



REPORT & VALUATION

Block 13D Parcel 1 (part)

George Town Central

Grand Cayman

10th June 2015



CAYMAN LAND INFO



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1 EXECUTIVE SUMMARY

1.1 PROPERTY

Block 13D Parcel 1 (part).

1.2 LOCATION

The parcel is located approximately one mile (1.59 kilometers) north of central George Town, the capital and business center of the Cayman Islands.

The parcel itself is located along Esterley Tibbetts Highway (ETH), a prime arterial route providing ready access to and from George Town.

1.3 DESCRIPTION

The entire parcel was severed by the construction of the ETH, with the smaller part of the parcel being the subject of valuation. Lying on the western side of the new Highway, the part parcel is presently land-locked with no access rights whatsoever. This part-parcel is somewhat 'L' shaped and is very densely vegetated (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 to a special purchaser under current land zoning.
- Market value after a change in land zoning from POS to HDR.
- Market value to a 'special purchaser' after a change in land zoning from POS to HDR.

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 areas have been obtained using measurements provided by Lands & Survey's Cayman Land Info mapping system. These areas are as follows:

Entire parcel	-	18.95 acres	825,462 square feet
Part of parcel subject to valuation	-	1.2820 acres	55,844 square feet

1.12 ZONING

The part of the parcel subject to valuation is zoned POS.

1.13 MARKET VALUE UNDER CURRENT ZONING

CI\$56,000 (Fifty Six Thousand Cayman Islands Dollars).

1.14 MARKET VALUE UNDER CURRENT ZONING TO A SPECIAL PURCHASER

CI\$56,000 (Fifty Six Thousand Cayman Islands Dollars).

1.15 MARKET VALUE WITH HDR LAND ZONING

CI\$140,000 (One Hundred and Forty Thousand Cayman Islands Dollars).

1.16 MARKET VALUE WITH HDR LAND ZONING TO A SPECIAL PURCHASER

CI\$195,000 (One Hundred and Ninety Five Thousand Cayman Islands Dollars).

2 INSTRUCTIONS AND TERMS OF ENGAGEMENT

2.1 INSTRUCTIONS

In accordance with email instructions received by us on Monday 2nd 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 wet and overcast.

We confirm that there is no conflict of interest in our 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 a value for the parcel in readiness of a land exchange agreement with a party who has a controlling interest at the adjoining Lakeside Villas development.

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 (our Client) on Friday 29th May 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 valuation instructions, it is proposed to dispose of the subject property by way of a land exchange with an individual who has a controlling interest in the adjoining Lakeside Villas development. In return, the Government (i.e. Crown) would receive the freehold interest in two other parcels of land, both of which are presently in private ownership but in public use. As the Lakeside Villas development may provide a development access to the subject site, value to a ‘special purchaser’ will also be considered in this valuation.

Additionally, the client has specifically requested us to provide an opinion on the parcel’s value if its land zoning were changed from POS to HDR.

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 Thursday 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 one mile (1.59 kilometers) north of central George Town, the capital and business center of the Cayman Islands, and is situated within the George Town Central registration district.

The parcel itself is located along Esterley Tibbetts Highway (ETH), a prime arterial route providing ready access to and from George Town and onto the Camana Bay area.

The immediate surrounding area comprises the George Town land fill, which is situated directly opposite the subject parcel and is the primary waste refuse site on Grand Cayman. The relatively new Lakeside residential development, which provides in excess of 100+ condominiums, adjoins the subject parcel at its most southerly boundary.

The land zoning in the surrounding area typically varies between Low Density (LDR) and High Density Residential (HDR) for parcels situated to the west of the ETH, whilst to its east, the land zoning is predominantly Heavy Industrial (HI).

Local amenities are excellent, with the parcel being conveniently located less than a mile from the mixed-used Camana Bay development and just over a mile into central George Town.

3.2 DESCRIPTION

The entire subject parcel was severed by the construction of the ETH, with the part parcel subject to valuation taking on a somewhat 'L' shape format following this. The parcel is densely vegetated and thus would require clearing if it were to be developed.

The terrain information provided by Caymanlandinfo mapping & database system suggests that the parcel's elevation ranges between one to four 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. This low elevation may also necessitate the use of substantial fill if the parcel were to ever be developed for residential or commercial purposes.

3.3 ACCESS

Whilst the parcel has frontage onto the ETH, it does not benefit from any vehicular or pedestrian access and is effectively landlocked. Investigations have been made of the National Roads Authority (NRA) to identify if access on to the ETH would be granted to the parcel. The NRA has indicated that at the present time it will not permit vehicular access to the parcel. However, this position may be re-assessed if and when this section of the ETH is widened to four lanes.

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 overgrowth / vegetation which prevented access to determine whether there is any contamination present. As such, we have 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 site. Instead, the entire and part parcel area has been obtained using measurements provided by the Lands & Survey’s Caymanlandinfo mapping system. These areas are as follows:

Entire parcel	-	18.95 acres	825,462 square feet
Part of parcel subject to valuation	-	1.2820 acres	55,844 square feet

It shall be noted that the part of the parcel severed by the ETH is actually larger than the 1.2820 acres stated above, however the NRA have recommended to us that a 0.6110 acre portion of the parcel that directly fronts onto the ETH should be retained by Crown for drainage purposes (see plan attached at *Appendix 1*).

3.6 PLANNING

The part of the parcel subject to valuation is currently zoned for Public Open Space (POS) purposes. POS zoning comprises predominantly of undeveloped areas of land vested, or intended to be vested in the Government. Permitted uses under this land zoning are as follows:

- Parks
- Reserves
- Beaches
- Play Grounds

- Playing Fields
- Plazas
- Public Access Ways

Conditional uses under this land zoning are as follows:

- The development is compatible with the character and function of the zone.
- Buildings forming part of such development are directly associated with, and promote, the principle purposes and actual use of the zone.

With regards to changing land zoned for POS purposes, this can be very problematic and any re-zone application has to go before the Legislative Assembly.

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 or easements which affect the property. 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: 13D 387
Address: Brushy Avenue
Registration Section: George Town Central

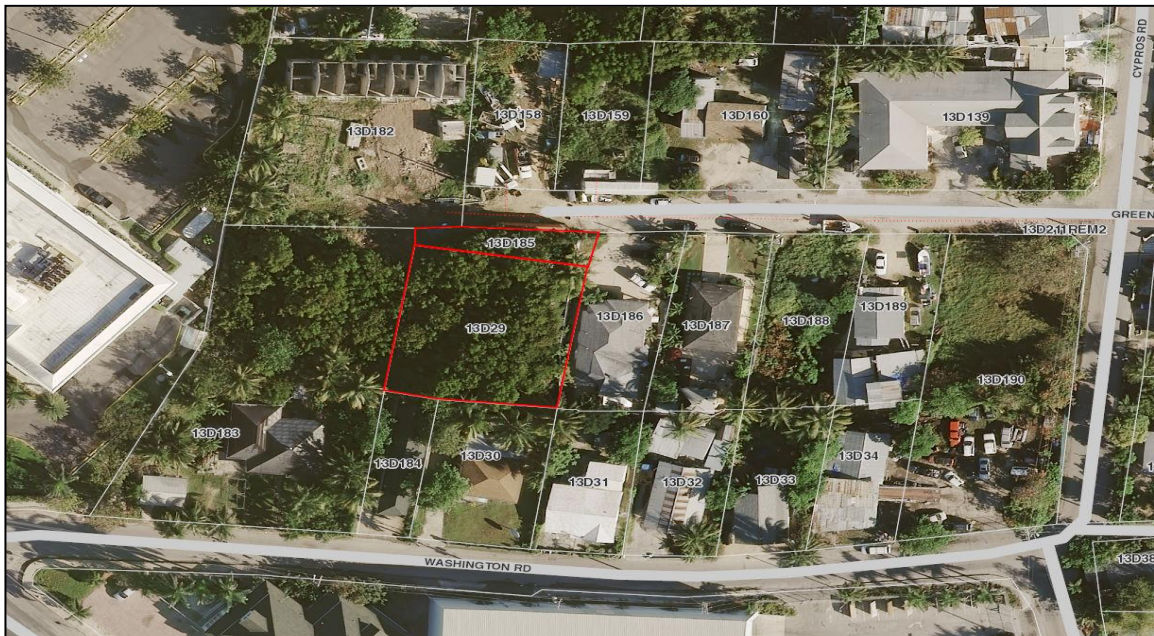


This parcel of land, which was a bank foreclosure, sold in March 2015 for CI\$67,500 at a rate of CI\$5.74 per square foot, based on a parcel area of 0.27 acres (11,761 square feet).

The parcel is zoned HDR and its elevation ranges between three to four feet above sea level. Whilst this property is situated further away from the land fill and off the busy ETH, the immediate surrounding area exhibits poorer quality homes and the area itself is one of the less desirable and secure areas of George Town. Additionally, access to the parcel is slightly awkward, being situated several junctions on from a prime arterial route. The parcel is also fairly narrow and there are more desirable land parcels for residential development purposes.

This parcel is an acre smaller than the property subject to valuation, smaller parcels typically achieving a higher rate per square foot than larger parcels.

4.2.2 Block & Parcel: 13D 29 & 13D 185
Address: Greenwood Drive
Registration Section: George Town Central



These two parcels were acquired as part of a group transfer in April 2014 for a combined total of CI\$50,000, at an overall rate of CI\$4.78 per square foot, based on a combined parcel area of 10,454 square feet (0.24 acres). The purchaser obtained a Minister of Finance waiver of stamp duty for this transaction, which requires the submittal of a private sector valuation report. This report valued the parcel at CI\$63,000 and the transfer was subsequently re-assessed by the Valuation & Estates Office to this level, which reflects a revised rate of CI\$6.03 per square foot.

Both parcels are zoned HDR and its elevation ranges between two to three feet above sea level. These two parcels are situated within the same residential neighbourhood as the comparable outlined above (13D 387) and as such, the same characteristics apply to this property with regards to the poor immediate surrounding area. However, the combined parcel area and shape of these two parcels are more desirable than that of

The combined acreage of these two parcels is still somewhat less than the subject property.

4.2.3 Block & Parcel: 13D 83
Address: Webb Road
Registration Section: George Town Central



This parcel sold in January 2013 for CI\$150,000 at a rate of CI\$4.92 per square foot, based on a parcel area of 30,492 square feet (0.7 acres).

The purchaser owns the adjoining parcel, 13D 440, and would be deemed a special purchaser. The parcels elevation ranges between two to three feet above sea level and is of an irregular shape. Access to the parcel and the immediate surrounding area is poor, characterised by a small offering of less desirable residential dwellings in addition to noisy industrial on goings.

The parcel is zoned MDR, however all the land to the immediate east of the parcel is zoned for industrial purposes, this including the purchasers other parcel which adjoins the subject. As such, whilst the price paid may reflect an element of special purchaser value, it may also incorporate an element of industrial zoned land value, industrial zoned land in this area having a higher value than land zoned for residential purposes.

4.3 FACTORS AFFECTING VALUE

4.3.1 LOCATION

The location of a property is one of the key determinants of its value. The part of the parcel subject to valuation is situated directly opposite the George Town landfill, which is the primary waste refuse site for Grand Cayman. The odour from the 'dump' can be strongly smelt along this stretch of the ETH and whilst this hasn't deterred some purchasers or tenants from residing in the adjoining Lakeside Villas development, it is not a desirable location for a residential development at this moment in time. If a positive waste management plan is implemented by the Cayman Islands Government, or the land fill moved and the land treated, the quality of this location may improve significantly as the parcel is in a good position with regards to access into George Town and Camana Bay. The close proximity and ready access to the main business centres and leisure offerings of Grand Cayman is perhaps the parcel's greatest asset.

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 considerable amount of acreage to the north of the subject part-parcel up until the Camana Bay roundabout that is undeveloped raw land. The vast majority of this is however held by Cayman Shores Development, which is a subsidiary of Dart Realty (Cayman) and we do not envisage this land becoming available for sale in its present state.

Under the parcel's current zoning, POS, we do not envisage there being any meaningful demand as the parcel could not be developed or fully utilized for personal use. An adjoining landowner may have interest in the parcel but the potential for any personal use is virtually nil and thus their purchase bid is likely be very nominal. There may, however, be some potential 'hope value' attaching, in that someone may purchase in the hope of gaining a re-zoning for some alternative beneficial use, given that the original intent to create a buffer for the 'dump' is no longer relevant.

If the parcel were to be re-zoned from POS to HDR, as is set out in the special assumptions in the valuation instruction, we envisage that demand for this parcel would increase as the parcel could, at least potentially, be developed. The absence of any vehicular access would severely limit any market demand, except possibly from those neighbouring parcel owners who might seek to unlock the full development potential through use of their own access rights.

Whilst the supply of land is inelastic and land itself not widely available in this section of Grand Cayman, we are of the opinion that if the property were to be offered on the open market, either under POS or HDR land zoning, we do not anticipate there being strong demand and would expect there to be a very lengthy marketing period far in excess of a year before an unconditional exchange of contracts is achieved.

4.3.4 LAND ZONING

Land zoning affects the value of land and property very significantly as it can restrict, or permit, the development for particular purposes. In this case, the parcel with its current land zoning, POS, has only a nominal value as it cannot be developed. There is no sales evidence of parcels zoned POS as there is generally no market for land with this zoning. Planning Department Guidance indicates that "Public Open Space comprises predominantly of undeveloped areas of land vested, or intended to be vested in the Government" (i.e. for public purposes).

If the land were to be re-zoned from POS to HDR, the parcels value will most definitely increase as it would permit residential development. One of the conditional uses under HDR is residential apartments, this enabling the construction of a maximum of 25 units per acre within a building up to 3 storeys high (subject to minimum setbacks, site coverage and car parking ratios).

In this instance, the uplift in value will be severely impacted due to the parcel being effectively landlocked through having no vehicular access. With this in mind, the land value should be at a much lower rate per square foot than if the parcel enjoyed full access. We therefore believe a rate per square foot of C\$2.50 would be applicable to the land if it were re-zoned for HDR purposes without vehicular access.

4.3.5 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 is believed to enjoy a controlling interest in the adjoining Lakeside Villas strata.

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'*.

Under the current land zoning, POS, we do not believe that the acquisition of the part parcel would provide any significant advantages to any of the adjoining owners as the parcel could not be developed. The owner could clear the site and utilize it as a park or recreational space for the residents of Lakeside, however, we consider it unlikely that he would be prepared to pay anything over and above market value for this.

However, if the land were to be re-zoned from POS to HDR (see special assumptions) the parcel will certainly have a special value to the individual who has a controlling interest at Lakeside. Unlike other adjoining landowners, he can immediately provide a development access to the parcel and onto the ETH. On this basis, it would be reasonable to assume that he would pay significantly more than market value to acquire the land, albeit he would likely be the only bidder.

Whilst the acquisition of the part parcel under HDR zoning clearly provides significant advantages to this individual, it is questionable as to whether there would be strong demand for additional condominium units in this location. A plethora of units at the Lakeside development have been and are still listed for sale, this depressing values somewhat. Furthermore, the close proximity to the George Town land fill and its pungent smell does not make it the most desirable location to reside.

With regards to how this affects our opinion of value, under the parcel's current zoning, POS, we would apply the same rate per square foot as has been adopted in determining the market value of the subject parcel with POS zoning, this C\$1 per square foot.

However, under the assumption that the parcel is re-zoned for HDR purposes, we believe that a special purchaser, specifically the party identified in the instructions received by the client, should be expected to pay somewhere in the region of 40% over and above market value with HDR land zoning to acquire the said property.

4.4 OPINION OF VALUE

All of the sales evidence used in this valuation is of much smaller sized land parcels, larger parcels typically achieving lower rates per square foot than smaller parcels due to economies of scale. The location of the sales evidence is, in our opinion, slightly inferior to the subject, even though the subject is much closer to the George Town land fill. The lack of access also severely restricts the parcels value, even after an assumed change in land zoning to HDR.

Therefore, after taking everything into consideration and adjusting for the individual characteristics of the subject parcel, including the special assumptions requested by the Client, we have provided the following opinions of value:

4.4.1 MARKET VALUE UNDER CURRENT ZONING

Having carefully considered the matter, we are of the opinion that the Market Value of the freehold interest in the subject property under its current POS land zoning, as described at the valuation date of Thursday 4th June 2015, and subject to the contents of this report is:

CI\$56,000 (Fifty Six Thousand Cayman Islands Dollars)

4.4.2 MARKET VALUE UNDER CURRENT ZONING TO A SPECIAL PURCHASER

With regards to the value to a special purchaser under the current POS land zoning, 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\$56,000 (Fifty Six Thousand Cayman Islands Dollars)

4.4.3 MARKET VALUE WITH HDR LAND ZONING

With regards to the value of the parcel assuming a change in land zoning from POS to HDR, 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\$140,000 (One Hundred and Forty Thousand Cayman Islands Dollars)

4.4.4 MARKET VALUE WITH HDR LAND ZONING TO A SPECIAL PURCHASER

With regards to the value to a special purchaser, assuming a change in land zoning from POS to HDR, 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\$195,000 (One Hundred and Ninety Five 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 should 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: Wednesday 10th June 2015

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

20 February 2017

CHIEF SURVEYOR'S REPORT

STATEMENT OF FACTS

GEORGE TOWN CENTRAL – BLOCK 13D PARCEL 1
(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 that no recent surveys have been commissioned and authenticated to define the subject land boundaries.

Its definition as per the Registry Map dates back to the Land Adjudication Records.

Boundary turning points have been marked with:-

- Wood pegs and wood posts

as indicated in the Land Adjudication Records.

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 records.

A handwritten signature in red ink, appearing to read "M Whiteman".

Michael Whiteman
Chief Surveyor

Enc.:
Registry Map Extract
2013 Aerial Image with RM parcel overlay,



Block 13D Parcel 1



Legend

2/20/17 2:41 PM

1:5,000



Notes

With 2013 Aerial photography

833.3

0

416.67

833.3 Feet



CAYMAN LAND INFO

www.caymanlandinfo.ky

Lands and Survey Department © Cayman Islands Government



REGISTRY MAP EXTRACT

SECTION : GEORGE TOWN CENTRAL

Block/Parcel(s) : 13D 1

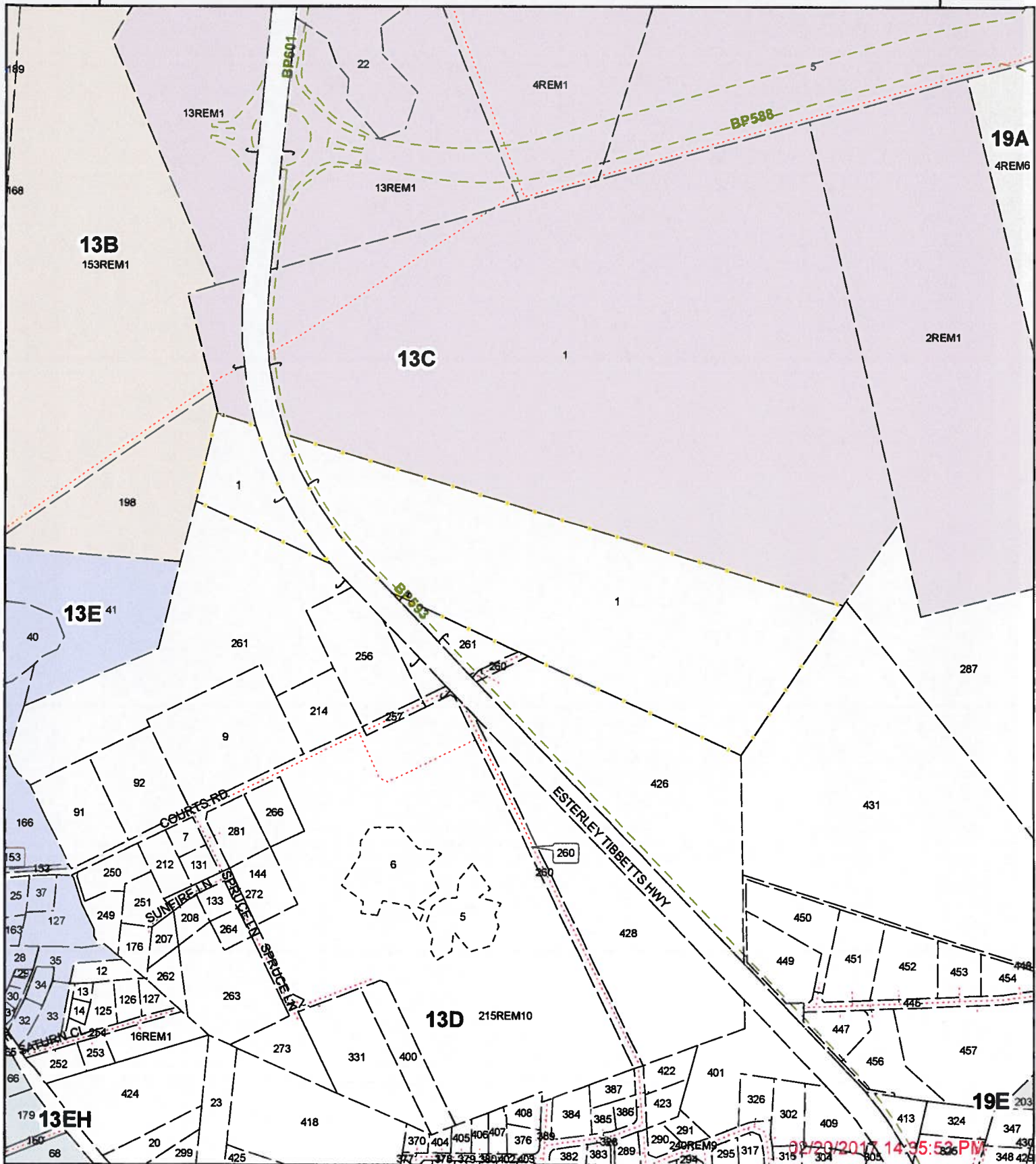
Last Mutation Date: 3/10/2016

Registry Map Extracts must be printed to fit a paper size of 8.5" x 11" in order to retain a scale of 1:5,000

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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



RESOLUTION

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

PROPOSED DISPOSITION OF CROWN LAND BLOCK 13D PARCEL 1 (PART)

Whereas:

- 1) The Cayman Islands Government proposes to transfer the Crown's freehold interest in Block 13D Parcel 1 (part) to Mirage Properties Ltd.
- 2) The area is 1.282 acres and comprises a part of the portion of this Parcel that is located west of the Esterley Tibbets Highway.
- 3) After careful analysis and consideration of the valuation reports Cabinet has advised Her Excellency The Governor that it is in the best interest of the Cayman Islands to transfer the freehold interest in Block 13D Parcel 1 (part) to Mirage Properties Ltd in return for a transfer of the freehold interest in Block 27B Parcel 113 and Block 27C Parcel 435 to the Crown.
- 4) The Cayman Islands Government shall support an application to rezone Block 13D Parcel 1 (part) from Public Open Space to High Density Residential.
- 5) Each party to bear its own costs.
- 6) Stamp Duty to be waived.

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 21st day of February 2017


CLERK OF THE CABINET



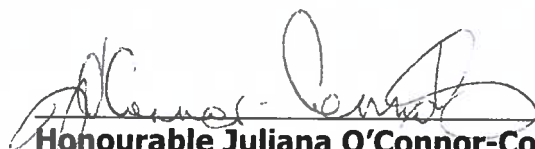
MINISTRY OF
EDUCATION, YOUTH, SPORTS
AGRICULTURE & LANDS
CAYMAN ISLANDS GOVERNMENT

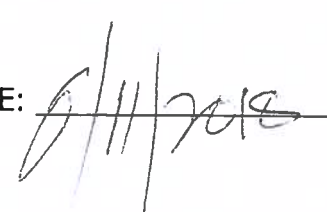
Government Administration Building Box 108
133 Elgin Avenue Grand Cayman KY1-9000
CAYMAN ISLANDS
t. (345) 244 2417 f. (345) 949 9343
www.education.gov.ky

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 Central' Block 13D Parcel 1 (part) to **MIRAGE PROPERTIES 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.


Honourable Juliana O'Connor-Connolly, JP
Minister

DATE:  2018

**REPORT OF THE CHIEF OFFICER,
MINISTRY OF EDUCATION, YOUTH, SPORTS, AGRICULTURE & LANDS**

**VESTING OF CROWN LAND
BLOCK 13D PARCEL 1 (Part)
TO MIRAGE PROPERTIES LTD**

Block 13D Parcel 1 comprises a 19 acre Parcel of land that is predominantly in use as part of the George Town landfill site. However, the 1.89 acre western extremity of the Parcel was severed by construction of the Esterley Tibbetts Highway, and accordingly is separated from the landfill portion of the Parcel. The Highway now forms the western boundary of the landfill.

Cabinet has approved that a 1.282 acre portion of the western severed part of Block 13D Parcel 1 be vested to Mirage Properties Ltd as part of a land exchange. A 0.611 acre strip of the severed land adjoining the Highway will be retained by the Crown for drainage purposes. The land to be vested is landlocked and cannot be accessed directly from the Highway. The land was originally zoned Public Open Space but was rezoned to High Density Residential in keeping with the zoning of the surrounding land.

In return, the Crown will accept the transfer of two Parcels of land; Block 27B Parcel 113 and Block 27C Parcel 435.

Block 27B Parcel 113 is a 1.03 acre sea-front Parcel which forms a part of the Royal Cayman Islands Police Service Marine Base at the terminus of Hirst Road, Savannah. It is registered to Unique Investments Ltd. As well as taking ownership of this Parcel, the Crown will be granted marine access rights over the private canal that connects this Parcel to the North Sound. The Parcel is zoned Low Density Residential and designated as Land for Public Purposes.

Block 27C Parcel 435 is a 1.65 acre sea-front Parcel at the terminus of Leeward Drive, Savannah, formerly registered to Grand Cayman Estates Ltd. It has been developed as a public dock and boat ramp, and associated car park. The Parcel is zoned Low Density Residential and designated as Land for Public Purposes. Ownership has already been transferred to the Crown in advance of formal approval, as a gesture of good faith.

Maps of the lands to be transferred to the Crown, and the land to be transferred to Mirage Properties Ltd in return, are attached.

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 2224/17, 21ST February 2017) that Cabinet advise Her Excellency The Governor to approve the vesting of Crown land Block 13D Parcel 1 (part; 1.282 acres) to Mirage Properties Ltd, in return for the transfer to Crown of freehold interest in Block 27B Parcel 113 (plus marine access rights) and Block 27C parcel 435. Stamp Duty to be waived.

In accordance with Section 10 (2) of The Governor (Vesting of Lands) Law, (2005 Revision), three valuations were commissioned of the land to be vested; one from Government's Lands and Survey Department and two from private sector property valuation companies. The valuers were asked to assume that the land is zoned High Density Residential, as at the time it was still zoned Public Open Space.

The table below outlines the three (3) opinions of value:

Lands & Survey	JEC	IRR
CI\$ 140,000	CI\$ 167,532	CI\$ 349,025 (assumes access)

The in-house valuation adopted the correct area of the land to be vested. The two external valuers were asked to value the full area of the severed portion, in error, so the figures shown are as amended proportionately. It is deemed that the purchaser is not a 'Special Purchaser' for valuation purposes.

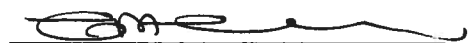
It is the opinion of the Chief Valuation Officer that the lands which will be transferred to the Crown in return have a market value as follows;

Block	Parcel	Area (acre)	Current Zoning	Market Value
27B	113	1.03	LDR with LPP	CI\$ 210,000 (land only)
27C	435	1.65	LDR with LPP	CI\$ 36,000

The vesting of Crown land Block 13D Parcel 1 (part) is recommended on the following terms and conditions:

Vendor: The Governor of the Cayman Islands.
Purchaser: Mirage Properties Ltd.
Property: Block 13D Parcel 1 (part only).
Area: 1.282 acres.
Consideration: Land exchange only. Freehold ownership of Block 27B Parcel 113 and Block 27C Parcel 435 to be transferred to the Crown. Marine access rights to be granted to the Crown over canal Block 27B Parcel 88.
Costs: Each party to bear its own costs.
Stamp Duty: Waived.

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.



Cetonya Cacho
Acting Chief Officer
Ministry of Education, Youth, Sports, Agriculture & Lands

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Notes
[Add Map Notes]

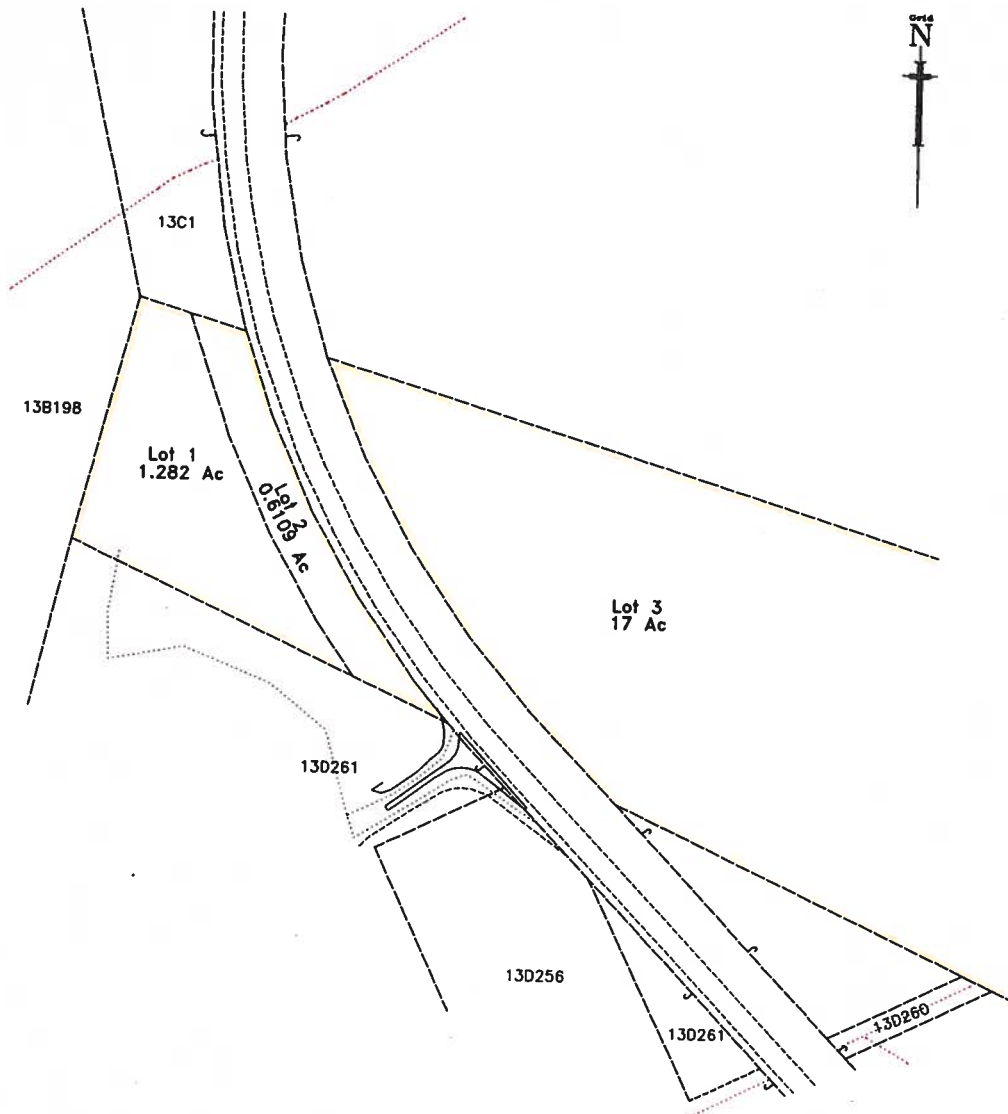


805.3



Lands and Survey Department © Cayman Islands Government

SUBDIVISION OF
BLOCK 13D PARCEL 1



NOTE

LOT 1 - This lot will be transferred.

LOT 2 & 3 - These lots will be retained by Crown.

NOT TO SCALE

Block 27C Parcel 435



This map is a user generated static output from the Cayman map and is for reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable. Boundary lines are approximate only. Refer to the original survey for the correct location.

Legend

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Notes
[Add Map Notes]

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CAYMAN LAND INFO
www.caymanlandinfo.ky

Lands and Survey Department © Cayman Islands Government

Block 27B Parcel 113



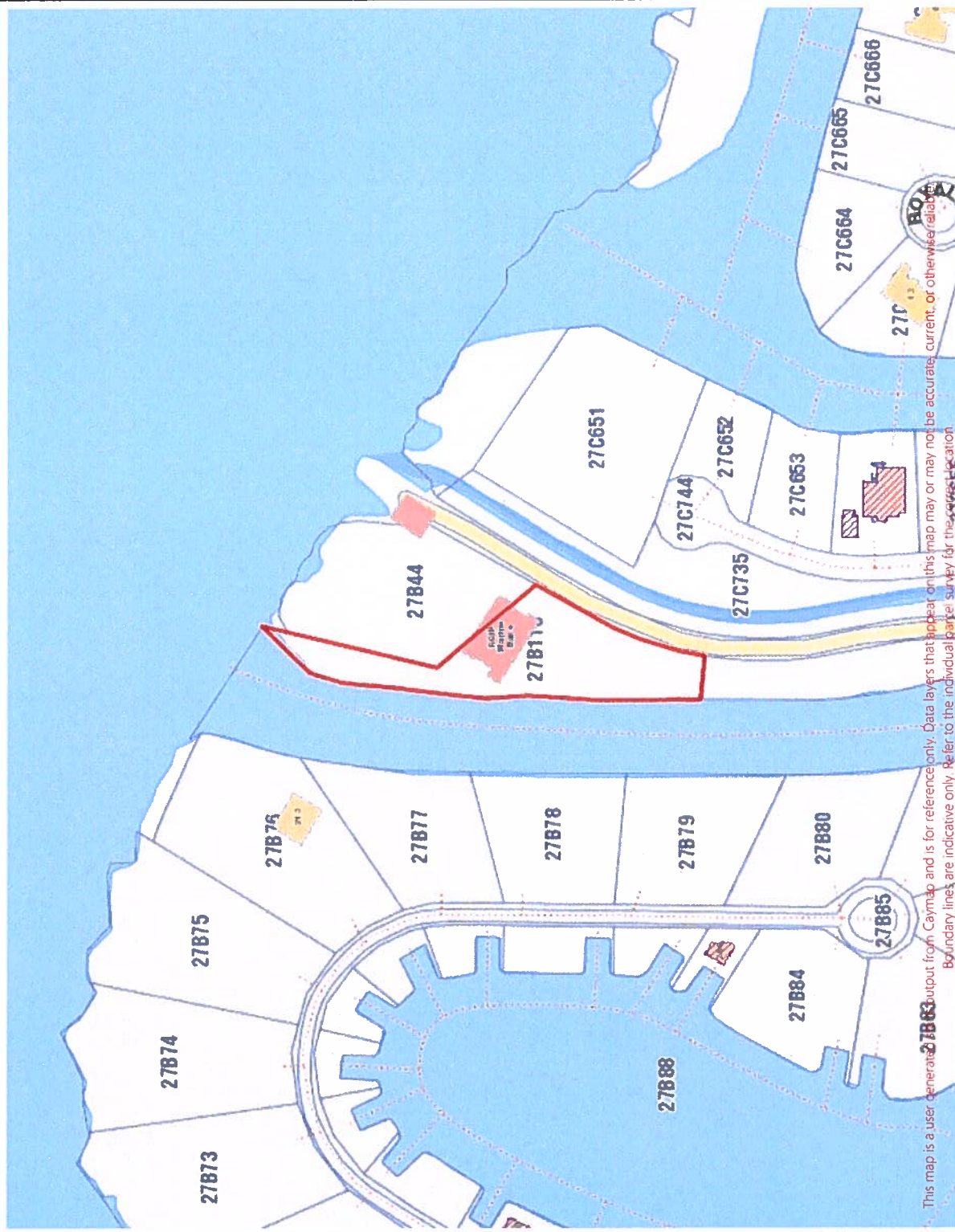
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Notes
[Add Map Notes]



This map is a user generated output from Cayman and is for reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable. Boundary lines are indicative only. Refer to the individual parcel survey for the official location.

402.7 0 201.33 402.7 Feet



CAYMAN LAND INFO
www.caymanlandinfo.ky

Lands and Survey Department © Cayman Islands Government

Valuation Of Real Property

Block 13D Parcel 1 (west section)

Vacant Land
Esterley Tibbetts Highway
Block 13D Parcel 1 (Part)
George Town Central, Grand Cayman
Cayman Islands

Prepared For:

Cayman Islands Government

Effective Date of Value:

May 13, 2015

IRR - Caribbean

File Number: 172-2015-0069





Block 13D Parcel 1 (west section)

Esterley Tibbetts Highway

Block 13D Parcel 1 (Part)

George Town Central, Grand Cayman, Cayman Islands



May 27, 2015

James Cooper, BSc
Graduate Valuation Officer
Cayman Islands Government
PO Box 1089
Grand Cayman, KY1-1102

SUBJECT: Valuation
Block 13D Parcel 1 (west section)
Esterley Tibbetts Highway
Block 13D Parcel 1 (Part)
George Town Central, Grand Cayman, Cayman Islands
Integra Caribbean File No. 172-2015-0069

Dear Mr. Cooper:

Integra Realty Resources – Caribbean is pleased to submit the accompanying valuation/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. As requested, we also estimate the market value assuming a zoning change. We have also provided opinions of the market value under both zoning scenarios assuming a special purchaser who is the adjoining land owner. The client for the assignment is Cayman Islands Government, and the intended use is for asset valuation purposes.

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

This report is prepared under the Appraisal Report option of Standards Rule 2-2(a) of the 2014-2015 edition 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 type of report has a moderate level of detail. It 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 1.8960 acres or 82,590 square feet. The property is zoned POS, Public Open Space, which permits no development. The government is contemplating a sale of the property and rezoning to High Density Residential.

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:

Final Value Conclusions			
Premise	Date of Value	Tenure (Interest)	Values (CI\$)
Market Value Assuming a Zoning Change	May 13, 2015	Freehold	\$520,000
Market Value to Special Purchaser Assuming a Zoning Change	May 13, 2015	Freehold	\$520,000
Market Value to Special Purchaser Under the Current Zoning	May 13, 2015	Freehold	\$50,000
Market Value As Is	May 13, 2015	Freehold	\$50,000

Unless otherwise stated, all financial figures are intended to be 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. Two of the valuation premises assume that the purchaser is the adjacent land owner to the south who is a special purchaser.
2. The subject is unlikely to be granted an access point from the Esterly Tibbetts Highway. It is our contention that a sale of the property is unlikely without the property having the benefit of access via an easement across an adjacent parcel. Therefore we have assumed in each valuation scenario that the subject has the benefit of access across one of the adjacent parcels.

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.

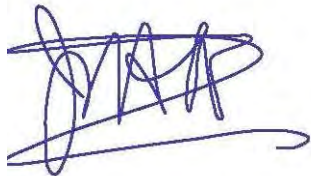
1. Two of the valuation premises assume that the zoning has been changed from Public Open Space to High Density Residential.

James Cooper, BSc
Cayman Islands Government
May 27, 2015
Page 3

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



James V. Andrews, MAI, FRICS, CRE, ASA
Chartered Valuation Surveyor
RICS Registered Valuer
Telephone: 345-946-2000, ext. 2
Email: jandrews@irr.com

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Summary of Salient Facts and Conclusions

Property Name	Block 13D Parcel 1 (west section)		
Address	Esterley Tibbetts Highway George Town Central, Grand Cayman, Cayman Islands		
Property Type	Land - Residential		
Owner of Record	Crown		
Parcel ID	Block 13D Parcel 1 (Part)		
Land Area	1.8960 acres; 82,590 SF		
Zoning Designation	POS, Public Open Space		
Highest and Best Use	Multifamily use		
Exposure Time; Marketing Period	12 months; 12 months		
Effective Date of the Appraisal	May 13, 2015		
Date of the Report	May 27, 2015		
Property Interest Appraised	Freehold		
Sales Comparison Approach			
Number of Sales	3		
Range of Sale Dates	Aug 11 to Mar 14		
Range of Prices per SF (Unadjusted)	\$5.90 - \$11.09		
Market Value Conclusion Assuming a Zoning Change	\$520,000		(\$6.30/SF)

*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. The summary shown above is for the convenience of Cayman Islands Government, and therefore 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.

Final Value Conclusions

Premise	Date of Value	Tenure (Interest)	Values (CI\$)
Market Value Assuming a Zoning Change	May 13, 2015	Freehold	\$520,000
Market Value to Special Purchaser Assuming a Zoning Change	May 13, 2015	Freehold	\$520,000
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1. Two of the valuation premises assume that the purchaser is the adjacent land owner to the south who is a special purchaser.
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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. Two of the valuation premises assume that the zoning has been changed from Public Open Space to High Density Residential.
-

General Information

Identification of Subject

The subject is a parcel of vacant land containing an area of 1.8960 acres or 82,590 square feet. The property is zoned POS, Public Open Space, which permits no development. The government is contemplating a sale of the property and rezoning to High Density Residential. The subject is defined by the client as being part of a parcel, defined herein by the boundaries as drawn on the amended parcel map shown below.



Property Identification

Property Name	Block 13D Parcel 1 (west section)
Address	Esterley Tibbetts Highway George Town Central, Grand Cayman, Cayman Islands
Legal Description	Block 13D Parcel 1 (Part)

Source: Land register

Current Ownership and Sales History

The owner of record is the Crown. To the best of our knowledge, no sale or transfer of ownership has occurred within the past three years, and as of the effective date of this appraisal, the property is not subject to an agreement of sale or option to buy, nor is it listed for sale.

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 requested, we also estimate the market value assuming a zoning change. We have also provided opinions of the market value under both zoning scenarios assuming a special purchaser who is the adjoining land owner. The date of the report is May 27, 2015. The appraisal is valid only as of the stated effective date or dates.

Currency Adopted

Unless otherwise stated, all financial figures are intended to be in Cayman Islands Dollars.

Definition of Market 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)

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)

Note: Fee Simple is essentially synonymous with a Freehold interest. In the Cayman Islands, a Freehold interest is registered on the Land Register as “Absolute Title”.

Intended Use and User

The intended use of the appraisal is for asset valuation purposes. The client and intended user is Cayman Islands Government. The appraisal is not intended for any other use or user. No party or parties other than those referenced 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:

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

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. 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.

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

James V. Andrews, MAI, FRICS, CRE, ASA conducted an on-site inspection of the property on May 13, 2015.

Report Format

This report is prepared under the Appraisal Report option of Standards Rule 2-2(a) of the 2014-2015 edition 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 type of report has a moderate level of detail. It summarizes the information analyzed, the appraisal methods employed, and the reasoning that supports the analyses, opinions, and conclusions.

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

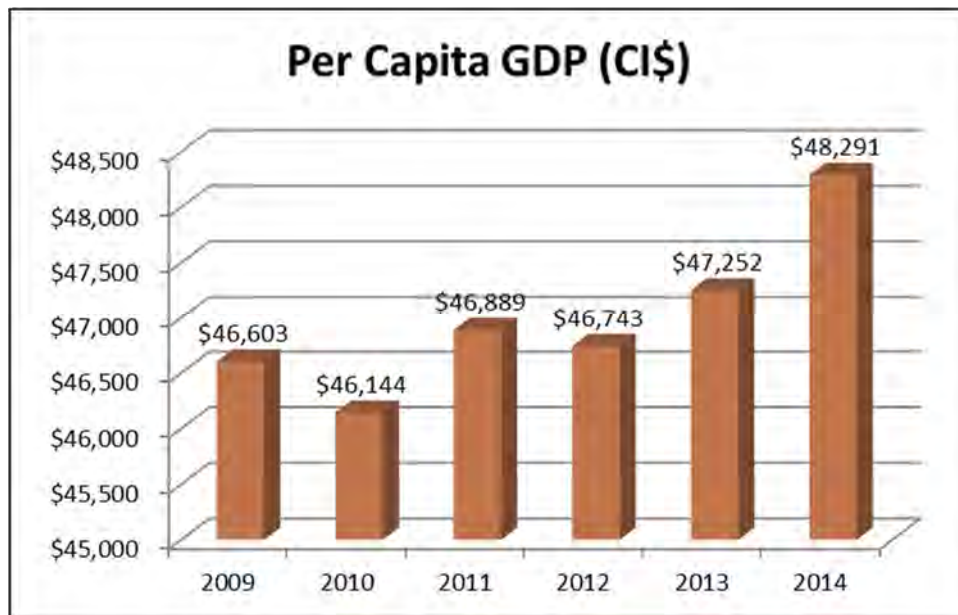
The estimated resident population of the country at the end of 2014 according to the Economic and Statistics Office was 58,238 with 57.4% being Caymanian (or Cayman Status holder). This overall population represents 4.5% growth from the 2013 population estimate, and an all-time high. The total estimated 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 McKeeva 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 is 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

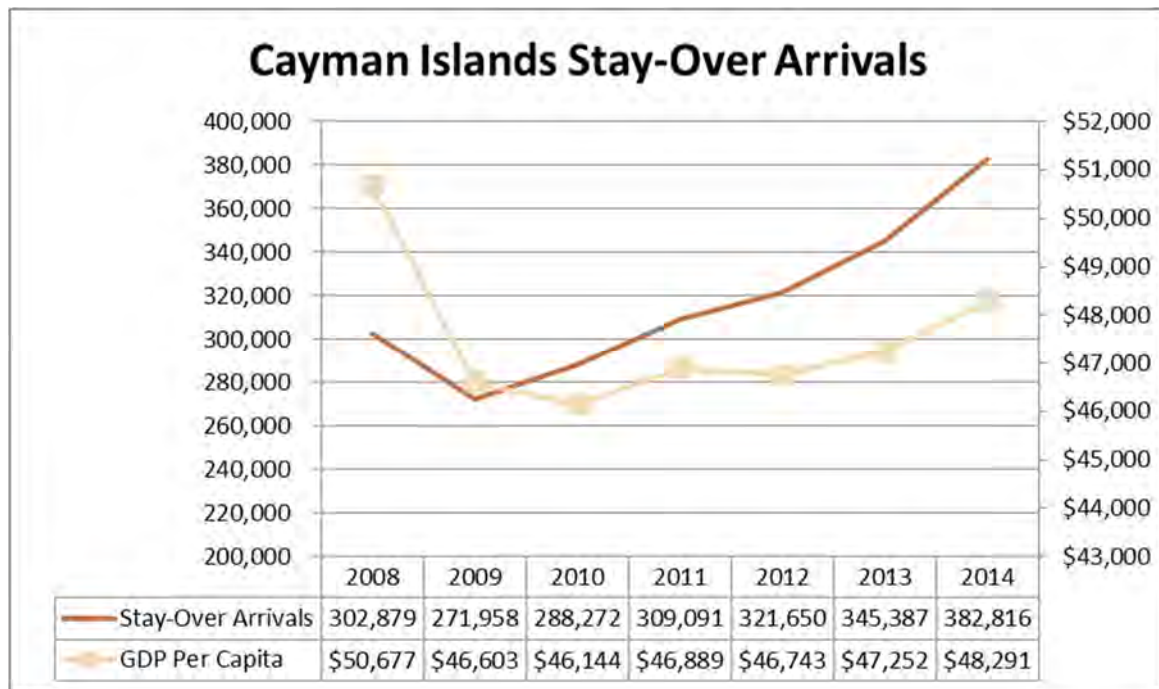
The Cayman Islands hosted over 1.9 million visitors in 2014 (including both stay-over and cruise tourists). All three islands also host a number of part-time residents and property owners who vacation here regularly.

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

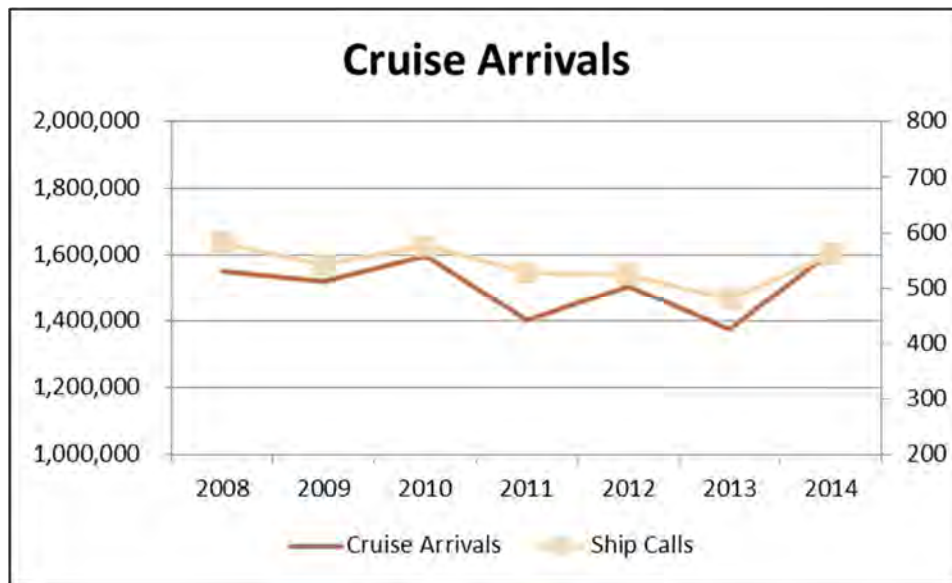
The following graph relates stay-over arrivals to the country's GDP per capita.



Stay over 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							

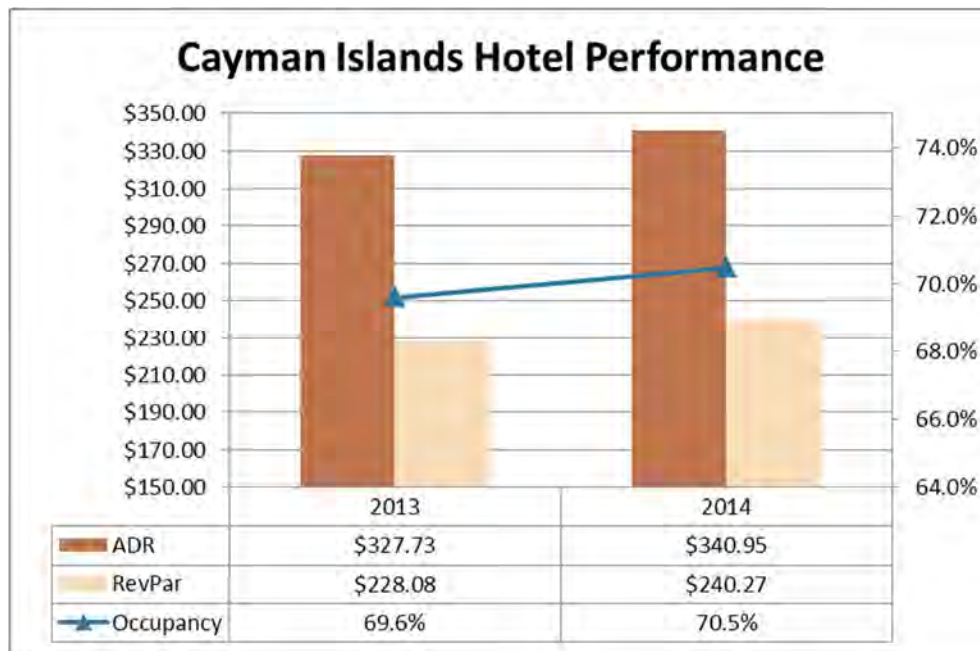


The cruise lines have stated that they will continue to shift their stops to other markets until Cayman develops a cruise ship pier or docking facility, as there is increased liability and cost associated with the tendering operation that currently exists. Various attempts at tendering the construction 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.

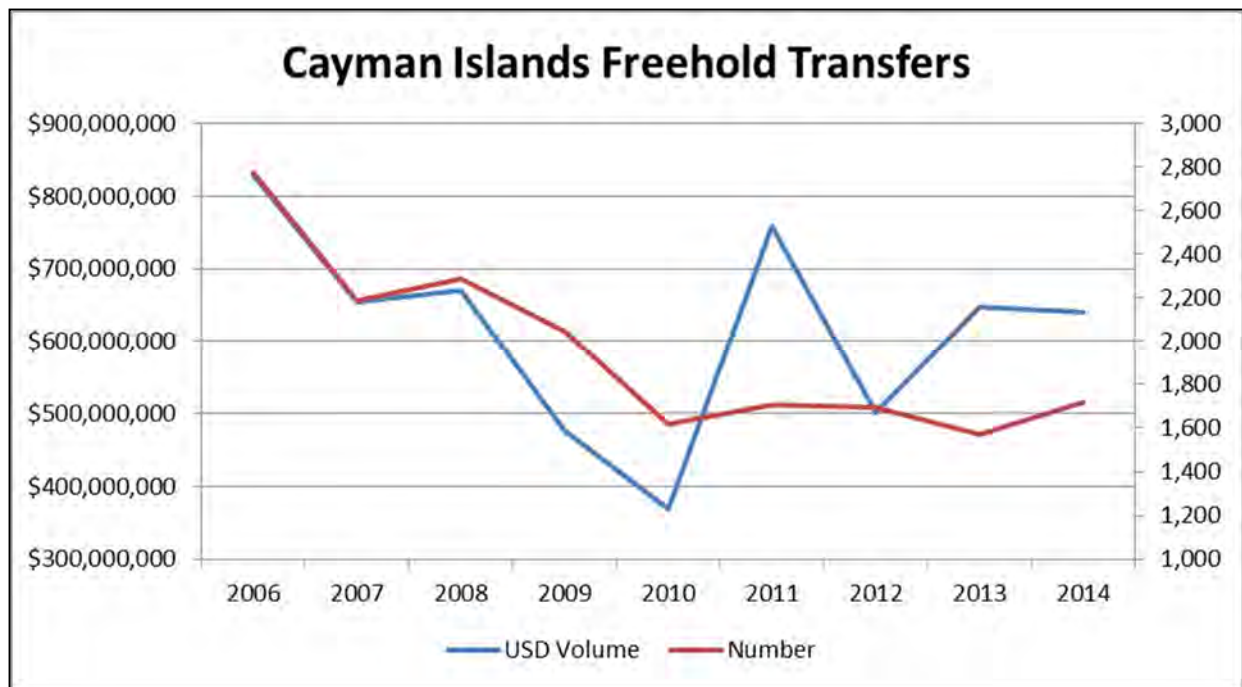
This project is being developed with 100% equity by the Dart Group of companies, owned by the founders of the Dart Container Corporation (Styrofoam cups, etc.). This organization has continued to amass a significant amount of land, including the 2011 purchase of an additional 64 parcels totaling 1,481 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.



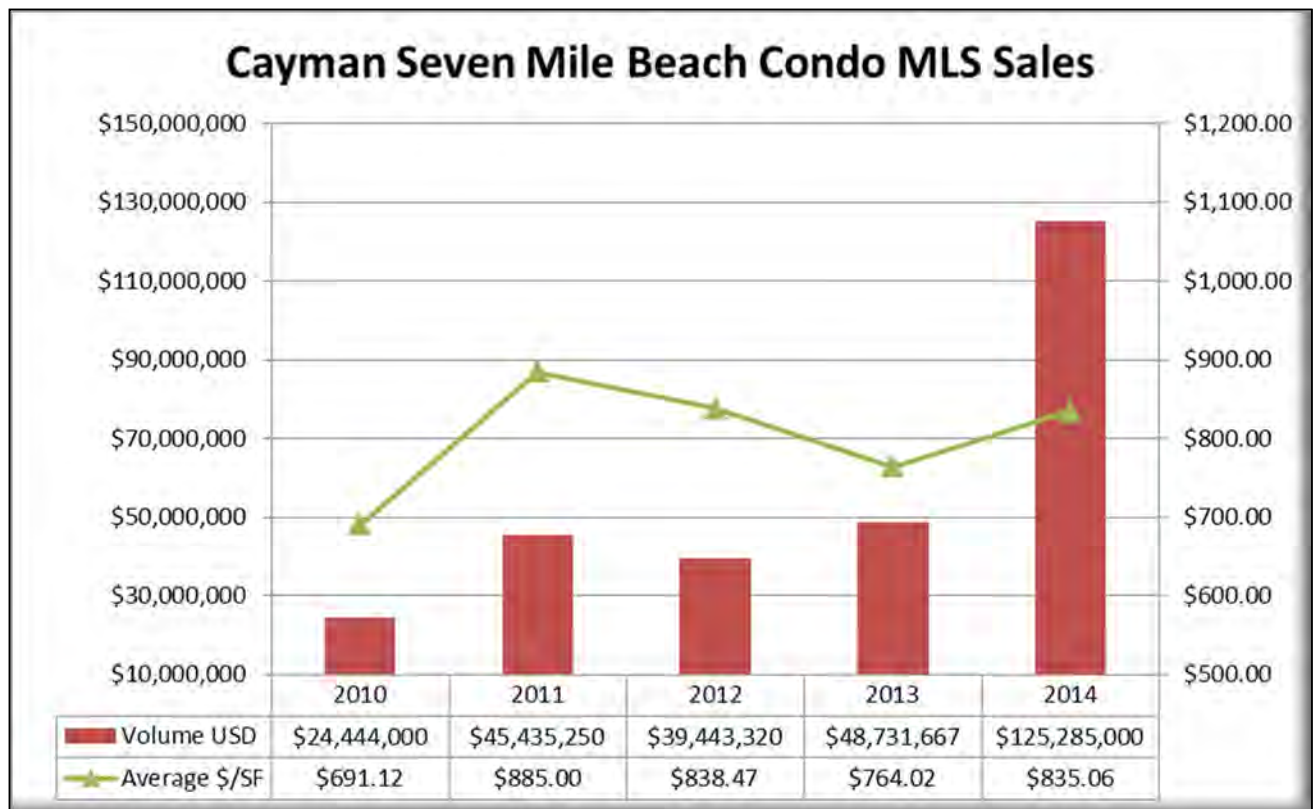
Source: Cayman Islands Department of Lands and Survey (www.caymanlandinfo.ky), Integra Realty Resources

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

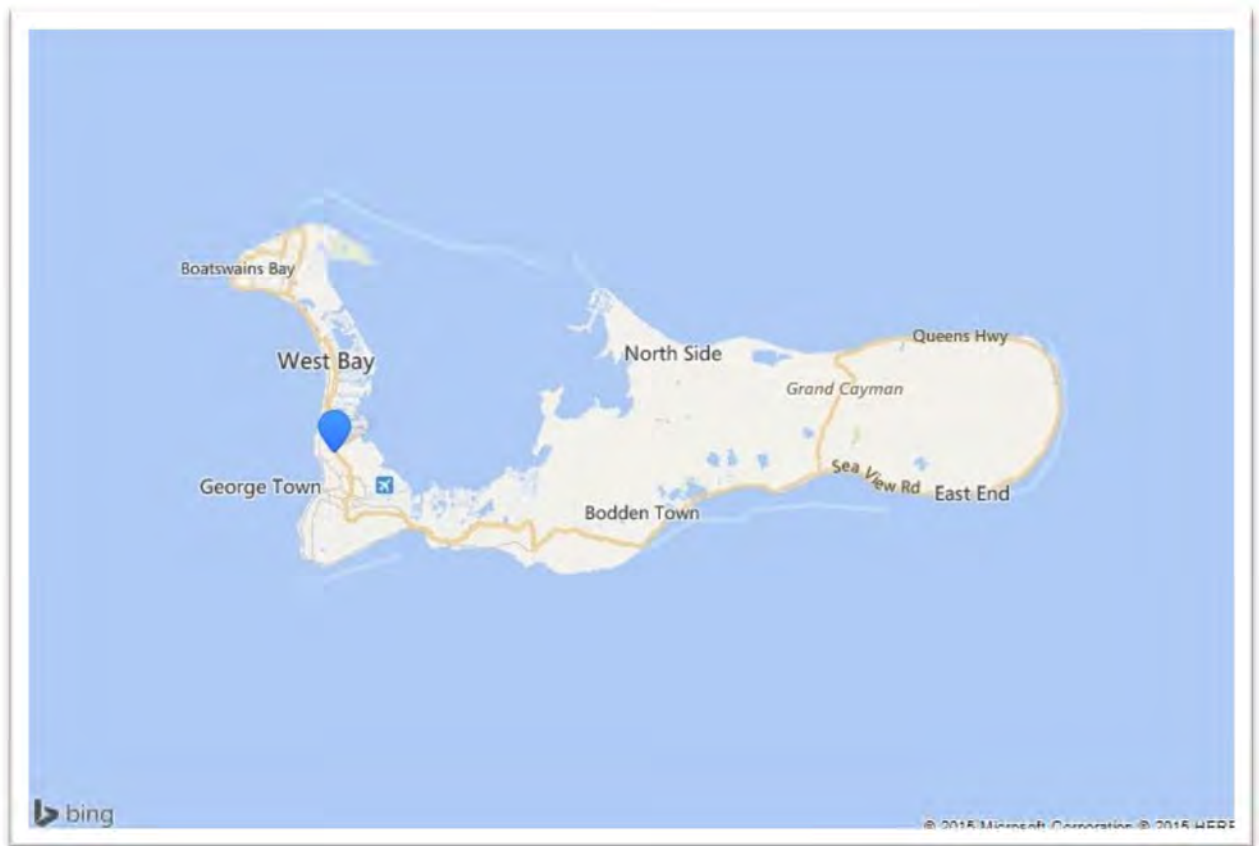
There are no periodic real estate taxes in the Cayman Islands, rather a one-time stamp duty based on the value at the time of transfer, usually paid by the purchaser. Currently stamp duty on property transfers are based on 6% of the price (or assessed value), or 7.5% for parcels in the areas of Seven 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 Central registration section on the island of Grand Cayman. It is about 2 miles north of George Town, the capital and business centre of the Cayman Islands. More specifically, the property is located along the Esterley Tibbetts Highway which runs north from George Town toward Camana Bay and the general Seven Mile Beach area. This is the northern section of the George Town Central Registration Section.

Access

Primary highway access to the area is via the Esterley Tibbetts Highway. Overall, the primary mode of transportation in the area is the automobile. Access to the adjacent Lakeside Condominiums is only available from a northerly direction, and egress is also only northerly. This requires motorists to travel about ½ mile in either direction in order to travel in opposite directions. We have been informed that there will be no additional access points from this road other than a proposed roundabout interchange between Lakeside and Camana Bay. We have made extraordinary assumptions regarding access to the subject parcel.

Demographic Factors

Compared to the territory area as a whole, the local area has similar income levels. Population trends are similar and the local area is growing at a similar rate to the territory.

Land Use

The area is suburban in character and approximately 60% developed.

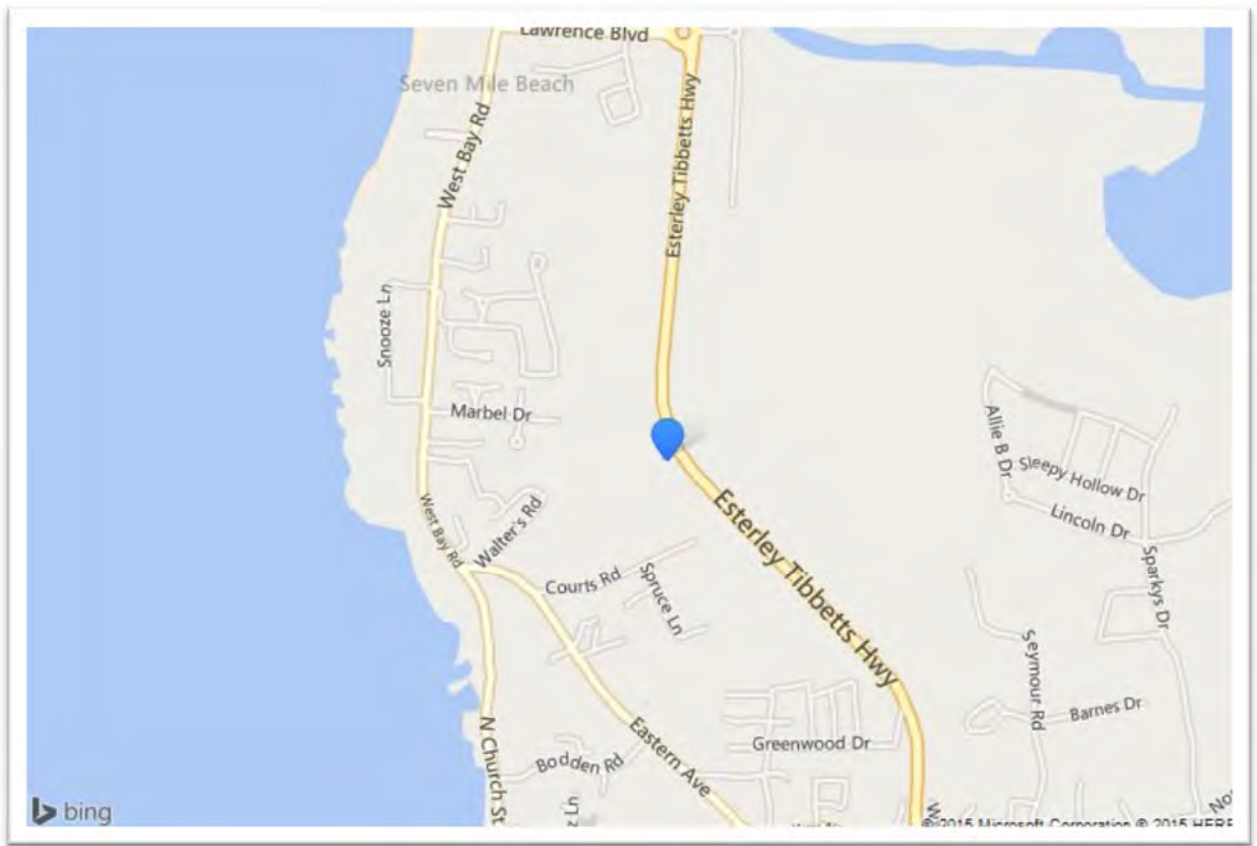
Predominant land uses are residential and there is some commercial developments to the north at Camana Bay (a mixed use development including a cinema, gym, shops, restaurants, bars, a bank, and offices) and also to the south, which is the outskirts of George Town. During the last five years, development has been predominantly of single and multi-family homes. The pace of development has been intermittent over this time.

The municipal land fill refuse facility is just to the east of Lakeside and as the prevailing winds are from the east, noxious odors will often be noticed in this area.

Outlook and Conclusions

The area is in the stable stage of its life cycle. We anticipate that property values will remain stable in the near future.

Surrounding Area Map



Property Analysis

Land Description and Analysis

Land Description	
Land Area	1.8960 acres; 82,590 SF
Source of Land Area	Land Register
Primary Street Frontage	Esterley Tibbetts Highway - 182 feet
Shape	Irregular
Corner	No
Water Frontage	No
Topography	Low lying, with elevations between 2 and 4 feet
Drainage	No problems reported or observed
Environmental Hazards	None reported or observed.
Ground Stability	No problems reported or observed
Zoning; Other Regulations	
Zoning Jurisdiction	Cayman Islands Planning Authority
Zoning Designation	POS
Description	Public Open Space
Legally Conforming?	Yes
Zoning Change Likely?	Yes
Permitted Uses	No development
Minimum Lot Area	NA
Maximum Density	NA
Maximum Floor Area Ratio	NA
Parking Requirement	NA
Other Land Use Regulations	None according to land register
Site Services	
Service	Provider
Water	Water Authority
Sewer	None
Electricity	CUC
Natural Gas	None
Local Phone	Various providers

The client has requested that we provide an opinion of value based on both the existing zoning designation as well as if the property had been re-zoned to High Density Residential.

Potential Development Density

Assuming High Density Residential zoning, and based on the maximum density of 25 units per acre, a maximum of 47 multifamily dwelling units could be developed on the site.

Easements, Encroachments and Restrictions

Based upon a review of the Land Register and cadastral map, there do not appear to be any easements, encroachments, or restrictions that would 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.



Photo# 1
Facing North Along Esterly Tibbetts Highway



Photo# 2
Facing South Along Esterly Tibbetts Highway



Photo# 3
Facing North Toward Subject From Lakeside Condos



Photo# 4
Facing North Toward Subject From lakeside Condos



Photo# 5
Facing North From lakeside Condos

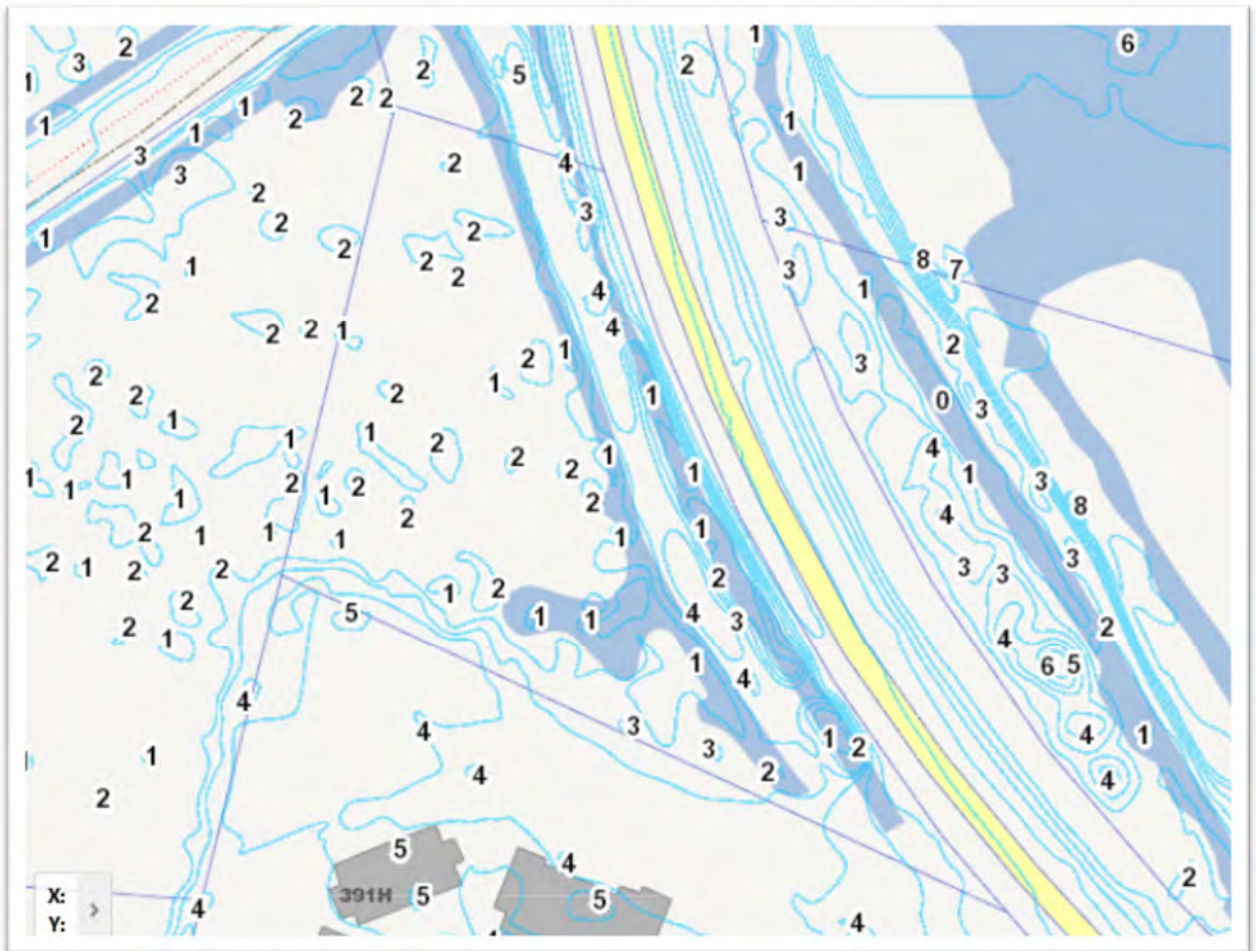


Photo# 6
Facing West Along Dyke Roads With Subject Along Left

Cadastral Map Images



Aerial Map of Subject Site



Topography / Elevation Map

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. 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.

As Vacant – Assuming High Density Residential Zoning

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 topography is slightly lower than the road and adjacent properties. Water is visible on site in several areas. It is likely some fill will be required for any future development. In addition, new access is restricted from the frontage road, Esterley Tibbetts Highway, requiring the property to be accessed by way of the adjacent parcels only. It is highly unlikely a sale would take place without an access easement, therefore we have assumed that some type of access would be available.

Legally Permissible

The site is zoned POS, Public Open Space. Permitted uses include no development. The Government is contemplating a sale of the property which would include a zoning change to High Density Residential. To our knowledge, there are no legal restrictions such as easements or deed restrictions that would effectively limit the use of the property. Given prevailing land use patterns in the area, and assuming a zoning change to High Density Residential, only multifamily use is given further consideration in determining highest and best use of the site, as though vacant.

Financially Feasible

Based on our analysis of the market, there is currently adequate demand, while limited in this location, for multifamily use. The location of this site is directly across the road from the islands main and only landfill. While discussion is underway to relocate the landfill, it is unlikely that this will happen in the near future. While more development in this location is possible, the issue of the landfill presents challenges for this location. However, success of the adjacent Lakeside Apartments/Condos shows that demand exists at market levels. It appears that a newly developed multifamily use on the site would have a value commensurate with its cost. Therefore, multifamily 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 multifamily use. Accordingly, it is our opinion that multifamily use, developed to the normal market density level permitted by zoning, is the maximally productive use of the property. It is concluded that multifamily development is Financially Feasible at this time.

Conclusion

Development of the site for multifamily 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; assuming a zoning change to one that permits multifamily development.

Highest and Best Use Assuming Current Zoning

Current zoning classification is Public Open Space which does not allow development for any other use other than parks or other general public uses. See description below from the Cayman Islands Development & Planning Regulations (2013 Revision).

Most Probable Buyer

Taking into account the functional utility of the site and area development trends, the probable buyer is an adjacent property owner who would be a Special Purchaser. As discussed earlier, the planned expansion by the NRA of Esterley Tibbetts Highway into a four-lane artery in addition to a new roundabout will eliminate any future access points onto Esterley Tibbetts Highway. With this limitation on new access, the most probable buyer will be an adjacent property owner who could provide access from the adjacent parcel.

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.

The following analysis is based on the premise that the zoning has been changed to High Density Residential.

Our sales research focused on transactions within the following parameters:

- Location: Within 3 miles of the Subject Property
- Size: .5 acres up to 4 acres
- Use: Various
- Transaction Date: Effective Date of Appraisal

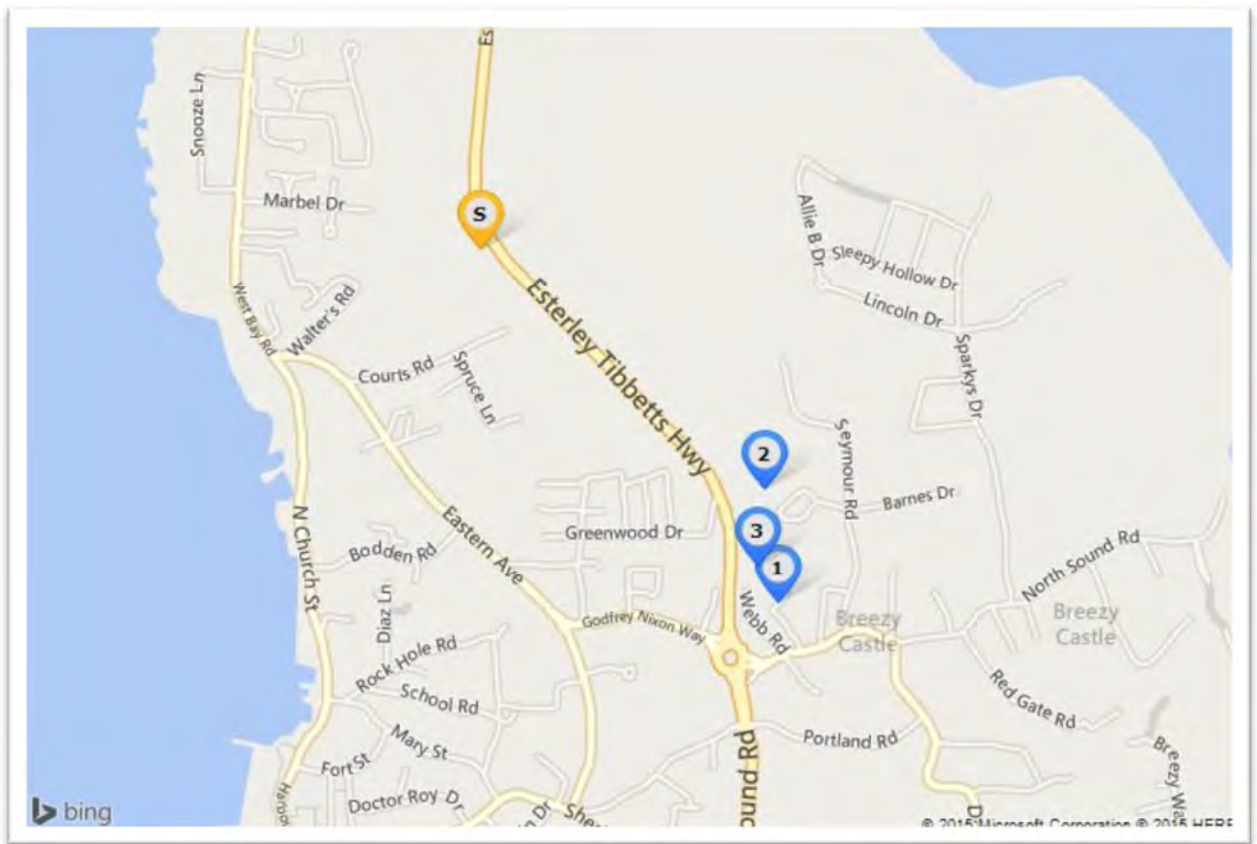
After an extensive search within these parameters we've selected three sales within the closest proximity to the Subject Property. With limited sales data available, the three most comparable sales we selected were in the immediate neighborhood.

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 on this basis. The most relevant sales are summarized in the following table.

Summary of Comparable Land Sales							
No.	Name/Address	Sale Date; Status	Sale Price	SF; Acres	Zoning	\$/SF Land	\$/Acre
1	Block 13D Parcel 83 Bronze Rd. Georgetown	Jun-13 Closed	\$180,000	30,492 0.70	Medium Density Residential	\$5.90	\$257,143
<i>Comments: Price in CI\$. Sold as Medium Density Residential but offers potential for Heavy Industrial zoning. Partial fill needed. Irregular topography.</i>							
2	Block 13D Parcel 348 Sherwood Drive F Georgetown Central	Mar-14 Closed	\$198,000	17,860 0.41	Heavy Industrial	\$11.09	\$482,927
<i>Comments: Price in CI\$. Property sold as is and used for outside storage.</i>							
3	Block 13D Parcel 440 End of Bronze Road Grand Cayman	Aug-11 Closed	\$426,000	59,154 1.36	Heavy Industrial	\$7.20	\$313,697
<i>Comments: Price in CI\$. At end of Bronze Road, in an area transitioning from residential to industrial. Subsequently developed with rum distillery.</i>							
Subject Block 13D Parcel 1 (west section) Cayman Islands				82,590 1.90	Public Open Space		

*Values expressed in Cayman Islands Dollars

Comparable Land Sales Map





Sale 1
Block 13D Parcel 83



Sale 2
Block 13D Parcel 348



Sale 3
Block 13D Parcel 440

Block 13D Parcel 1 (west section)



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 sale.	No adjustments necessary
Real Property Rights	Fee simple, leased fee, leasehold, partial interest, etc.	No adjustments necessary
Financing Terms	Seller financing, or assumption of existing financing, at non-market terms.	No adjustments necessary
Conditions of Sale	Extraordinary motivation of buyer or seller, assemblage, forced sale.	No adjustments necessary
Market Conditions	Changes in the economic environment over time that affect the appreciation and depreciation of real estate.	No adjustments necessary
Location	Market or submarket area influences on sale price; surrounding land use influences.	No adjustments necessary
Access/Exposure	Convenience to transportation facilities; ease of site access; visibility; traffic counts.	All comparable sales were adjusted downward for superior access.
Size	Inverse relationship that often exists between parcel size and unit value.	Sales 1 and 2 were adjusted downward for their smaller size.
Shape and Topography	Primary physical factors that affect the utility of a site for its highest and best use.	An upward adjustment was made to Comparable Sale #1 due to its inferior shape. Comparable #2 was adjusted downward due to a superior shape and topography.
Zoning	Government regulations that affect the types and intensities of uses allowable on a site.	Sale 1 has inferior zoning and was adjusted upward. Sales 2 and 3 have superior (industrial) zoning and were adjusted downward.
Entitlements	The specific level of governmental approvals attained pertaining to	No adjustments necessary

Adjustment Factor	Accounts For	Comments
	development of a site.	

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

Land Sales Adjustment Grid				
	Subject	Comparable 1	Comparable 2	Comparable 3
Name	Block 13D Parcel 1 (west section)	Block 13D Parcel 83	Block 13D Parcel 348	Block 13D Parcel 440
Address	Esterley Tibbetts Highway	Bronze Rd.	Sherwood Sherwood Drive Rd.	End of Bronze Road Bronze Rd.
City	George Town Central	Georgetown	Georgetown Central	Grand Cayman
Sale Date		Jun-13	Mar-14	Aug-11
Sale Status		Closed	Closed	Closed
Sale Price		\$180,000	\$198,000	\$426,000
Square Feet	82,590	30,492	17,860	59,154
Acres	1.8960	0.7000	0.4100	1.3580
Usable Square Feet	82,590	30,492	17,860	59,154
Zoning Code	HDR (assumed)	Medium Density Residential	Heavy Industrial	Heavy Industrial
Price per Square Foot		\$5.90	\$11.09	\$7.20
Property Rights		Fee Simple	Fee Simple	Fee Simple
% Adjustment		—	—	—
Financing Terms		Cash to seller	Cash to seller	Cash to seller
% Adjustment		—	—	—
Conditions of Sale		Arm's Length	Arm's Length	Arm's Length
% Adjustment		—	—	—
Market Conditions		Jun-13	Mar-14	Aug-11
Annual % Adjustment		—	—	10%
Cumulative Adjusted Price		\$5.90	\$11.09	\$7.92
Location		—	—	—
Access/Exposure		-10%	-10%	-10%
Size		-5%	-10%	—
Shape and Topography		20%	-20%	—
Zoning		5%	-10%	-10%
Entitlements		—	—	—
Net \$ Adjustment		\$0.59	-\$5.54	-\$1.58
Net % Adjustment		10%	-50%	-20%
Final Adjusted Price		\$6.49	\$5.54	\$6.34
Overall Adjustment		10%	-50%	-12%
Range of Adjusted Prices		\$5.54 - \$6.49		
Average		\$6.12		
Indicated Value		\$6.25		

Land Value Conclusion

Prior to adjustment, the sales reflect a range of \$5.90 - \$11.09 per square foot. After adjustment, the range is narrowed to \$5.54 - \$6.49 per square foot, with an average of \$6.12 per square foot. We give greatest weight to Sale #1 and Sale #3. Both are adjacent to each other and just across the street from the Subject. Both properties present similar challenges to access and topo at time of sale. Thus we arrive at a land value conclusion as follows:

Land Value Conclusion *

Indicated Value per Square Foot	\$6.25
Subject Square Feet	82,590
Indicated Value	\$516,186
Rounded	\$520,000

*Values expressed in Cayman Islands Dollars

Alternate Valuation Scenarios

The following alternate valuation scenarios were requested.

Market Value to a Special Purchaser

This premise of value assumes that the purchaser is the adjacent property owner to the south which is Lakeside Condominiums. In our opinion, the location and lack of access onto the Esterly Tibbetts Highway presents a situation where the potential pool of purchasers would be limited primarily to owners of adjacent properties. In addition, the special purchaser would assume he/she is the only likely suitor, thereby unwilling to pay a premium over market value. Presentation of the property on the open market would otherwise result in an extended marketing period over and above what is typically desirable by sellers, thereby causing a reduction in the listing price until a buyer can be located. As such, we have assumed a normal marketing period, but have also assumed no premium over market value would be paid by this special purchaser; especially with the view that the pool of potential purchasers is likely made up of adjacent land owners.

Market Value Assuming a Special Purchaser under the Current Zoning

We have been unable to locate any comparable sales of parcels zoned Public Open Space, and if there have been, they most likely were proposed for a zoning change. In addition, the values may not be comparable due to other factors such as location and surrounding land uses. We are aware that for assessment purposes, the C.I. Government has adopted a nominal value of between 10% and market value and C\$1.00 per square foot in instances where properties cannot be developed. It is unlikely that Public Open Space zoned land can benefit from a zoning change except under special circumstances. In this case, there would be limited demand for park use (or similar) except from the adjacent land owner (the Lakeside Condominiums) who may see some benefit from using the site as an amenity to the residents. We have adopted a value of 10% of the market value assuming a zoning change.

Market Value As Is

As stated above, we take the view that under the existing zoning, adjacent land owners would be the only potential purchasers of the site. As such we would assume no difference between the market value and the market value to a special purchaser (assuming the current zoning).

Accordingly, our final value conclusions follow.

Final Value Conclusions			
Premise	Date of Value	Tenure (Interest)	Values (C\$)
Market Value Assuming a Zoning Change	May 13, 2015	Freehold	\$520,000
Market Value to Special Purchaser Assuming a Zoning Change	May 13, 2015	Freehold	\$520,000
Market Value to Special Purchaser Under the Current Zoning	May 13, 2015	Freehold	\$50,000
Market Value As Is	May 13, 2015	Freehold	\$50,000

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			
Premise	Date of Value	Tenure (Interest)	Values (CIS)
Market Value Assuming a Zoning Change	May 13, 2015	Freehold	\$520,000
Market Value to Special Purchaser Assuming a Zoning Change	May 13, 2015	Freehold	\$520,000
Market Value to Special Purchaser Under the Current Zoning	May 13, 2015	Freehold	\$50,000
Market Value As Is	May 13, 2015	Freehold	\$50,000

Note: Unless otherwise stated, all values are intended to be 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. Two of the valuation premises assume that the purchaser is the adjacent land owner to the south who is a special purchaser.
2. The subject is unlikely to be granted an access point from the Esterly Tibbetts Highway. It is our contention that a sale of the property is unlikely without the property having the benefit of access via an easement across an adjacent parcel. Therefore we have assumed in each valuation scenario that the subject has the benefit of access across one of the adjacent parcels.

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. Two of the valuation premises assume that the zoning has been changed from Public Open Space to High Density Residential.

Exposure and Marketing Times

According to USPAP, Exposure Time is the amount of time the property would have spent being marketed prior to theoretically being sold on the effective date of value. A reasonable exposure time is a key ingredient in the definition of market value. The Marketing Time is the estimated amount of time that the property will likely spend being marketed after the date of value but prior to an actual sale. The estimated Marketing Time is not necessarily linked to the opinion of value, as market conditions can change in the future. Our estimates of reasonable exposure and marketing times are as follows:

Exposure Time and Marketing Period

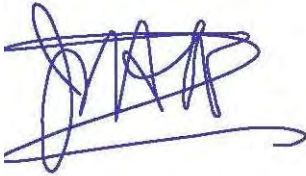
Exposure Time (Months)	12
Marketing Period (Months)	12

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. This valuation and report were developed in conformity with the latest edition of the RICS Valuation Professional Standards as well as the International Valuation Standards of the International Valuation Standards Council.
10. 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.
11. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
12. James V. Andrews, MAI, FRICS, CRE, ASA made a personal inspection of the property that is the subject of this report.
13. No one provided significant real property appraisal assistance to the person(s) signing this certification.
14. We have acquired adequate knowledge and experience with regard to properties such as the subject and in the market in which the property participates; are competent to perform this

- assignment; and are in compliance with both the RICS Code of Conduct and the competency provision of USPAP.
15. We confirm our independence with respect to the property and the parties involved, as required by the RICS Code of Conduct. As defined by the RICS Appraisal and Valuation Standards, we confirm that we are acting as “External Valuers” in this case.
 16. As of the date of this report, James V. Andrews, MAI, FRICS, CRE, ASA, has completed the continuing education program of the Appraisal Institute.



James V. Andrews, MAI, FRICS, CRE, ASA
Chartered Valuation Surveyor
RICS Registered Valuer

Assumptions and Limiting Conditions

This appraisal is based on the following 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 or toxic mold 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 is 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, national, state or local laws, regulations or codes (including, without limitation, the U.S. 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 boundary, topographical, geological or environmental 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.
 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 published or 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 person 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, 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 U.S. Dollar (or other currency as defined herein) is the basis for the value stated in our appraisal; we have assumed that no extreme fluctuations in economic cycles will occur.
 16. The value found herein is 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. For appraisals of properties within the United States and its territories: The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific survey or analysis of the property to determine whether the physical aspects of the improvements meet the ADA accessibility guidelines. We claim no expertise in ADA issues, and render no opinion regarding compliance of the subject with ADA regulations. Inasmuch as compliance matches each owner's financial ability with the cost to cure the non-conforming physical characteristics of a property, a specific study of both the owner's financial ability and the cost to cure any deficiencies would be needed for the Department of Justice to determine compliance.
 19. 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.
 20. 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 and the person signing the report 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.
 21. The person signing the report may have reviewed available flood maps and may have noted in the appraisal report whether the subject property is located in an identified Special Flood Hazard Area (if applicable in the relevant jurisdiction). We are not qualified to detect such areas and therefore do not guarantee such determinations. The presence of flood plain areas and/or wetlands may affect the value of the property, and the value conclusion is predicated on the assumption that wetlands are non-existent or minimal.
 22. 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.
 23. The appraisal report and value conclusion for an appraisal assumes the satisfactory completion of construction, repairs or alterations in a workmanlike manner.
 24. 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.
25. Integra Realty Resources – Caribbean, an independently owned and operated company, has prepared the appraisal for the specific purpose stated elsewhere in the report. The intended use of the appraisal is stated in the General Information section of 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 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).
 26. 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. Integra Realty Resources, Inc. and the undersigned 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.
 27. All prospective value estimates 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.
 28. The appraisal is also subject to the following Special Assumptions:

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. Two of the valuation premises assume that the purchaser is the adjacent land owner to the south who is a special purchaser.
2. The subject is unlikely to be granted an access point from the Esterly Tibbetts Highway. It is our contention that a sale of the property is unlikely without the property having the benefit of access via an easement across an adjacent parcel. Therefore we have assumed in each valuation scenario that the subject has the benefit of access across one of the adjacent parcels.

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. Two of the valuation premises assume that the zoning has been changed from Public Open Space to High Density Residential.
-

Addendum A

Qualifications of the Appraisers

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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59 MacLendon Drive
Grand Cayman, KY1-1010
Cayman Islands

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U.S. Virgin Islands

T 345.946.2000
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jandrews@irr.com
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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 63 independently owned and operated offices in 33 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 each is 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 - Denis Gathman, MAI, CRE, FRICS, SRA
CHICAGO, IL - Eric L. Enloe, MAI, FRICS
CINCINNATI, OH - Gary S. Wright, MAI, FRICS
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
DENVER, CO - Brad A. Weiman, MAI, FRICS
DETROIT, MI - Anthony Sanna, MAI, CRE, FRICS
FORT WORTH, TX - Donald J. Sherwood, MAI, SR/WA, FRICS
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
JACKSONVILLE, FL - Robert Crenshaw, MAI
KANSAS CITY, MO/KS - Kenneth Jagers, MAI, FRICS
LAS VEGAS, NV - Shelli L. Lowe, MAI, SRA, FRICS
LOS ANGELES, CA - John G. Ellis, MAI, CRE, FRICS
LOS ANGELES, CA - Matthew J. Swanson, MAI
LOUISVILLE, KY - George M. Chapman, MAI, SRA, CRE, FRICS
MEMPHIS, TN - J. Walter Allen, MAI, FRICS
MIAMI/PALM BEACH, FL - Scott M. Powell, 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 - Barry J. Krauser, MAI, 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" Winius III, MAI, CRE, 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 ANTONIO, TX - Martyn C. Glen, MAI, CRE, 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 - Robert E. Gray, MAI, FRICS
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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Website: www.irr.com



Integra Realty Resources, Inc.

Corporate Profile

Addendum B

Comparable Data



Location & Property Identification

Property Name: Block 14C Parcel 221, 126, 222, 223

Sub-Property Type: Commercial

Address: Shedden Road

City/State/Zip: George Town Center, CI KY1

County: Grand Cayman

Market Orientation: Airport District

Property Location: Southwest corner of Shedden Road and Artco Drive

IRR Event ID: 798827



Sale Information

Sale Price: \$1,488,095

Eff. R.E. Sale Price: \$1,488,095

Sale Date: 07/12/2013

Sale Status: Closed

\$/Acre(Gross): \$1,180,653

\$/Land SF(Gross): \$27.10

\$/Acre(Usable): \$1,180,653

\$/Land SF(Usable): \$27.10

Assets Sold: Real estate only

Property Rights: Fee Simple

Document Type: Deed

Verification Type: Confirmed-Other

Zoning Code: GC

Zoning Desc.: General Commercial

Source of Land Info.: Public Records

Comments

Price in USD. This is the sale of a 1.26 acre parcel along the south side of Shedden Road at its intersection with Artco Drive.

This site has a depth of about 190 feet and a width of about 228 feet.

Sale Analysis

Sale Price Includes FF&E? No

Improvement and Site Data

Legal/Tax/Parcel ID: Block 14C/ Parcels 221, 126, 222, 223

Acres(Usable/Gross): 1.26/1.26

Land-SF(Usable/Gross): 54,903/54,903

Usable/Gross Ratio: 1.00

Corner Lot: Yes

Visibility Rating: Above average

Block 14C Parcel 221, 126, 222, 223



Location & Property Identification

Property Name: Block 14CF Parcel 69

Address: School Road

City/State/Zip: George Town Central, CI KY1

County: Grand Cayman

Market Orientation: Redevelopment District

IRR Event ID: 621644



Sale Information

Sale Price: \$1,666,667

Eff. R.E. Sale Price: \$1,666,667

Sale Date: 05/01/2008

Sale Status: Closed

\$/Acre(Gross): \$2,083,334

\$/Land SF(Gross): \$47.83

\$/Acre(Usable): \$2,083,334

\$/Land SF(Usable): \$47.83

Case Study Type: None

Grantee/Buyer: Commercial Properties Ltd

Property Rights: Fee Simple

% of Interest Conveyed: 100.00

Financing: Cash to seller

Document Type: Deed

Verification Type: Secondary Verification

Utilities: Electricity, Water Public, Telephone

Source of Land Info.: Public Records

Comments

Site has 100' frontage on School Road. There are two small timber structures at the rear of the site, with no significant value.

Improvement and Site Data

Acres(Usable/Gross): 0.80/0.80

Land-SF(Usable/Gross): 34,848/34,848

Usable/Gross Ratio: 1.00

Shape: Irregular

Topography: Level

Corner Lot: No

Zoning Code: NC

Zoning Desc.: Neighbourhood Commercial

Location & Property Identification

Property Name: Block 19E Parcel 246
 Sub-Property Type: Commercial, Industrial
 Address: Seymour Drive
 City/State/Zip: George Town East, CI KY1
 County: Grand Cayman

Market Orientation: Industrial Park

IRR Event ID: 595425



Sale Information

Sale Price: \$1,904,762
 Eff. R.E. Sale Price: \$1,904,762
 Sale Date: 06/28/2012
 Sale Status: Closed
 \$/Acre(Gross): \$597,854
 \$/Land SF(Gross): \$13.72
 \$/Acre(Usable): \$597,854
 \$/Land SF(Usable): \$13.72
 Case Study Type: None
 Grantee/Buyer: PFG Limited
 Property Rights: Fee Simple
 % of Interest Conveyed: 100.00
 Financing: Cash to seller
 Document Type: Deed
 Verification Type: Secondary Verification

Easements: No
 Environmental Issues: No
 Utilities: Electricity, Water Public, Telephone
 Source of Land Info.: Public Records

Comments

Price in USD
 Industrial parcel at the bend in the road near the GT Landfill.

Improvement and Site Data

Acres(Usable/Gross): 3.19/3.19
 Land-SF(Usable/Gross): 138,782/138,782
 Usable/Gross Ratio: 1.00
 Shape: Irregular
 Topography: Level
 Corner Lot: Yes
 Frontage Feet: 660
 Frontage Desc.: Seymour Drive
 Zoning Code: HI
 Zoning Desc.: Heavy Industrial

Addendum C

Engagement Letter

Telephone: 244 3420
Fax: 949 2187
Direct Line: 244 3653
Email: james.cooper@gov.ky



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

REF NO.: VAL/13D 1 (part)

Mr. James Andrews FRICS
Integra Realty Resources
PO Box 11905
Grand Cayman
KY1-1010

Tuesday 5th May 2015

Dear Mr. Andrews,

RE: Valuation on Block 13D Parcel 1 (part)

We are pleased to confirm that your proposal to undertake the valuation on part of the above mentioned property for an all-inclusive fee of CI\$675 has been accepted.

As you are aware, the purpose of this valuation is to determine the market value of the defined section of the parcel to assist in determining an appropriate transfer value.

This potential disposal is driven by the Government proposing to enter into a land exchange agreement with the owner of the parcel that adjoins the property subject to valuation. As such, both market value and value to a Special Purchaser should be separately stated in the valuation. Furthermore, the current land zoning for the subject parcel is Public Open Space however there is the possibility of a re-zone of this part of the parcel to High Density Residential (HDR). Therefore the valuation should also reflect the value of the parcel with its current zoning and also if it were re-zoned to HDR.

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 19th May 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 "J Cooper".

James Cooper BSc (Hons)
Graduate Valuation Officer
For Director of Lands & Survey

P.O Box 30450
Grand Cayman KY1-1202
Cayman Islands
British West Indies

Tel: (345) 945-5930
Fax: (345) 945-5921
Email: contact@jec.ky
Web: www.jec.ky

Chartered Quantity Surveyors

Construction Cost &
Development Consultants

Project Managers

Valuers/Appraisers

Loss Adjusters

**Valuation Report of
Land Parcel
at Block 13D 1 (Part)
Esterley Tibbetts Highway
George Town Central**

For

**Lands & Survey Department
CI Government
P.O. Box 120
Grand Cayman KY1-9000
Cayman Islands, BWI**

May 2015

Ref.: 20610/HB

Contents

- A Instruction and Property Details**
- B Location and Description**
- C Valuation**
- D Assumptions and Limiting Conditions**
- E Attachments**

A Instruction and Property Details

Client's Name & Address: Lands & Survey Department
P.O. Box 120, Grand Cayman KY1-9000, Cayman Islands, BWI

Telephone No. and email address: 244-3420

Details of Instruction: Written from James Cooper

Surveyors Name: Hayley Bubb BSc (Hons)

Date of Inspection: 8th May 2015

Date of Valuation: 8th May 2015

Purpose of Valuation: Disposal

Type of Valuation: Land Parcel

Basis of Valuation: Market Value / Value to a Special Purchaser

Title: Private/Absolute

Registered In The Name Of: Crown Land – Zoned Institutional / Public Open Space

See reduced copy of Land Registry documents for the Appurtenances and Encumbrances.

B Location and Description

Location:

The subject property land parcel is located off the Esterley Tibbetts Highway in the George Town Central Registration Section of Grand Cayman. It lies in an area zoned High Density Residential therefore the immediate vicinity comprises mostly residential homes and apartments. There is some commercial use to the South along Eastern Avenue and Godfrey Nixon Way. The Industrial Park is some 2 miles to the Southeast and George Town Central some 2 miles to the Southwest. The site is therefore well located in terms of proximity to a number of amenities

The Land:

Parcel 1 is outlined in red below;



The area (part) of parcel 1 to be valued is shown outlined and patterned through in red;



B Location and Description

The Land: (Cont'd)

The part of parcel 1 (now referred to as the subject parcel) is irregular in shape. It has the following approximate boundary dimensions:-

<u>Boundary</u>	<u>Lin. Feet</u>
North west with C1	130
South with 261	478
East with Highway	468
West with 198	244

Access:

The subject parcel can be reached by turning directly off the Esterly Tibbetts Highway. The Highway is a busy 2 lane dual direction road and it is not clear at this time whether NRA would be prepared to grant access from both directions.

Elevation:

The land lies at between 2 and 4 feet above sea level.

The land is covered in bush and trees, in addition the area is known to be 'swampy', so the site would require clearing and potentially substantial fill prior to any development.

Registered Area of Parcels:

Parcel 1 – Part Only, measured off LIS:

Acres	=	Sq. Ft
1.863		81,185

Zoning:

Institutional Land / Public Open Space

Surrounding parcels are on this side of Esterly Tibbetts Highway are zoned High Density Residential.

We have been asked to value the subject land parcel with its current zoning and also under the assumption that the subject parcel would be rezoned High Density Residential.

Services:

Mains water is available

Electricity is available

Valuation:

In making a determination of the value of the subject parcel, I have based my valuation upon the Market Data or Sales Comparison Approach. This is a method of estimating market value by comparing the subject property to recent sales of similar properties. The comparison unit used is the acre or square foot and adjustments are made to allow for variable factors such as location, size, shape, road frontage, neighbourhood etc. In addition, the date of the sale is an important factor. I have researched sales over the last few years at the Land Registry, although sales in the last few months which have not yet been recorded by Land Registry are excluded.

My research showed that the following transactions have taken place recently in the vicinity:-

Block & Parcel	Area in Sq. Ft.	Date of Sale	Price in CI\$	CI\$ per Sq. Ft.	Remarks
13D 423	13,068	Feb 10	\$95,000	7.27	HDR – Brushby Ave
13D 83	30,492	Jun 13	\$150,000	4.92	MDR – Webb Rd**
13D 188	6,098	Jun 11	48,000	7.87	HDR - Greenwood Drive
13D 29 & 185	10,454	Apr 14	50,000 /	4.78	HDR – Greenwood Drive
13D 387	11,761	Mar 15	\$67,500	5.74	HDR – Brushby Ave

* Reassessed to CI\$63,000 or CI\$6.00

** Irregular Shape MDR Bordering Light Industrial

The subject parcel is Institutional Land and makes up part of 13D 1 as detailed above. The neighboring parcel 13D 261 has been developed with residential apartments known as “Lakeside” 13D 261 and the surrounded parcels are zoned High Density Residential.

The Cayman Islands Landfill is located on the remainder of 13D 1 and not included in this valuation. The proximity to the Landfill however must be considered as a negative impact on land located close by.

There are recent comparable sales of land parcels this size in this location, however there is recent sales evidence of a number of smaller plots as shown above.

We have been asked to provide the Market Value of the subject land parcel on the following assumptions.

1. Parcel remains zoned Institutional / Public Open Space
2. Parcel is rezoned to High Density Residential
3. We have been instructed to carry out the valuation of the land parcel to a Special Purchaser, namely the value to an adjacent landowner (13D 261) who wishes to acquire the land parcel.

Valuation (Cont'd)

The RICS Red Book defines a Special Purchaser as follows;

"A purchaser to whom a particular asset has special value because of advantages arising from its ownership that would not be available to general purchasers in the market."

As noted earlier, the approximate area of the subject is 81,185 – as measured off the LIS.

1. Institutional / Public Open Space a nominal value only as demand for such a parcel would likely be limited. In addition, the location (on a busy highway, opposite the landfill) could reduce demand further. I anticipate the value to be nominal, approximately CI\$1.00 psf or **CI\$81,000**

In order to develop the land following clearance, substantial fill will be required. The following values take into consideration that up to 3ft of fill may be required across subject parcel.

2. Parcel is rezoned to High Density Residential. The parcel is an irregular shape, at only 2-4 ft above sea level it would require clearance and fill prior to development. In addition, access off the Highway would depend on NRA granting permission. I anticipate the value to be in the region of CI\$3.00 psf or **CI\$243,000**.
3. We have been instructed to carry out the valuation of the land parcel to a Special Purchaser, namely the value to an adjacent landowner (13D 261) who wishes to acquire the land parcel. Undoubtedly the land parcel has more value to the adjacent landowner than any other purchaser as he already has access via the residential development. Assuming that the land was rezoned as High Density Residential, the site would provide for an addition to the current development. I anticipate the value to be in the region of CI\$4.50 psf or **CI\$365,000**.

Opinion of Market Value:

In my opinion the current Market Value of Parcel 1 (Part Only) Zoned Institutional / Public Open Space is:

CI\$81,000
(Eighty-One Thousand Cayman Islands Dollars)

In my opinion the current Market Value of Parcel 1 (Part Only) Zoned High Residential is:

CI\$245,000
(Two Hundred and Forty-Five Thousand Cayman Islands Dollars)

Opinion of Market Value with the assumption of a Special Purchaser:

In my opinion the current Value with the assumption of a Special Purchaser for Parcel 1 (Part Only) is:

CI\$365,000
(Three Hundred and Sixty-Five 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.

PREPARATION OF VALUATION REPORT:

This Valuation has been prepared by
J.E.C. PROPERTY CONSULTANTS LTD.

.....
HAYLEY BUBB BSc (Hons)
SURVEYOR



.....
MICHAEL G THOMAS MRICS, ICIQB
REGISTERED VALUER
CHARTERED SURVEYOR

J.E.C. PROPERTY CONSULTANTS LTD.
P.O. Box 30450, Grand Cayman KY1-1202
Cayman Islands, British West Indies

D Assumptions and Limiting Conditions

DEFINITIONS OF VALUE:

"MARKET VALUE" is defined by the International Valuation Standards Committee as:-

"The estimated amount for which an asset or liability should exchange on the date of valuation 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".

CERTIFICATION:

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.

The report has been prepared in accordance with the RICS Valuation Professional Standards, (the "Red Book") except as may be varied by your instructions.

The legal description and title of the subject property have been obtained from the Cayman Islands Land Registry and a copy of the register and a Land Registry map is attached to this report. These documents are assumed to be true and correct and our valuation report relies entirely upon their accuracy.

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

D Assumptions and Limiting Conditions

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.

E Attachments



**CAYMAN ISLANDS
LAND REGISTER**

Opened 04 JUN 2009

A - PROPERTY SECTION

Ownership Type	Crown / Private		APPURTENANCES	Block and Parcel No. 13D 1	
Nature of Title	Absolute / Provisional			Registration Section	GEORGE TOWN CENTRAL
Origin of Title				Name of Parcel	
First Registration	19-Sep-1974			Approximate Area	18.95 Acre (M 9045) GAM (See PCM 240) (M 9045) SEB
Mutation No.					

B. PROPRIETORSHIP SECTION

[illegible]

Legend

Parcels ID

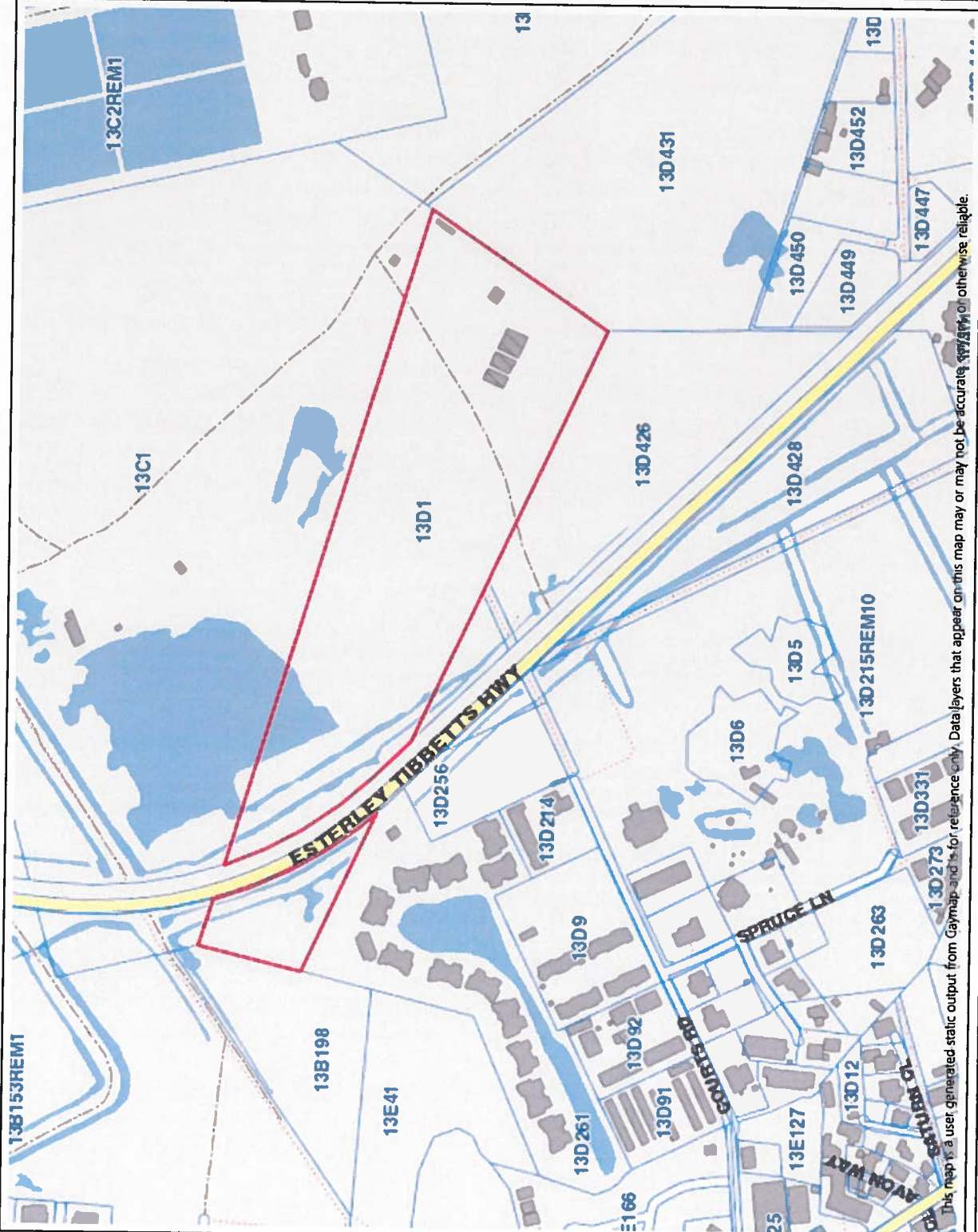
Parcels - Map Tips ID

5/5/15 10:38 AM

1:4,832

Notes

[Add Map Notes]



805.3

0 402.67

805.3 Feet



Lands and Survey Department © Cayman Islands Government



CAYMAN LAND INFO

www.caymanlandinfo.ky

CI Government



Legend

- Parcels ID
- Parcels - Map Tips ID

5/5/15 10:39 AM

1:4,832



Notes
[Add Map Notes]



805.3 Feet

402.67

0

805.3



CAYMAN LAND INFO
www.caymanlandinfo.ky

Lands and Survey Department © Cayman Islands Government



13C2REM1

13D287

13D431

13C1

13D1

13D423

ESTERLEY TIBBETTS HWY

13D256

13D214

13D6

13B198

13E41

13D9

13D261

13D91

13D92

COURT ST

13E166

13E40

13B96

13B199

13B200

13E122

2015 Images



2015 Images



2015 Images



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Fax: 949 2187
Direct Line: 244 3653
Email: james.cooper@gov.ky



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

REF NO.: VAL/13D 1 (part)

Tuesday 5th May 2015

Ms. Hayley Bubb BSc (Hons)
JEC Property Consultants Ltd
PO Box 30450
Grand Cayman
KY1-1202

Dear Ms. Bubb,

RE: Valuation on Block 13D Parcel 1 (part)

We are pleased to confirm that your proposal to undertake the valuation on part of the above mentioned property for an all-inclusive fee of CI\$725 has been accepted.

As you are aware, the purpose of this valuation is to determine the market value of the defined section of the parcel to assist in determining an appropriate transfer value.

This potential disposal is driven by the Government proposing to enter into a land exchange agreement with the owner of the parcel that adjoins the property subject to valuation. As such, both market value and value to a Special Purchaser should be separately stated in the valuation. Furthermore, the current land zoning for the subject parcel is Public Open Space however there is the possibility of a re-zone of this part of the parcel to High Density Residential (HDR). Therefore the valuation should also reflect the value of the parcel with its current zoning and also if it were re-zoned to HDR.

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 19th May 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 read 'James Cooper'.

James Cooper BSc (Hons)
Graduate Valuation Officer
For Director of Lands & Survey

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

- (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;

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.

Government Land Notices

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 Bluff Holdings Ltd for a consideration of CI\$ 70,000 (seventy thousand Cayman Islands dollars). The purchaser is to pay the Government's costs and Stamp Duty. It is further agreed that a Boundary Plan will be prepared for the consideration of Cabinet to realign the proposed widening of Spot Bay Road in order to eliminate any land take from Block 80A Parcel 43, subject to the comments of the National Conservation Council.

THE SCHEDULE

The property comprises a Parcel of undeveloped land that is located at the junction of Guy Banks Road and Spot Bay Road, Little Cayman, and more particularly described as:

REGISTRATION SECTION	BLOCK	PARCEL	AREA
Little Cayman West	80A	43	0.86 acre

The location of the lands 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 8 November 2016

RUPERT VASQUEZ
Director, Lands & Survey Dept
Cayman Islands Government

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 Mirage Properties Ltd by way of a land swap. In return, the Crown will accept a transfer of ownership of Block 27B Parcel 113 from Unique Investments Ltd together with the grant to the Crown of marine access rights over the adjoining private canal Block 27B Parcel 88, and the transfer of Block 27C Parcel 435 from Grand Cayman Estates Ltd to the Crown. The Government is to apply for a rezoning of the Crown land specified in the Schedule below, from Public Open Space to High Density Residential. Each party to bear its own costs. Stamp Duty to be waived.

THE SCHEDULE

The property forms a part of the portion of Block 13D Parcel 1 that is located west of the Esterley Tibbetts Highway, and is more particularly described as:

REG ISTRATION SECTION	BLOCK	PARCEL	AREA
George Town Central	13D	1 (part)	1.282 acres

The location of the lands 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 21 February 2017

RUPERT VASQUEZ
 Director, Lands & Survey Dept
 Cayman Islands Government

- Knowledge of products, pricing, services and channel functionality, sufficient to assist in conducting product knowledge meetings with the customer service team and to promote/sell retail products & services as opportunities arise.
- Knowledge of sales techniques sufficient to promote and coach staff in recognising referral opportunities.
- Knowledge of computer applications, e.g. Microsoft office
- Excellent interpersonal skills to work with customers and customer service staff to effectively manage relationships and successfully handle customer feedback
- Good negotiation, communication and presentation skills
- Good influential skills sufficient to motivate staff to achieve results, to promote retail products & services and resolve minor disagreements.
- Good organisational skills.

ABOUT OUR OFFER

You will have a challenging, diverse experience with opportunities for professional growth. Our compensation and reward package is attractively structured and performance bonuses are offered.

To apply for this and any other positions, kindly visit <https://www.cibc.com/fcib/about-us/careers.html> Applications with detailed resumes should be submitted no later than 6th March, 2017.

CIBC FirstCaribbean International Bank Limited thanks all applicants for their interest, however only those under consideration will be contacted.



Look for us at:

[linkedin.com/company/cibc-firstcaribbean-international-bank](https://www.linkedin.com/company/cibc-firstcaribbean-international-bank)



FirstCaribbean
International Bank

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Notices

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 Mirage Properties Ltd by way of a land swap. In return, the Crown will accept a transfer of ownership of Block 27B Parcel 113 from Unique Investments Ltd together with the grant to the Crown of marine access rights over the adjoining private canal Block 27B Parcel 88, and the transfer of Block 27C Parcel 435 from Grand Cayman Estates Ltd to the Crown. The Government is to apply for a rezoning of the Crown land specified in the Schedule below, from Public Open Space to High Density Residential. Each party to bear its own costs. Stamp Duty to be waived.

THE SCHEDULE

The property forms a part of the portion of Block 13D Parcel 1 that is located west of the Esterley Tibbetts Highway, and is more particularly described as:

REGISTRATION SECTION	BLOCK	PARCEL	AREA
George Town Central	13D	1 (part)	1.282 acres

The location of the lands 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 21st February 2017.

RUPERT VASQUEZ
DIRECTOR, LANDS & SURVEY DEPT
CAYMAN ISLANDS GOVERNMENT

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 Bluff Holdings Ltd for a consideration of C\$ 70,000 (seventy thousand Cayman Islands dollars). The purchaser is to pay the Government's costs and Stamp Duty. It is further agreed that a Boundary Plan will be prepared for the consideration of Cabinet to realign the proposed widening of Spot Bay Road in order to eliminate any land take from Block 80A Parcel 43, subject to the comments of the National Conservation Council.

THE SCHEDULE

The property comprises a Parcel of undeveloped land that is located at the junction of Guy Banks Road and Spot Bay Road, Little Cayman, and more particularly described as:

REGISTRATION SECTION	BLOCK	PARCEL	AREA
Little Cayman West	80A	43	0.86 acre

The location of the lands 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 8th November 2016.

RUPERT VASQUEZ
DIRECTOR, LANDS & SURVEY DEPT
CAYMAN ISLANDS GOVERNMENT

In exercise of the Roads Law (2001) Authority the following is to be scheduled:

REGISTRATION:
Lower Valley
REGISTRATION:
38B
PUBLIC ROAD C
Access Road
PRESCRIBED CO
319

PORTIONS OF U
The proposed ro
319 and listed in

2. Prescribe
 - The Nation
 - The Lands
 - Town, Gra
 - Cayman B
 - Schemes'.

Block
38B
38B

Made in Cabinet
Clerk of Cabinet

This is to no submit to the of planning existing C Blo

The proposal 133 Elgin Av George Town do so in writi precise grou within 21 cale Objections m 769-2922 or n

COASTAL APPLIC

You are hereby a coastal work : the constructi dock extend from the sho small cabani has been sub Ministry of Fina Commerce & The dock and located betwe Parcel 168 JW Holdings a Parcel 169 ov and Lindse

The applica inspected at th Administratio George Towr comments on t you should do the Chief Offic Financial Commerce & 133 Elgin Ave Town, Grand 21 days of pi the date c

Appendix 1

Regional Context Plan and Ownership Plan

Location of Subject Property



Legend

Parcels ID

5/26/15 4:27 PM

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

www.caymanlandinfo.ky

Lands and Survey Department © Cayman Islands Government

Subject Property



Legend

Parcels ID

Parcels - Map Tips ID

5/26/15 4:22 PM

1:4,832



Notes

Entire parcel.



805.3 0 402.67 805.3 Feet



CAYMAN LAND INFO

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Subject Property



Legend

Parcels ID
Parcels - Map Tips ID

5/29/15 10:16 AM

1: 1,208



Notes

Part of parcel subject to valuation.



is for reference only. Data layers on this map may or may not be accurate.

2013

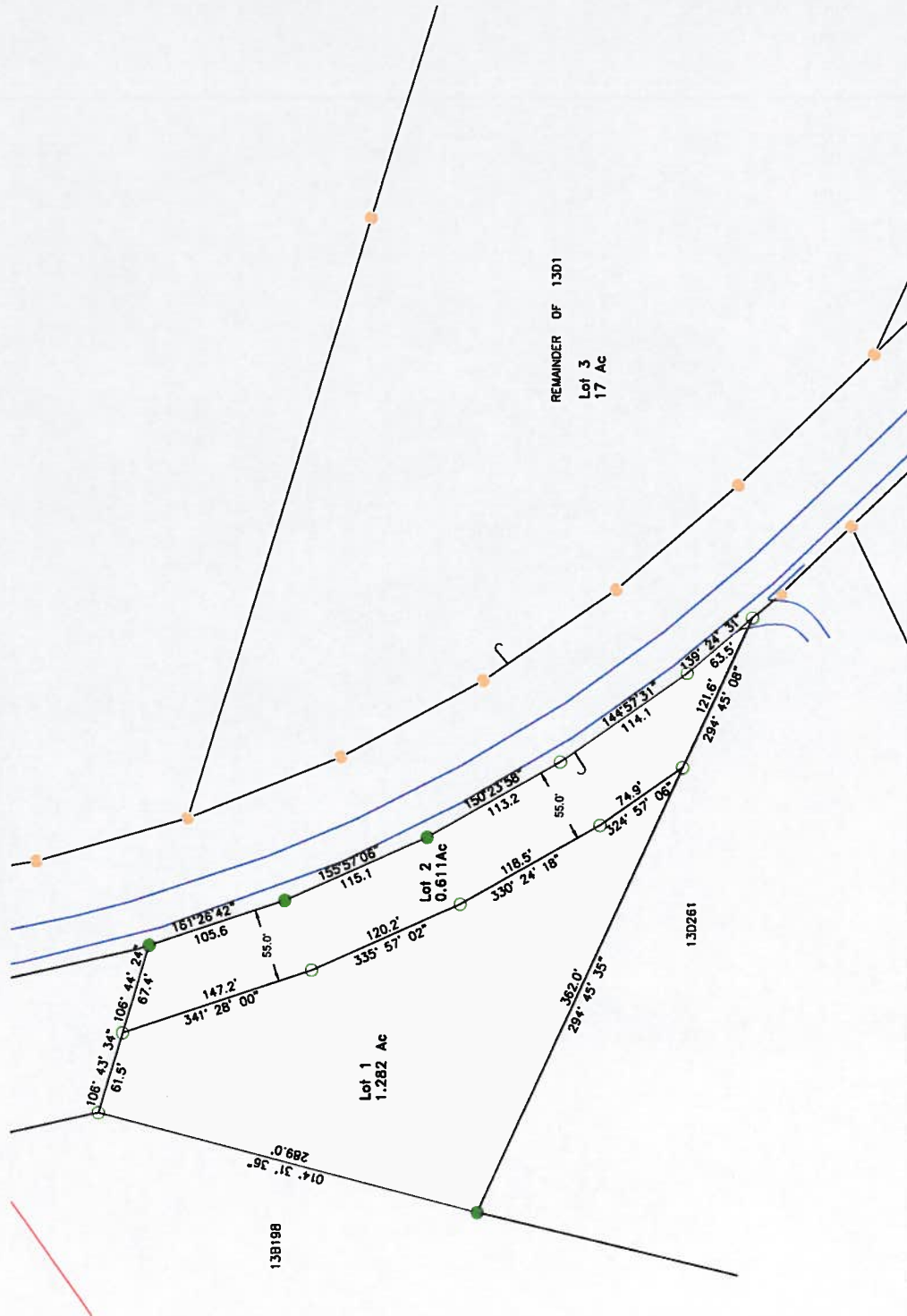
0 100.67

201.3 Feet



FIXED BOUNDARY SURVEY

SUBDIVISION OF 13D1



Appendix 2

Land Register and Registry Map Extract

CAYMAN ISLANDS LAND REGISTER

Opened 04 JUN 2009

A - PROPERTY SECTION

Ownership Type	Crown / Private	APPURTENANCES	Block and Parcel No. 13D 1
Nature of Title	Absolute / Provisional	Registration Section	GEORGE TOWN CENTRAL
Origin of Title		Name of Parcel	
First Registration	19-Sep-1974		
Mutation No.			
		Approximate Area	18.95 Acre (M 9045) GAM (See PCM 240) (M 9045) SEB

[illegible]

[illegible]

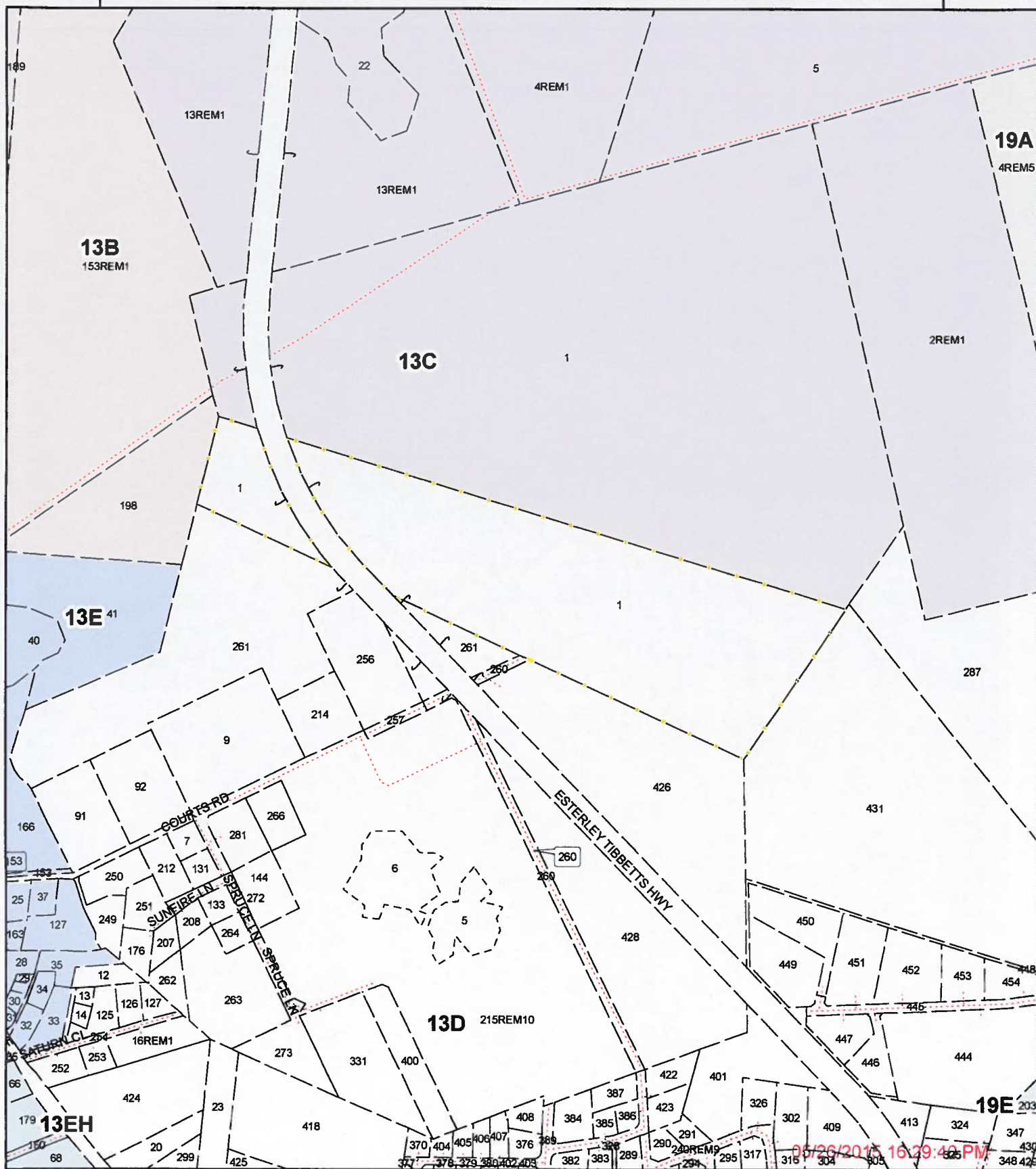
N

Last Mutation Date: 5/3/2015

Registry Map Extracts must be printed to fit a paper size of 8.5" x 11" in order to retain a scale of **1:5,000**

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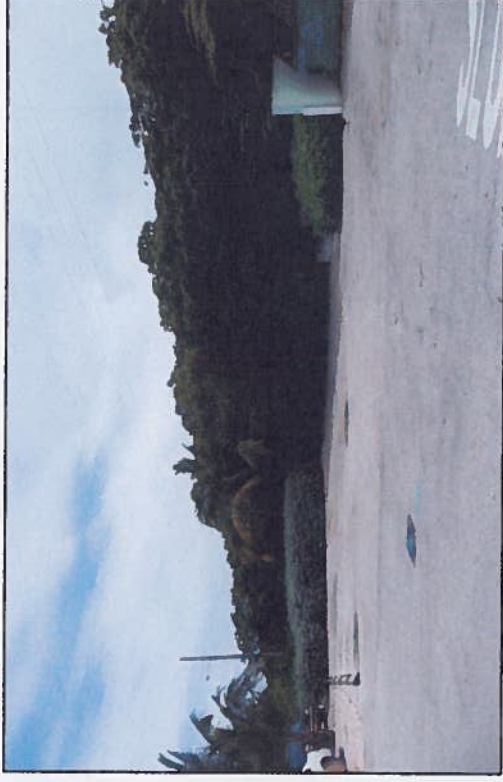
Appendix 3

Selected Photographs from Inspection

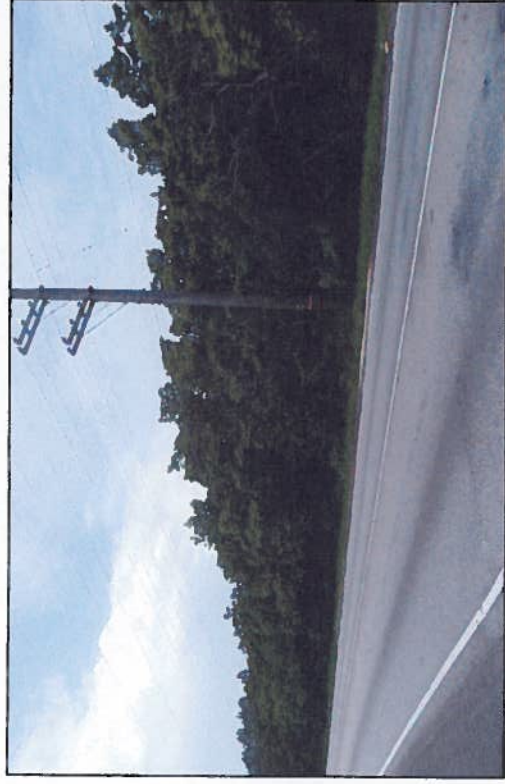
1. Parcel boundary fronting ETH



2. Parcel boundary adjoining Lakeside



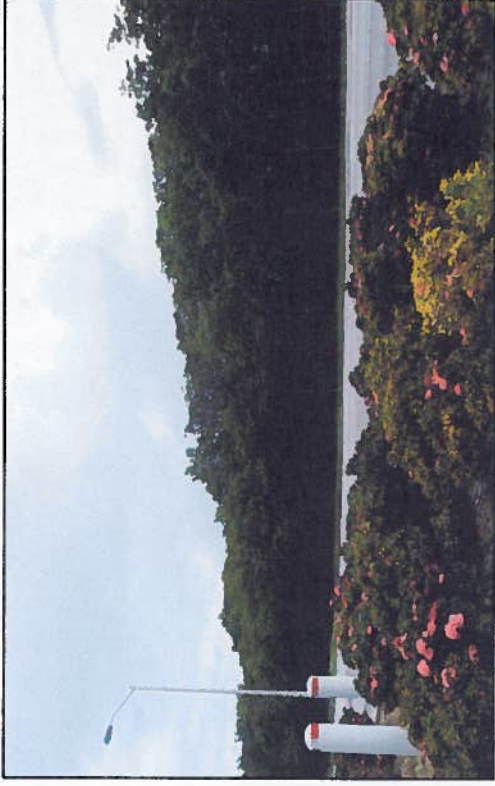
3. Parcel vegetation and overgrowth



4. Access to Lakeside off ETH



5. George Town landfill opposite subject parcel



6. ETH running alongside subject parcel



Appendix 4

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
13D 387	Brushy Avenue	March 2015	0.2700	11,761	67,500	5.74	HDR	
13D 29 & 185	Greenwood Drive	April 2014	0.2400	10,454	50,000	4.78	HDR	Ministry of Finance stamp duty waiver. Re-assessed to C\$63,000 at C\$6.03 per square foot based on an external valuation.
13D 83	Webb Road	June 2013	0.7000	30,492	150,000	4.92	MDR	Purchaser owns adjoining parcel.

Location of Subject Property & Sales Evidence



Legend

- Parcels ID
- Parcels - Map Tips ID
- Buildings

6/2/15 3:41 PM

1:9,664



Notes

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



1,610.7 0 805.33 1,610.7 Feet



CAYMAN LAND INFO

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Appendix 5

Instruction

Cooper, James

From: Fawcitt, David
Sent: Monday, March 02, 2015 4:58 PM
To: Hall, Jon
Subject: Proposed disposal of Crown land - Block 13D Parcel 1 (part - Lot 1)
Attachments: 13D1-Subdivision.pdf

Importance: High

Jon,

As you know, it is proposed to dispose of this Crown property to Mr Naul Bodden by way of a swap, in return for Block 27B Parcel 117 and Block 27C Parcel 435.

For the purposes of Section 10 Governor (Vesting of Lands) Law (2005 Rev), please can you tender & commission two independent valuations, as well as undertake your own valuation, for the portion of Block 13D Parcel 1 that is located west of the Esterley Tibbetts Highway and identified on the attached plan as Lot 1 (1.282 acre) only. As you can see, a 55ft wide road-side strip of the land west of the Highway (shown as Lot 2 - 0.611 acre) is to be retained by Crown for drainage purposes, on the recommendation of the NRA.

For the purposes of access assumptions, the NRA says it will not permit a vehicular access for Lot 1 to be registered over Lot 2. It says it will reassess this position if and when this stretch of the Esterley Tibbetts Highway is ever widened to 4 lanes.

Mr Naul Bodden we believe has a controlling interest in the adjoining Lakeside Villas Strata. Therefore, I suggest two separate valuation bases; market value, and value to a special purchaser.

Thanks

David

Appendix 6

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 outgoings 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 7

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.