'. CIG will disclose to the best of its knowledge previous inspections undertaken.

If you suffer loss as a result of our breach of contract or negligence, our liability shall be limited to a just and equitable proportion of your loss having regard to the extent of responsibility of any other party. Our liability shall not increase by reason of a shortfall in recovery from any other party, whether that shortfall arises from an agreement between you and them, your difficulty in enforcement or any other cause.

Valuations

The valuations provided will be made on the assumptions stated within the Report and/or these Conditions of Engagement in respect of the individual subject property, unless otherwise agreed, on whichever of the following or other bases as have been agreed between CIG and the Client, such bases where applicable to be defined or referred to in the Royal Institution of Chartered Surveyors Valuation – Professional Standards - January 2014.

The valuations provided are for the value of the property as described. No account has been taken of any special tax or other inducement or liability which may arise as a result of any transaction in contemplation, nor of normal costs involved in the execution of such a transactions. The full definitions of the valuations provided in the Report are set out below. If the Report contains other valuation bases, these are as specifically requested by the Client with our advice identified within the Report to be on a basis not recommended by the Royal Institution of Chartered Surveyors, and provided for guidance purposes only.

DEFINITIONS OF VALUATIONS

<i>Market Value</i>	<i>The estimated amount for which an asset or liability 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 the parties had each acted knowledgeably, prudently and without compulsion.</i>
<i>Market Value with special assumptions</i>	<i>Opinions of Market Valuation can be provided in accordance with special assumptions which are indicated by the Client. These assumptions will be clearly stated within the body of the report.</i>
<i>Market Rent</i>	<i>The estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and where the</i>

	<i>parties had acted knowledgeably, prudently and without compulsion.</i>
<i>Investment Value</i>	<i>The value of an asset to the owner or a prospective owner for individual investment or operational objectives.</i>
<i>Fair Value (IVSC adopted definition)</i>	<i>The estimated price for the transfer of an asset or liability between identified knowledgeable and willing parties that reflects the respective interests of those parties.</i>

Interpretive commentary, as published in the International Valuation Standards 2013

'The estimated amount...'

Refers to a price expressed in terms of money payable for the asset in an arm's length transaction. Market Value is the most probable price reasonably obtainable in the market on the valuation date in keeping with the Market Value definition. It is the best price reasonably obtainable by the seller and the most advantageous price reasonably obtainable by the buyer. This estimate specifically excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangements, special considerations or concessions granted by anyone associated with the sale, or any element of Special Value.

'...an asset should exchange...'

Refers to the fact that the value of an asset is an estimated amount rather than a predetermined amount or actual sale price. It is the price in a transaction that meets all the elements of the Market Value definition at the valuation date.

'...on valuation date...'

Requires that the value is time-specific as of a given date. Because markets and market conditions may change, the estimated value may be incorrect or inappropriate at another time. The valuation amount will reflect the market state and circumstances as at the valuation date, not those at any other date.

'...between a willing buyer...'

Refers to one who is motivated but not compelled to buy. This buyer is neither over-eager nor determined to buy at any price. This buyer is also one who purchases in accordance with the realities of the current market and with current market expectations, rather than in relation to an imaginary or hypothetical market that cannot be demonstrated or anticipated to exist. The assumed buyer would not pay a higher price than the market requires. The present owner is included among those who constitute the "market".

'...a willing seller...'

Is neither an over-eager nor a forced seller prepared to sell at any price, nor one prepared to hold out for a price not considered reasonable in the current market. The willing seller is motivated to sell the asset at market terms for the best price attainable in the open market after proper marketing, whatever that price may be. The factual circumstances of the actual owner are not a part of this consideration because the willing seller is a hypothetical owner.

'...in an arm's length transaction...'

Is one between parties who do not have a particular or special relationship e.g. parent and subsidiary companies or Landlord and Tenant, that may make the price level uncharacteristic of the market or inflated because of an element of Special Value. The Market Value transaction is presumed to be between unrelated parties each acting independently.

'...after proper marketing...'

This means that the asset would be exposed to the market in the most appropriate manner to effect its disposal at the best price reasonably obtainable in accordance with the Market Value definition. The method of sale is deemed to be the most appropriate to obtain the best price in the market to which the seller has access. The length of exposure time is not a fixed period but will vary according to the type of asset and market conditions. The only

criterion is that there must have been sufficient time to allow the asset to be brought to the attention of an adequate number of market participants. The exposure period occurs prior to the valuation date.

'...wherein the parties had each acted knowledgeably, prudently...'

Presumes that both the willing buyer and the willing seller are reasonably informed about the nature and characteristics of the asset, its actual and potential uses and the state of the market as the valuation date. Each is further presumed to use that knowledge prudently to seek the price that is most favorable for their respective positions in the transaction. Prudence is assessed by referring to the state of the market at the valuation date, not with benefit of hindsight at some later date. For example, it is not necessarily imprudent for a seller to sell assets in a market with falling prices at a price which is lower than previous market levels. In such cases, as is true for other exchanges in markets with changing prices, the prudent buyer or seller will act in accordance with the best market information available at the time.

'...and without compulsion...'

Establishes that each party is motivated to undertake the transaction, but neither is forced or unduly coerced to complete it.

The concept of Market Value presumes a price negotiated in an open and competitive market where the participants are acting freely. The market for an asset could be an international market or a local market. The market could consist of numerous buyers and sellers, or could be one characterised by a limited number of market participants. The market in which the asset is exposed for sale is the one in which the asset being exchanged is normally exchanged.

TELEPHONE: 244-3420
FAX NO.: 949-2187



LANDS & SURVEY DEPARTMENT
P.O. BOX 1089GT
GRAND CAYMAN
CAYMAN ISLANDS, BWI

**IN ANY REPLY,
PLEASE QUOTE
REF: CF/66**

19 September 2016

CHIEF SURVEYOR'S REPORT

STATEMENT OF FACTS

GEORGE TOWN – BLOCK 20D PARCEL 175
(SHOWN HIGHLIGHTED IN YELLOW ON ACCOMPANYING DIGITAL RM EXTRACT)

In accordance with Section 10.2 (b) of the Governor (Vesting of Lands) (Amendments) (Dispositions) Law I can confirm the subject parcel, shown highlighted in yellow in the attached Registry Map extract, has a fixed boundary survey that was commission and authenticated.

- Fixed Boundary Survey (51/979) authenticated 1st February 2016

Boundary turning points have been marked with:-

- Iron pins in concrete with Kaps, wood pegs in swamp, iron pipe and iron pins.

These boundary markers have not been validated recently on the ground but could be replaced if necessary. They represent old markers from the above referenced survey.

A red ink signature of Michael Whiteman.

Michael Whiteman
Chief Surveyor

Enc.:
Registry Map Extract
2013 Aerial Image with RM parcel overlay,
Extract of 51/979.



REGISTRY MAP EXTRACT

SECTION : GEORGE TOWN EAST

Block/Parcel(s) : 20D 175

Last Mutation Date: 3/6/2016

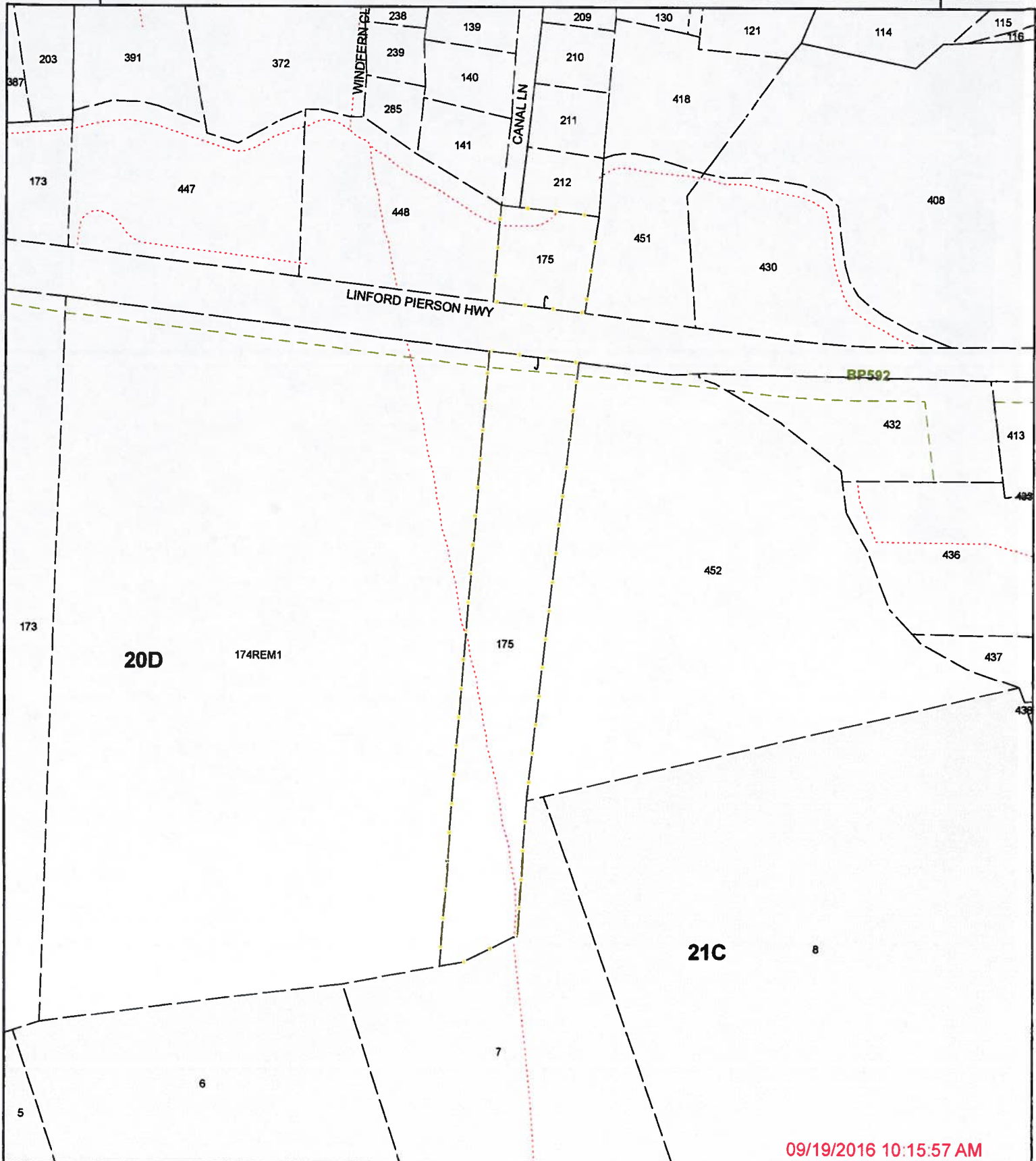


Registry Map Extracts must be printed to fit a paper size of 8.5" x 11" in order to retain a scale of 1:2,500

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Block 20D Parcel 175 with 2013 Aerial Photography



Legend

9/19/16 10:17 AM

1:3,000



Notes
[Add Map Notes]

500.0 0 250.00 500.0 Feet

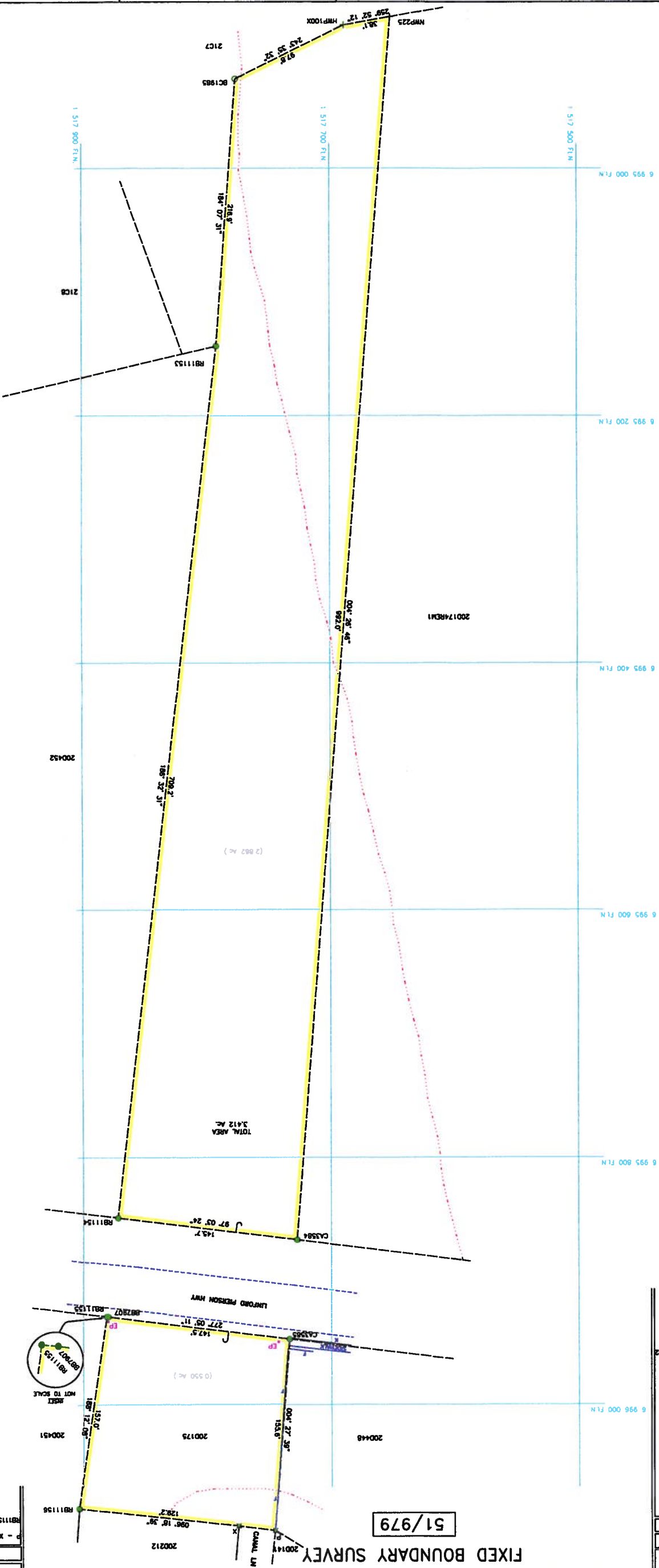


CAYMAN LAND INFO
www.caymanlandinfo.ky

Lands and Survey Department © Cayman Islands Government

[illegible]

RE-ESTABLISHMENT OF
BLOCK 200 PARCEL 175



BOUNDARY DATA		
Line	Bearing	Distance
1	S 87° 21' 53"	28.6'
2	N 88° 11' 40"	1.1'

[illegible]

CAYMAN
COMPASS
23/9/16

plesfs.com

ppers

SECURITY TIPS CAYMAN ISLANDS

Suggestions

- ation details, private.
- nts in a safe place.
- ay or trip.
- fely tucked away.
- chairs, under tables, on the backs
- I cash points.
- ort it immediately to the police and to
- lers cheques as soon as possible
- any suspicious or unusual activities
- diminishes your natural awareness
- ou.
- and friends through international
- ession drugs such as marijuana,
- sell you drugs, firmly say NO and leave.

IPS
(477)

ppers.ky

of material and trucking services for the past three (3) consecutive years.
5. Evidence to demonstrate that your company has sufficient labour and supervisory staff to provide the level of service required by this contract.

Appointments:

Applicants are invited to schedule appointments for inspection of the site from Tuesday- Saturday 9:30AM-3:30PM.

Completed documents must be returned to the TAB Administrative Offices or mailed to the above address.

Proposals for the Fill Material & Trucking services when completed and signed, are to be submitted by October 3, 2016. Proposals received after the closing date will not be considered.

All Bidders are requested to submit any questions they may have five (5) days prior to the proposal return date by contacting:

John Lawrus, General Manager of QEII BP at 916-2609 or manager@botanic-park.ky

GOVERNOR (VESTING OF LANDS) LAW (2005) NOTICE UNDER SECTION 10(1)(a) DISPOSITION OF CROWN LAND

Notice is hereby given that on the recommendation of Cabinet, Her Excellency the Governor is proposing to vest the Crown property specified in the Schedule below to CADS Holdings Ltd (or its assigns) in return for a consideration of C\$ 639,338.83 (six hundred and thirty nine thousand, three hundred and thirty eight Cayman Islands dollars & 83 cents) payable to the Government. The amount payable is to reflect a net Parcel area of 2.718 acres after anticipated land-take of 0.694 acres for proposed public road schemes. A pro rata per square foot reconciliation payment to be made/refunded if the actual land take for public road schemes is more/less than the 0.694 acres anticipated. Purchaser to pay Stamp Duty and certain costs, and to waive rights to Roads Law compensation.

THE SCHEDULE

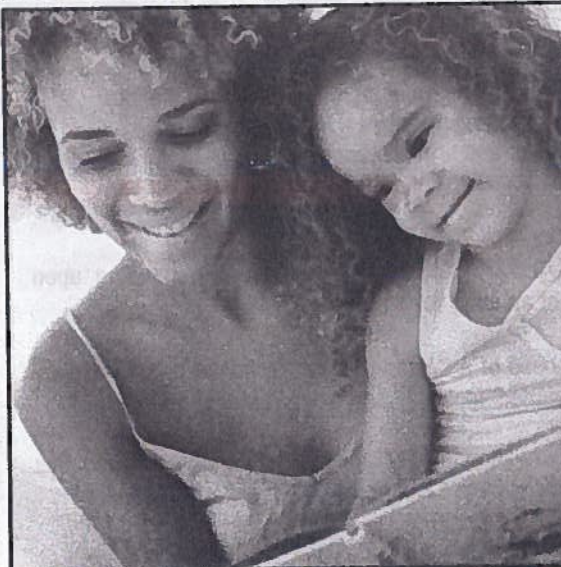
The property located by the Linford Pierson Highway, and is more particularly described as:

<u>REGISTRATION SECTION</u>	<u>BLOCK</u>	<u>PARCEL</u>	<u>AREA</u>
George Town East	20D	175	3.412 acres gross (2.718 acres net)

The location of the Parcel may be inspected from the Registry Map at the Lands & Survey Dept, Government Administration Building, 133 Elgin Avenue, George Town, Grand Cayman, and at the Lands Office, 19 Kirkconnell Street, Cayman Brac.

Approved by Cabinet on 30th August 2016.

RUPERT VASQUEZ
DIRECTOR, LANDS & SURVEY DEPT
CAYMAN ISLANDS GOVERNMENT



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