

Your Ref:  
Our Ref: **LS.CRWN.1.26**



Government Administration Building  
71A Elgin Avenue  
Grand Cayman, Cayman Islands

Tel: (345) 244- 2412  
Fax: (345) 949-2922

CAYMAN ISLANDS  
GOVERNMENT

**Ministry of  
District Administration, Planning, Agriculture & Housing**

Governor (Vesting of Lands) Law (1998 Revision)

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

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This is my Report recommending the Vesting of the filled areas of Crown seabed on Block **OPY** Parcel **20** to **JIL Corporation Ltd.** in accordance with Section 10 (1) (b) of the above Law. It is accompanied by the documents required pursuant to Section 10 (2) of the said Law which contain the details of the proposed vesting.

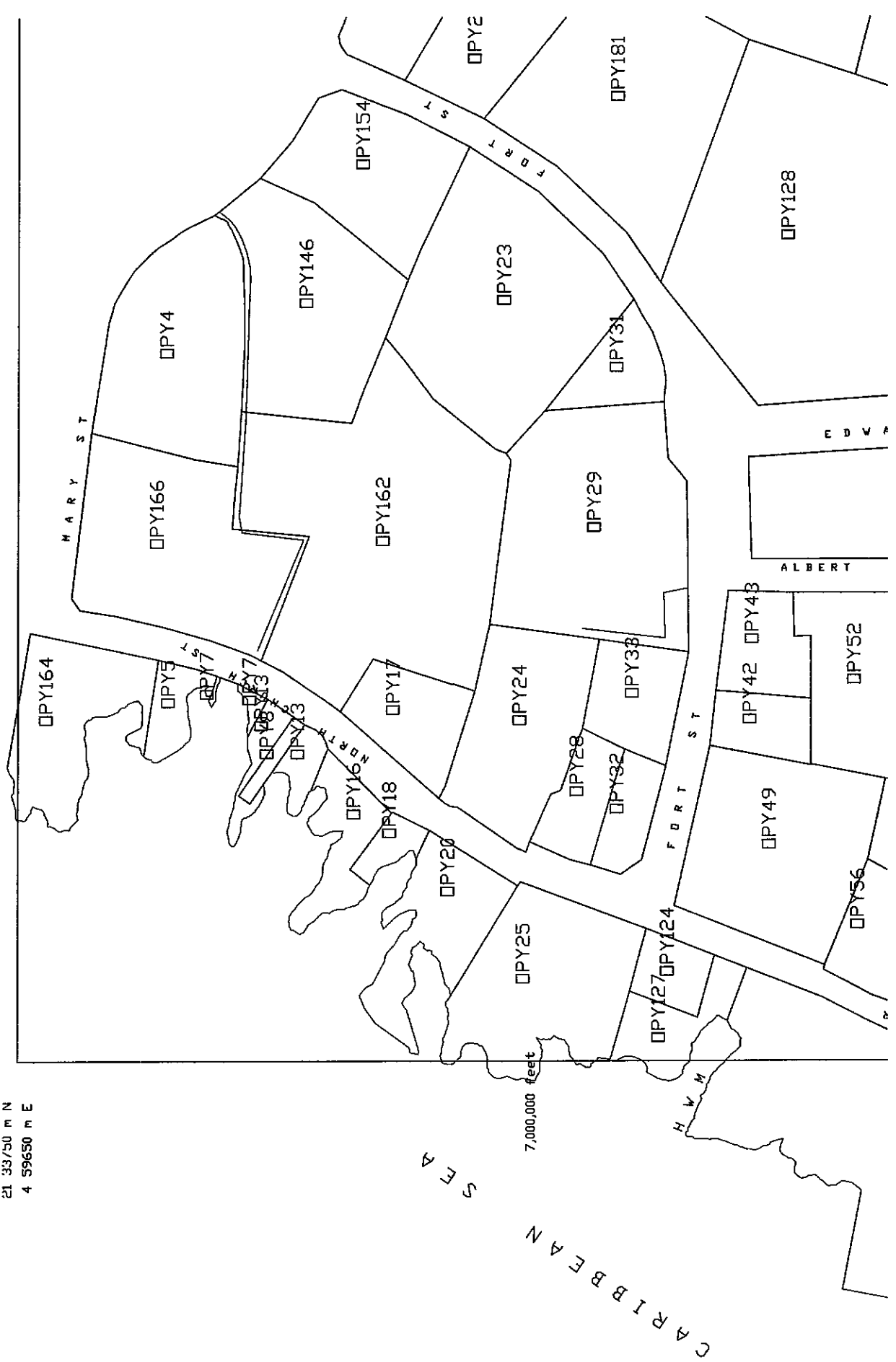
A handwritten signature in black ink, appearing to read "D. Tibbetts".

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

DATE: 25 January 2008

21 33/50 m N  
4 59650 m E



**REPORT OF THE PERMANENT SECRETARY,  
MINISTRY OF DISTRICT ADMINISTRATION, PLANNING, AGRICULTURE  
AND HOUSING**

**ON THE VESTING OF FILLED CROWN SEABED ON  
BLOCK OPY PARCEL 20  
TO JIL CORPORATION LTD.**

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Block OPY Parcel 20 is located on Harbour Drive, adjacent to the Royal Watler Cruise Terminal in George Town. As a result of coastal works undertaken, approximately 3,789.7 square feet of Crown seabed has been filled on the subject parcel.

A report on this matter was considered by the Governor-in-Cabinet. After careful analysis and consideration of the reports provided by the Director of Lands and Survey it was resolved (CP 1503/07, 3<sup>rd</sup> January 2008) that the filled Crown seabed area should be vested to JIL Corporation Ltd.

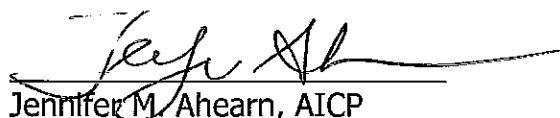
In accordance with Section 10 (2) of The Governor (Vesting of Lands) (Amendment) (Dispositions) Law, (1998 Revision), three valuations were commissioned; one from Government's Valuation Section and the others from private sector valuation companies. The table below outlines the three (3) opinions of value:

| <b>Lands &amp; Survey</b> | <b>Bould Consulting</b> | <b>Andrews Key Ltd.</b> |
|---------------------------|-------------------------|-------------------------|
| CI\$340,000               | CI\$150,000 - \$300,000 | CI\$290,000             |

The vesting of the filled areas of Crown seabed on Block OPY Parcel 20 to JIL Corporation Ltd. is subject to the following terms and conditions:

**Owner:** The Governor of the Cayman Islands  
**Purchaser:** JIL Corporation Ltd.  
**Demise:** Block OPY Parcel 20 (Part)  
**Area:** 3,789.7 square feet  
**Purchase Price:** CI\$340,000 plus Stamp Duty & Registration Fees  
**Legal Costs:** Each party to be responsible for their own legal costs, if applicable.

Accompanying this report are all the documents specified in Section 10 (2) of The Governor (Vesting of Lands) Law, (1998 Revision), including the valuation reports.



Jennifer M. Ahearn, AICP

Permanent Secretary (Acting)

Ministry of District Administration, Planning, Agriculture & Housing

TELEPHONE: 244-3412  
FAX NO.: 949-2187



LANDS & SURVEY DEPARTMENT  
P.O. BOX 1089GT  
GRAND CAYMAN  
CAYMAN ISLANDS, BWI

IN ANY REPLY,  
PLEASE QUOTE  
REF: CF/OPY

30 October 2007



CHIEF SURVEYOR'S REPORT  
STATEMENT OF FACTS

GEORGE TOWN COMMERCIAL – BLOCK OPY PARCEL 20  
(SHOWN HIGHLIGHTED IN GREEN 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 the following surveys have been commissioned to define the subject land boundaries:-

- Fixed Boundary Survey 02/430 dated 25<sup>th</sup> April 1997

Boundary turning points have been marked with Iron pin in concrete as fully described on survey plan 02/430.

These boundary markers have not been validated recently on the ground but could be replaced if necessary. They represent old markers from various abutting surveys and have been adopted by the most recent authenticated survey for Block OPY Parcel 20.

The subject parcel extends westward from North Church Street to the sea as depicted on the Registry Map.

**Special Note:**

In addition to the above authenticated plan, a recent Fixed Boundary survey (03/153) has been submitted for authentication and registration by Patrick Broderick & Co Ltd. This survey extends the seaside boundaries much further west and seeks to acquire a significant portion of the sea bed. Although this extended area is now filled, it appears not to be by natural accretion.

As such, although the Technical Examination of 03/153 has been completed, **it will not be authenticated until its boundaries have been agreed and signed by Crown.**

The registered area of the parcel depicted on authenticated plan 02/430 is 0.29 acre. The area depicted on the **not yet authenticated plan (03/153)** is 0.3770 acre, an increase of 0.087 acre.

**Rupert Vasquez**  
**Acting Chief Surveyor**

email: [Rupert.vasquez@gov.ky](mailto:Rupert.vasquez@gov.ky)

Enc.

Hard copy attachments:

Extracts of 02/430 & 03/153

Feb 2004 Aerial Image with RM parcel overlay,

Registry Map Extract 8/10/07

| BOUNDARY DATA |           |          |
|---------------|-----------|----------|
| Line          | Building  | Distance |
| 200 - 20A     | 30114.07' | 12.4'    |
| 20A - NW      |           |          |

# FIXED BOUNDARY SURVEY

02/430

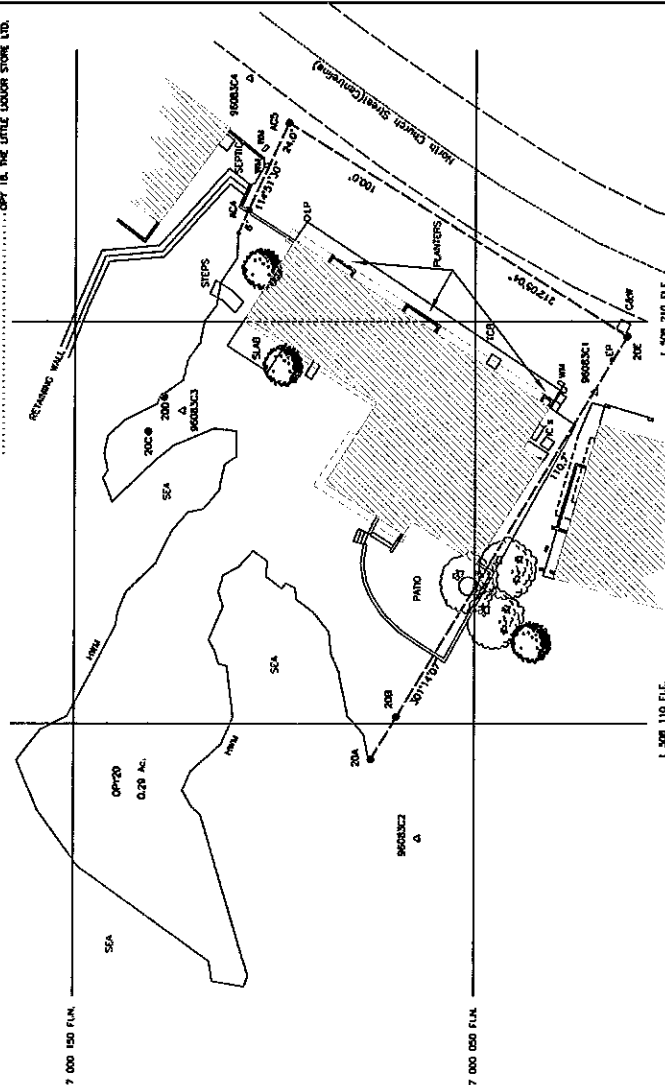
PERIMETER SURVEY OF  
BLOCK OPY, PARCEL 20.

AGREEMENT OF PROPRIETORS  
We, the undersigned registered proprietors, hereby agree to the boundaries of Block OPY.

OPY 20, CAROLYN JOHNSON

OPY 23, FORT BUILDING LTD.

OPY 18, THE LITTLE LUCKY STORE LTD.



CAYMAN SURVEY ASSOCIATES LTD.  
UNIT 10, LIMEHARBOUR, GEORGETOWN, CAYMAN ISLANDS  
CONTACT: JOHN J. CAYMAN  
TELEPHONE: (344) 939-2000  
FAX: (344) 939-2001  
E-MAIL: J.CAYMAN@CSA.CY

Scale is 1:250

| <p>Co-ordinates refer to Quarter &amp; 81' W<br/>All Units shown are in Feet</p> <table border="1"> <thead> <tr> <th>Station</th> <th>Y(Northings)</th> <th>X(Eastings)</th> <th>Description</th> <th>Records</th> </tr> </thead> <tbody> <tr> <td>20A</td> <td>00 075.8</td> <td>0 101.1</td> <td>OLD I.P.C.</td> <td>BOARD FILE</td> </tr> <tr> <td>20B</td> <td>00 088.4</td> <td>0 111.7</td> <td></td> <td></td> </tr> <tr> <td>20C</td> <td>00 131.7</td> <td>0 182.7</td> <td></td> <td></td> </tr> <tr> <td>20D</td> <td>00 127.7</td> <td>0 191.3</td> <td></td> <td></td> </tr> <tr> <td>20E</td> <td>00 012.0</td> <td>0 208.3</td> <td></td> <td></td> </tr> <tr> <td>20F</td> <td>00 106.8</td> <td>0 237.6</td> <td></td> <td>01/01</td> </tr> <tr> <td>20G</td> <td>00 086.7</td> <td>0 259.4</td> <td></td> <td></td> </tr> </tbody> </table> |                        | Station                                                 | Y(Northings) | X(Eastings)  | Description    | Records       | 20A              | 00 075.8         | 0 101.1              | OLD I.P.C. | BOARD FILE     | 20B           | 00 088.4      | 0 111.7        |                |               | 20C           | 00 131.7 | 0 182.7   |    |                   | 20D | 00 127.7               | 0 191.3           |               |    | 20E     | 00 012.0 | 0 208.3      |         |   | 20F | 00 106.8           | 0 237.6 |   | 01/01       | 20G | 00 086.7 | 0 259.4            |    |    | <p>Scale 1:250</p> <p>Scale is 1:250</p> |  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|---------------------------------------------------------|--------------|--------------|----------------|---------------|------------------|------------------|----------------------|------------|----------------|---------------|---------------|----------------|----------------|---------------|---------------|----------|-----------|----|-------------------|-----|------------------------|-------------------|---------------|----|---------|----------|--------------|---------|---|-----|--------------------|---------|---|-------------|-----|----------|--------------------|----|----|------------------------------------------|--|
| Station                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Y(Northings)           | X(Eastings)                                             | Description  | Records      |                |               |                  |                  |                      |            |                |               |               |                |                |               |               |          |           |    |                   |     |                        |                   |               |    |         |          |              |         |   |     |                    |         |   |             |     |          |                    |    |    |                                          |  |
| 20A                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 00 075.8               | 0 101.1                                                 | OLD I.P.C.   | BOARD FILE   |                |               |                  |                  |                      |            |                |               |               |                |                |               |               |          |           |    |                   |     |                        |                   |               |    |         |          |              |         |   |     |                    |         |   |             |     |          |                    |    |    |                                          |  |
| 20B                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 00 088.4               | 0 111.7                                                 |              |              |                |               |                  |                  |                      |            |                |               |               |                |                |               |               |          |           |    |                   |     |                        |                   |               |    |         |          |              |         |   |     |                    |         |   |             |     |          |                    |    |    |                                          |  |
| 20C                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 00 131.7               | 0 182.7                                                 |              |              |                |               |                  |                  |                      |            |                |               |               |                |                |               |               |          |           |    |                   |     |                        |                   |               |    |         |          |              |         |   |     |                    |         |   |             |     |          |                    |    |    |                                          |  |
| 20D                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 00 127.7               | 0 191.3                                                 |              |              |                |               |                  |                  |                      |            |                |               |               |                |                |               |               |          |           |    |                   |     |                        |                   |               |    |         |          |              |         |   |     |                    |         |   |             |     |          |                    |    |    |                                          |  |
| 20E                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 00 012.0               | 0 208.3                                                 |              |              |                |               |                  |                  |                      |            |                |               |               |                |                |               |               |          |           |    |                   |     |                        |                   |               |    |         |          |              |         |   |     |                    |         |   |             |     |          |                    |    |    |                                          |  |
| 20F                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 00 106.8               | 0 237.6                                                 |              | 01/01        |                |               |                  |                  |                      |            |                |               |               |                |                |               |               |          |           |    |                   |     |                        |                   |               |    |         |          |              |         |   |     |                    |         |   |             |     |          |                    |    |    |                                          |  |
| 20G                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 00 086.7               | 0 259.4                                                 |              |              |                |               |                  |                  |                      |            |                |               |               |                |                |               |               |          |           |    |                   |     |                        |                   |               |    |         |          |              |         |   |     |                    |         |   |             |     |          |                    |    |    |                                          |  |
| <p>ADMINISTRATION</p> <p>Date Received: 11.2.97</p> <p>Examined by: G.A. Moscol</p> <p>Job No.:</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                        | <p>AUTHENTICATION</p> <p>24/4/97</p>                    |              |              |                |               |                  |                  |                      |            |                |               |               |                |                |               |               |          |           |    |                   |     |                        |                   |               |    |         |          |              |         |   |     |                    |         |   |             |     |          |                    |    |    |                                          |  |
| <p>REGISTRATION</p> <p>Block/Parcel No. OPY 20</p> <p>Area No.:</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                        | <p>AMENDMENTS</p> <p>Revision No. 6106</p> <p>Date:</p> |              |              |                |               |                  |                  |                      |            |                |               |               |                |                |               |               |          |           |    |                   |     |                        |                   |               |    |         |          |              |         |   |     |                    |         |   |             |     |          |                    |    |    |                                          |  |
| <p>TOPOGRAPHIC INFORMATION</p> <table border="1"> <thead> <tr> <th>Symbol</th> <th>Description</th> </tr> </thead> <tbody> <tr> <td>LP</td> <td>Electricity pole</td> </tr> <tr> <td>LP</td> <td>Lamp post</td> </tr> <tr> <td>TP</td> <td>Telephone pole</td> </tr> <tr> <td>CC</td> <td>Cable</td> </tr> <tr> <td>W</td> <td>Well</td> </tr> <tr> <td>CD</td> <td>Canal</td> </tr> <tr> <td>RL</td> <td>Road line</td> </tr> <tr> <td>FB</td> <td>Edge of terrace</td> </tr> <tr> <td>FE</td> <td>Footpath, Cycle, Track</td> </tr> <tr> <td>GC</td> <td>Grain of line</td> </tr> <tr> <td>CT</td> <td>Control</td> </tr> <tr> <td>CL</td> <td>Control line</td> </tr> </tbody> </table>                                                                                                                                                                    |                        |                                                         |              | Symbol       | Description    | LP            | Electricity pole | LP               | Lamp post            | TP         | Telephone pole | CC            | Cable         | W              | Well           | CD            | Canal         | RL       | Road line | FB | Edge of terrace   | FE  | Footpath, Cycle, Track | GC                | Grain of line | CT | Control | CL       | Control line |         |   |     |                    |         |   |             |     |          |                    |    |    |                                          |  |
| Symbol                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Description            |                                                         |              |              |                |               |                  |                  |                      |            |                |               |               |                |                |               |               |          |           |    |                   |     |                        |                   |               |    |         |          |              |         |   |     |                    |         |   |             |     |          |                    |    |    |                                          |  |
| LP                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Electricity pole       |                                                         |              |              |                |               |                  |                  |                      |            |                |               |               |                |                |               |               |          |           |    |                   |     |                        |                   |               |    |         |          |              |         |   |     |                    |         |   |             |     |          |                    |    |    |                                          |  |
| LP                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Lamp post              |                                                         |              |              |                |               |                  |                  |                      |            |                |               |               |                |                |               |               |          |           |    |                   |     |                        |                   |               |    |         |          |              |         |   |     |                    |         |   |             |     |          |                    |    |    |                                          |  |
| TP                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Telephone pole         |                                                         |              |              |                |               |                  |                  |                      |            |                |               |               |                |                |               |               |          |           |    |                   |     |                        |                   |               |    |         |          |              |         |   |     |                    |         |   |             |     |          |                    |    |    |                                          |  |
| CC                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Cable                  |                                                         |              |              |                |               |                  |                  |                      |            |                |               |               |                |                |               |               |          |           |    |                   |     |                        |                   |               |    |         |          |              |         |   |     |                    |         |   |             |     |          |                    |    |    |                                          |  |
| W                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Well                   |                                                         |              |              |                |               |                  |                  |                      |            |                |               |               |                |                |               |               |          |           |    |                   |     |                        |                   |               |    |         |          |              |         |   |     |                    |         |   |             |     |          |                    |    |    |                                          |  |
| CD                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Canal                  |                                                         |              |              |                |               |                  |                  |                      |            |                |               |               |                |                |               |               |          |           |    |                   |     |                        |                   |               |    |         |          |              |         |   |     |                    |         |   |             |     |          |                    |    |    |                                          |  |
| RL                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Road line              |                                                         |              |              |                |               |                  |                  |                      |            |                |               |               |                |                |               |               |          |           |    |                   |     |                        |                   |               |    |         |          |              |         |   |     |                    |         |   |             |     |          |                    |    |    |                                          |  |
| FB                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Edge of terrace        |                                                         |              |              |                |               |                  |                  |                      |            |                |               |               |                |                |               |               |          |           |    |                   |     |                        |                   |               |    |         |          |              |         |   |     |                    |         |   |             |     |          |                    |    |    |                                          |  |
| FE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Footpath, Cycle, Track |                                                         |              |              |                |               |                  |                  |                      |            |                |               |               |                |                |               |               |          |           |    |                   |     |                        |                   |               |    |         |          |              |         |   |     |                    |         |   |             |     |          |                    |    |    |                                          |  |
| GC                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Grain of line          |                                                         |              |              |                |               |                  |                  |                      |            |                |               |               |                |                |               |               |          |           |    |                   |     |                        |                   |               |    |         |          |              |         |   |     |                    |         |   |             |     |          |                    |    |    |                                          |  |
| CT                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Control                |                                                         |              |              |                |               |                  |                  |                      |            |                |               |               |                |                |               |               |          |           |    |                   |     |                        |                   |               |    |         |          |              |         |   |     |                    |         |   |             |     |          |                    |    |    |                                          |  |
| CL                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Control line           |                                                         |              |              |                |               |                  |                  |                      |            |                |               |               |                |                |               |               |          |           |    |                   |     |                        |                   |               |    |         |          |              |         |   |     |                    |         |   |             |     |          |                    |    |    |                                          |  |
| <p>CADASTRAL</p> <table border="1"> <thead> <tr> <th>NEW</th> <th>OLD</th> <th>DESCRIPTION</th> </tr> </thead> <tbody> <tr> <td>0</td> <td>0</td> <td>Iron Pin in Concrete</td> </tr> <tr> <td>1</td> <td>1</td> <td>Iron Pin</td> </tr> <tr> <td>2</td> <td>2</td> <td>IPC with Map</td> </tr> <tr> <td>3</td> <td>3</td> <td>Post</td> </tr> <tr> <td>4</td> <td>4</td> <td>Concrete Monument</td> </tr> <tr> <td>5</td> <td>5</td> <td>Theoretical Point</td> </tr> <tr> <td>6</td> <td>6</td> <td>Tree</td> </tr> <tr> <td>7</td> <td>7</td> <td>Adopted</td> </tr> <tr> <td>8</td> <td>8</td> <td>Control IP or Nail</td> </tr> <tr> <td>9</td> <td>9</td> <td>Control IPC</td> </tr> <tr> <td>10</td> <td>10</td> <td>Control Brass Mark</td> </tr> <tr> <td>11</td> <td>11</td> <td>User Definable</td> </tr> </tbody> </table>                        |                        |                                                         |              | NEW          | OLD            | DESCRIPTION   | 0                | 0                | Iron Pin in Concrete | 1          | 1              | Iron Pin      | 2             | 2              | IPC with Map   | 3             | 3             | Post     | 4         | 4  | Concrete Monument | 5   | 5                      | Theoretical Point | 6             | 6  | Tree    | 7        | 7            | Adopted | 8 | 8   | Control IP or Nail | 9       | 9 | Control IPC | 10  | 10       | Control Brass Mark | 11 | 11 | User Definable                           |  |
| NEW                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | OLD                    | DESCRIPTION                                             |              |              |                |               |                  |                  |                      |            |                |               |               |                |                |               |               |          |           |    |                   |     |                        |                   |               |    |         |          |              |         |   |     |                    |         |   |             |     |          |                    |    |    |                                          |  |
| 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 0                      | Iron Pin in Concrete                                    |              |              |                |               |                  |                  |                      |            |                |               |               |                |                |               |               |          |           |    |                   |     |                        |                   |               |    |         |          |              |         |   |     |                    |         |   |             |     |          |                    |    |    |                                          |  |
| 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 1                      | Iron Pin                                                |              |              |                |               |                  |                  |                      |            |                |               |               |                |                |               |               |          |           |    |                   |     |                        |                   |               |    |         |          |              |         |   |     |                    |         |   |             |     |          |                    |    |    |                                          |  |
| 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 2                      | IPC with Map                                            |              |              |                |               |                  |                  |                      |            |                |               |               |                |                |               |               |          |           |    |                   |     |                        |                   |               |    |         |          |              |         |   |     |                    |         |   |             |     |          |                    |    |    |                                          |  |
| 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 3                      | Post                                                    |              |              |                |               |                  |                  |                      |            |                |               |               |                |                |               |               |          |           |    |                   |     |                        |                   |               |    |         |          |              |         |   |     |                    |         |   |             |     |          |                    |    |    |                                          |  |
| 4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 4                      | Concrete Monument                                       |              |              |                |               |                  |                  |                      |            |                |               |               |                |                |               |               |          |           |    |                   |     |                        |                   |               |    |         |          |              |         |   |     |                    |         |   |             |     |          |                    |    |    |                                          |  |
| 5                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 5                      | Theoretical Point                                       |              |              |                |               |                  |                  |                      |            |                |               |               |                |                |               |               |          |           |    |                   |     |                        |                   |               |    |         |          |              |         |   |     |                    |         |   |             |     |          |                    |    |    |                                          |  |
| 6                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 6                      | Tree                                                    |              |              |                |               |                  |                  |                      |            |                |               |               |                |                |               |               |          |           |    |                   |     |                        |                   |               |    |         |          |              |         |   |     |                    |         |   |             |     |          |                    |    |    |                                          |  |
| 7                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 7                      | Adopted                                                 |              |              |                |               |                  |                  |                      |            |                |               |               |                |                |               |               |          |           |    |                   |     |                        |                   |               |    |         |          |              |         |   |     |                    |         |   |             |     |          |                    |    |    |                                          |  |
| 8                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 8                      | Control IP or Nail                                      |              |              |                |               |                  |                  |                      |            |                |               |               |                |                |               |               |          |           |    |                   |     |                        |                   |               |    |         |          |              |         |   |     |                    |         |   |             |     |          |                    |    |    |                                          |  |
| 9                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 9                      | Control IPC                                             |              |              |                |               |                  |                  |                      |            |                |               |               |                |                |               |               |          |           |    |                   |     |                        |                   |               |    |         |          |              |         |   |     |                    |         |   |             |     |          |                    |    |    |                                          |  |
| 10                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 10                     | Control Brass Mark                                      |              |              |                |               |                  |                  |                      |            |                |               |               |                |                |               |               |          |           |    |                   |     |                        |                   |               |    |         |          |              |         |   |     |                    |         |   |             |     |          |                    |    |    |                                          |  |
| 11                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 11                     | User Definable                                          |              |              |                |               |                  |                  |                      |            |                |               |               |                |                |               |               |          |           |    |                   |     |                        |                   |               |    |         |          |              |         |   |     |                    |         |   |             |     |          |                    |    |    |                                          |  |
| <p>1. C.A. Fennell E.S. F.R.S. L.L.S. hereby certify that I have completed this survey in accordance with existing Laws and Regulations.</p> <p>G.B. Eyles<br/>Surveyor</p> <p>12/11/96<br/>Date</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                        |                                                         |              |              |                |               |                  |                  |                      |            |                |               |               |                |                |               |               |          |           |    |                   |     |                        |                   |               |    |         |          |              |         |   |     |                    |         |   |             |     |          |                    |    |    |                                          |  |
| <p>BOUNDARIES</p> <table border="1"> <thead> <tr> <th>REGISTRY MAP</th> <th>SUBJECT PARCEL</th> </tr> </thead> <tbody> <tr> <td>Fence or Wall</td> <td>Fence or Wall</td> </tr> <tr> <td>Seaward Boundary</td> <td>Seaward Boundary</td> </tr> <tr> <td>Demarcated</td> <td>Demarcated</td> </tr> <tr> <td>Un-demarcated</td> <td>Un-demarcated</td> </tr> <tr> <td>Private R.O.W.</td> <td>Private R.O.W.</td> </tr> <tr> <td>Public R.O.W.</td> <td>Public R.O.W.</td> </tr> </tbody> </table>                                                                                                                                                                                                                                                                                                                                                              |                        |                                                         |              | REGISTRY MAP | SUBJECT PARCEL | Fence or Wall | Fence or Wall    | Seaward Boundary | Seaward Boundary     | Demarcated | Demarcated     | Un-demarcated | Un-demarcated | Private R.O.W. | Private R.O.W. | Public R.O.W. | Public R.O.W. |          |           |    |                   |     |                        |                   |               |    |         |          |              |         |   |     |                    |         |   |             |     |          |                    |    |    |                                          |  |
| REGISTRY MAP                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | SUBJECT PARCEL         |                                                         |              |              |                |               |                  |                  |                      |            |                |               |               |                |                |               |               |          |           |    |                   |     |                        |                   |               |    |         |          |              |         |   |     |                    |         |   |             |     |          |                    |    |    |                                          |  |
| Fence or Wall                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Fence or Wall          |                                                         |              |              |                |               |                  |                  |                      |            |                |               |               |                |                |               |               |          |           |    |                   |     |                        |                   |               |    |         |          |              |         |   |     |                    |         |   |             |     |          |                    |    |    |                                          |  |
| Seaward Boundary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Seaward Boundary       |                                                         |              |              |                |               |                  |                  |                      |            |                |               |               |                |                |               |               |          |           |    |                   |     |                        |                   |               |    |         |          |              |         |   |     |                    |         |   |             |     |          |                    |    |    |                                          |  |
| Demarcated                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Demarcated             |                                                         |              |              |                |               |                  |                  |                      |            |                |               |               |                |                |               |               |          |           |    |                   |     |                        |                   |               |    |         |          |              |         |   |     |                    |         |   |             |     |          |                    |    |    |                                          |  |
| Un-demarcated                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Un-demarcated          |                                                         |              |              |                |               |                  |                  |                      |            |                |               |               |                |                |               |               |          |           |    |                   |     |                        |                   |               |    |         |          |              |         |   |     |                    |         |   |             |     |          |                    |    |    |                                          |  |
| Private R.O.W.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Private R.O.W.         |                                                         |              |              |                |               |                  |                  |                      |            |                |               |               |                |                |               |               |          |           |    |                   |     |                        |                   |               |    |         |          |              |         |   |     |                    |         |   |             |     |          |                    |    |    |                                          |  |
| Public R.O.W.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Public R.O.W.          |                                                         |              |              |                |               |                  |                  |                      |            |                |               |               |                |                |               |               |          |           |    |                   |     |                        |                   |               |    |         |          |              |         |   |     |                    |         |   |             |     |          |                    |    |    |                                          |  |

Co-ordinates refer to Equator & 81° W  
All Units shown are in Feet

COORDINATE LISTING

| Station | Y(Northings) | X(Eastings) | Description | Records    |
|---------|--------------|-------------|-------------|------------|
| 20A     | 00 075.8     | 8 101.1     | QAD L.P.C.  | BOARD FILE |
| 20B     | 00 066.4     | 8 111.7     | "           | "          |
| 20C     | 00 131.7     | 8 182.7     | "           | "          |
| 20D     | 00 127.7     | 8 191.3     | "           | "          |
| 20E     | 00 012.0     | 8 206.3     | "           | "          |
| AC4     | 00 106.8     | 8 237.6     | "           | 01/01      |
| AC5     | 00 086.7     | 8 256.4     | "           | "          |

Scale: 1:250

25 0 25 50

ADMINISTRATION

Date Received: 11.2.97

Examined by: G.A. Massey

24/4/97

REGISTRATION

Job No.:

Shed/Parcel No. OPY 20

AMENDMENTS

Authorised: Alistair G.B. Ayres

Chief Surveyor

25/4/97

Declaration

6:106

DATE

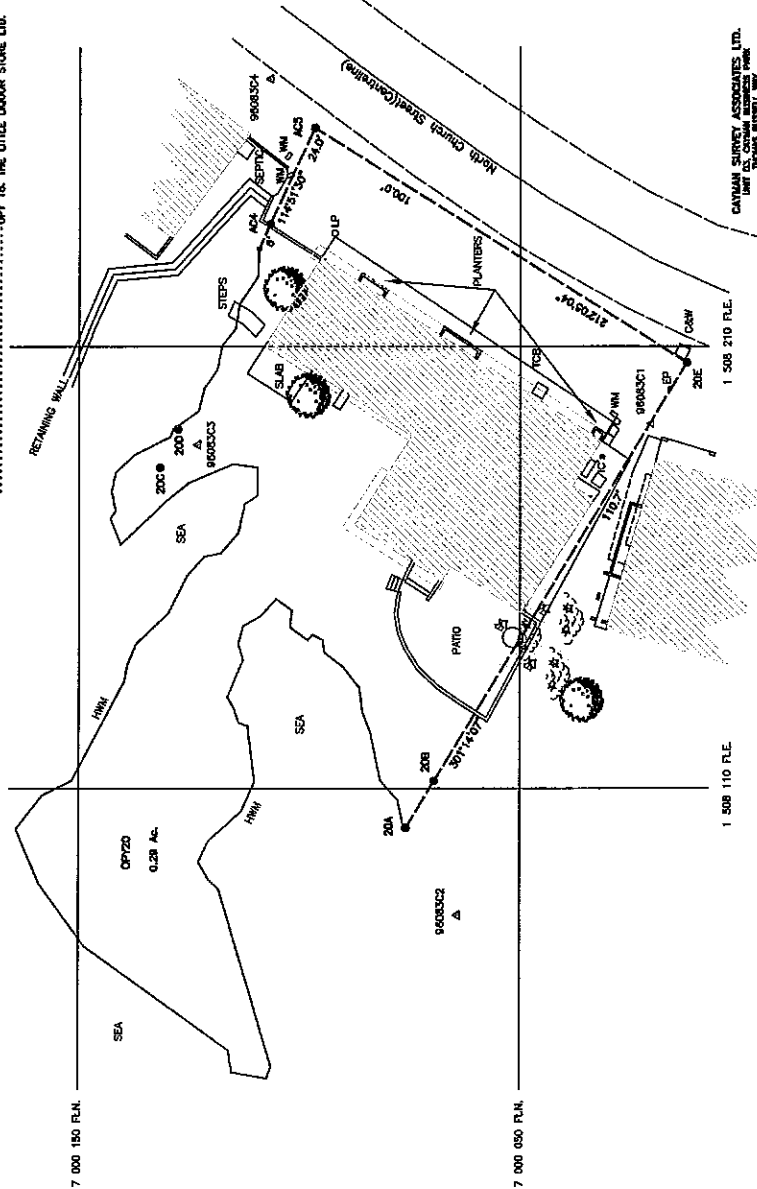
New No.:

# FIXED BOUNDARY SURVEY 02/430

PERIMETER SURVEY OF  
BLOCK OPY, PARCEL 20.

AGREEMENT OF PROPRIETORS  
We, the undersigned, hereby agree to the boundaries as shown on this plan.

-----OPY 20, CAROLYN JOHNSON  
-----OPY 25, FORT BUILDING LTD.  
-----OPY 18, THE LITTLE LIQUOR STORE LTD.



Scale is 1:250

| CADASTRAL |     | TOPOGRAPHIC INFORMATION |                             |
|-----------|-----|-------------------------|-----------------------------|
| NEW       | OLD | DESCRIPTION             |                             |
| +         | +   | Iron Pin in Concrete    | Building (open added)       |
| +         | +   | Iron Pin                | Building under construction |
| +         | +   | IPC with Kap            | Electricity sub station     |
| +         | +   | Post                    | Concrete slab               |
| +         | +   | Concrete Monument       | Wall                        |
| +         | +   | Theoretical Point       | Fence                       |
| +         | +   | Tree                    | Mark                        |
| +         | +   | Adapted                 | Edge of terrace             |
| +         | +   | Control IP or Nail      | Footpath, Dyke, Track       |
| +         | +   | Control IPC             | Girth of tree               |
| +         | +   | Control Brass Mark      | Conceal-line                |
| +         | +   | User Definable          |                             |

1. C.B. Evans B.S., FRCS L.L.S., hereby certifies that I have executed this survey in accordance with existing Laws and Regulations.

C.B. Evans

12/11/96

Surveyor

BOUNDARIES

REGISTRY MAP

Fence or Wall

Seaward Boundary

Demarcated

Un-demarcated

Private R.O.W.

Public R.O.W.

SUBJECT PARCEL

Fence or Wall

Seaward Boundary

Demarcated

Un-demarcated

Private R.O.W.

Public R.O.W.



LS/URWP/11/26



## Ministry of District Administration, Planning, Agriculture and Housing

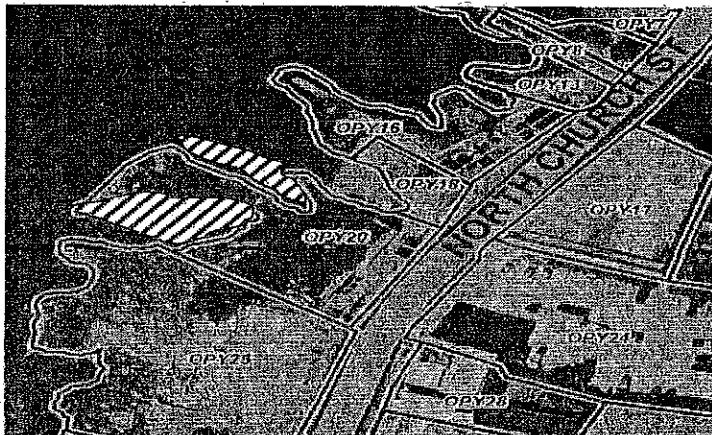
### PUBLIC NOTICE

GOVERNOR (VESTING OF LANDS) LAW (2005 REVISION)

#### Section 9 and 10.1(a)

IN ACCORDANCE WITH THE ABOVE SECTIONS OF THE GOVERNOR (VESTING OF LANDS) LAW, THE GOVERNOR IN CABINET HEREBY GIVES NOTICE OF THE PROPOSAL TO DISPOSE OF CROWN (SEA BED) LANDS OF APPROX 3,500-SQ FT AS IDENTIFIED BELOW

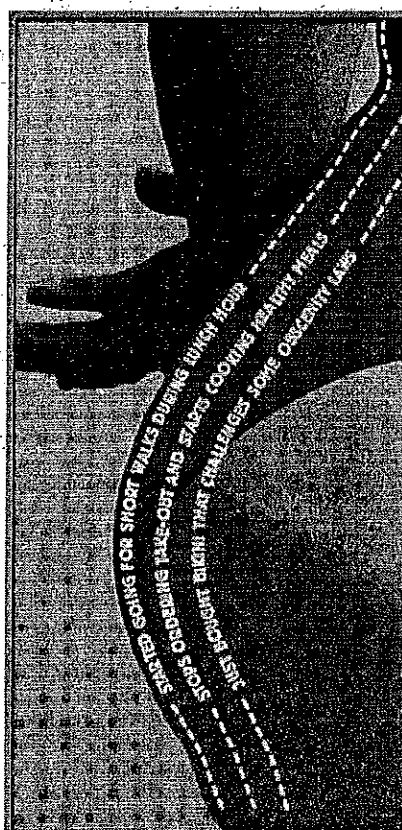
ADJOINING BLOCK OPY PARCEL 20,  
NORTH CHURCH STREET, GEORGE TOWN.



ALL OFFERS AND ENQUIRIES ARE TO BE  
SUBMITTED IN WRITING TO:-

THE DIRECTOR OF LANDS AND SURVEY,  
Britcay House, 236 Eastern Avenue, George Town,  
P.O. Box 1089 Grand Cayman

BY 5.00 PM FRIDAY 12 OCTOBER 2007



TAKE A SMALL S

Speeding is  
No Accident!



### BOTANIC PARK PLANT SALE!

This Saturday and Sunday  
Up to 10% off thousands of  
nursery plants.

For information call: 947-9462

### Miscellaneous



### BOTANIC PARK PLANT SALE!

This Saturday and Sunday  
Up to 10% off thousands of  
nursery plants.

For information call: 947-9462

### Automobiles

fast & friendly  
service

**SUBWAY**  
eat fresh.

something to fit  
any size appetite

**SUBWAY**  
eat fresh.

**FOR SALE**  
**1999 GMC 350**  
Box Van  
Manual, Diesel  
\$11,000 O.B.O.  
916-3800

For Sale One  
1998 Toyota Avalon.  
Immaculate condition.  
Tel. 947-3319.  
Cell 324-2411.

For Sale  
2002 Honda Civic  
\$4000 O.B.O.  
325-6831  
or 947-2132

Retail Store Fixtures  
for Sale  
We have a variety of  
used store fixtures for  
sale including mannequins,  
shotglass/magnet/keyring  
display, jewelry displays,  
custom built sunglass  
fixtures, hangers and a  
variety of other items.  
Call Too Hot at  
949-7428 to look  
at the items.

For Sale  
Multi-Purpose  
Ricoh Aficio 2051  
Scanner/Printer/Copier  
2 Years Old  
Asking C\$10,875 O.N.O.  
Call State Street Cayman  
Trust Co. Ltd.  
949-6644  
Ask for Esther

**CAN/**  
**FROM**  
Townho  
in unqi  
6 unit com  
Omega E  
2 Bed, 2.5  
1700 sq ft, sol  
kitchen w

# CAYMAN ISLANDS GAZETTE



Monday, 1<sup>st</sup> October 2007

Issue No. 20/2007

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**NOTICE:** *Gazette Publishing Dates & Deadlines for the year, and advertising and subscription rates, are posted at the back of this Gazette.*

**USING THE GAZETTE:** The *Cayman Islands Gazette*, the official newspaper of the Government of the Cayman Islands, is published fortnightly on Mondays. The next issue (21/07) will be published on 15<sup>th</sup> October 2007. Closing time for lodgment of commercial notices will be 12 noon, Friday, 5<sup>th</sup> October 2007. Government notices must be lodged at the **Gazette Office** by 12 noon on the previous Wednesday (3<sup>rd</sup> October). This time frame will be followed for all **Gazettes**. Notices are accepted for publication in the next issue, unless otherwise specified.

“Internet Service Provider” means a Person who provides Internet Access to Subscribers.

“Notice” means this notice issued under Section 23(2) of the ICTA Law.

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## Change of Name

---

NOTICE is hereby given that by a Deed Poll dated the 13<sup>th</sup> August 2007, recorded at the Public Records Office, in Volume XCII, Entry No. 157 Folio 006, I, **CEREITA LEE LAWRENCE** of P.O. Box 1109, Grand Cayman KY1-1102, Cayman Islands, formally and absolutely renounce and abandon the name **CERITA LEE LAWRENCE** and in lieu thereof have assumed, adopted and henceforth on all occasions whatsoever to use and subscribe the name, **CEREITA LEE LAWRENCE** instead of the name of **CERITA LEE LAWRENCE** so that I will at all times thereafter be called known and described by the name of **CEREITA LEE LAWRENCE**.

Dated 31<sup>st</sup> August 2007.

CEREITA LEE LAWRENCE  
In the presence of:  
SHELLA TATUM

---

## Land Notices

---

MINISTRY OF DISTRICT ADMINISTRATION, PLANNING, AGRICULTURE AND HOUSING

PUBLIC NOTICE  
GOVERNOR (VESTING OF LANDS) LAW (2005 REVISION)  
Section 9 and 10.1(a)

In accordance with the above sections of the Governor (Vesting of Lands) Law, The Governor in Cabinet hereby gives notice of the proposal to dispose of crown lands of approx. 3,500 sq. ft. as identified below ADJOINING BLOCK OPY Parcel 20, North Church Street, George Town.



**RESOLUTION**

**UNDER SECTION 10 (2) (e)  
THE GOVERNOR (VESTING OF LANDS) LAW, (1998 REVISION)**

**RESOLUTION**

**UNDER SECTION 10 (2) (e)  
THE GOVERNOR (VESTING OF LANDS) LAW, (1998 REVISION)**

**PROPERTY ON HARBOUR DRIVE,  
GEORGE TOWN, GRAND CAYMAN  
(BLOCK OPY, PARCEL 20)**

Whereas:

- 1) JIL Corporation Ltd. has offered to purchase the filled areas of the Crown seabed on Block OPY, Parcel 20.
- 2) The subject area comprise approximately 3,789.7 square feet.
- 3) After careful analysis and consideration, the Governor in Cabinet has determined that it is in the best interest of the Cayman Islands to vest the lands to JIL Corporation Ltd. at a price of CI\$340,000 plus Stamp Duty and Registration Fees.

AND IT IS FURTHER RESOLVED that full details of Block OPY Parcel 20 and of the disposition proposed shall forthwith be published in an extraordinary Gazette and in the next available issue of a newspaper circulating in the Cayman Islands 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 lands.

PASSED in Cabinet this *3<sup>rd</sup>* day of *JANUARY*, 2008.



---

CLERK OF THE CABINET



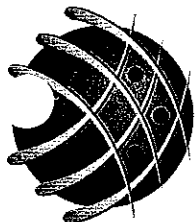
**THE VALUATION OFFICE**  
LANDS AND SURVEY DEPARTMENT

**VALUATION REPORT**  
**ON THE PREMIUM TO BE PAID FOR THE TRANSFER**  
**OF THE**  
**COASTAL SEA BED**  
**ADJOINING**

**BLOCK OPY PARCEL 20**

**GEORGE TOWN, GRAND CAYMAN**

**DATE OF VALUATION: 11 JUNE 2004**



---

**CAYMAN LAND INFO**

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**RICS**

The mark of  
property professionalism worldwide



## REPORT ON THE VALUE OF COASTAL SEA BED ADJOINING BLOCK OPY PARCEL 20

**DATED 26 March 2007**

### **1. Introduction**

- 1.1. This valuation report has been prepared as valuation advice to the Ministry of District Administration Planning Agriculture and Housing as the Cayman Islands Government has been put into a position of having to dispose of its interest in an unregistered area of Crown Land forming part of the sea bed, due the granting of a Coastal Works Licence dated 11 June 2004 by the Ministry of Tourism, Environment, Development and Commerce. (Copy attached in Appendix 1) which allowed the owner of OPY 20 to reclaim Crown land.
- 1.2. The valuation date is 11 June 2004, the date of the Coastal Works Licence.
- 1.3. The area of sea bed has been physically inspected at the time of this report.
- 1.4. This valuation report has been carried out in accordance with the Practice statements in the RICS Appraisal and Valuation Manual and conforms to the requirements of the Practice Statement.

### **2. Registry Information**

- 2.1. The area of the sea bed in question is unregistered.
- 2.2. The area of the sea bed adjoins parcel OPY 20 and the Land Register indicates that the parcel has an area of 0.29 acres (12,632 square feet).

### **3. Planning**

- 3.1. The Current Development Plan indicates that the adjoining parcel is zoned General Commercial, whilst the original sea bed area was in the Marine Park Zone.
- 3.2. On further investigation we understand that planning consent has been granted for the construction of a three story commercial building comprising 13,500 sq ft, which would have been granted without the benefit of the reclaimed land.

### **4. Description of Parcel**

- 4.1. The sea bed area is located adjoining parcel OPY 20 on Harbour Drive adjoining the Royal Watler Cruise Terminal. See attached aerial/satellite photographs taken in 2004 in Appendix 2.
- 4.2. According to the Coastal Works Licence the area of the sea bed to be reclaimed was 4,874 sq ft and of an irregular shape adjoining the iron shore.



- 4.3. The area comprising two coves has now been filled of 8 ft above mean sea level with sheet pile bulkhead of approximately 229 ft in length around the parcel OPY 20 and backfilling of coves. The reclaimed area has now been graded ready for construction. See satellite photograph taken in 2007 in Appendix 3.
- 4.4. We understand according to the owners of OPY 20, JIL Corporation the area in fact is now some 3502 sq ft but this will have to be verified by the Chief Surveyor.
- 4.5. We further understand that the cost to JIL Corporation to carry out these works was in the order of CI\$638,673.

## **5. Basis of Valuation**

- 5.1 I have adopted the comparable sales method of valuation and the investment method in assessing the Market Value of the parcel OPY 20 and the subject area. However in this particular case I have also had to take into account the special circumstances that surround this area of reclaimed land as it is only of use to the adjoining owner and therefore although the valuation is market based it is really the increase in the market value of OPY 20 due to the combining of the original registered area of 12,632 sq ft with the reclaimed land of 3,502 sq ft and allowing for construction costs and royalty fees paid under the Coastal Works Licence dated 11 June 2004.

## **6. Definition of Market Value**

- 6.1. "Market Value" is defined by the Royal Institution of Chartered Surveyors (RICS) as the estimated amount for which a property 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.

## **7. Background**

- 7.1 The Coastal Works Licence stated the area of the reclaimed land was 4,874 sq ft and the fee paid was CI\$68,863.07. I further understand that a further fee was paid by JIL Corporation to the Ministry of Tourism of CI\$59,715 as stated in my email of 26 March 2007 of the which has to be verified.
- 7.2 We have assumed that JIL Corporation paid for all the works some CI\$638,673. We have not been provided with receipts or actual proof.
- 7.3 We have been informed that these works were required as a result of the works carried out at the Royal Watler Cruise Terminal by the Port Authority.



## 8 Valuation

- 8.1 I am of the opinion that the value of reclaimed land at the date of valuation of 3,502 sq ft is C\$1,107,500 (One Million One Hundred and Seven Thousand Five Hundred Cayman Islands Dollars)

Increase in Value of OPY 20 due to the reclaimed land = CI\$ 1,107,500  
Less Construction costs: CI\$ 638,673

Value of Sea Bed: **CI\$ 468,578**

Less Coastal Works fees paid to Min of Tourism: CI\$ 128,578

Balance to pay for the transfer of sea bed: **CI\$ 340,000**

- 8.2 I am of the opinion the balance to be paid to the Cayman Islands Government is **CI\$340,000** (Three Hundred and Forty Thousand Cayman Islands Dollars)

A handwritten signature in black ink, appearing to read 'Nigel H Bates', followed by a period.

**Nigel H Bates**  
**Chief Valuation Officer**



**Coastal Works Licence Dated 11 June 2007**



## **COASTAL WORKS LICENCE**

**Jil Corporation Ltd.  
Bulkheading and Seabed Reclamation  
George Town Harbour, Marine Park  
Block OPY Parcel 20**

Prepared By:  
Ministry of Tourism, Environment, Development and  
Commerce  
Government Administration Building  
George Town, Grand Cayman  
345- 949 7900 Ext. 2420

## Coastal Works Licence

To: Jil Corporation Ltd.

Of: P.O. Box 2331  
George Town  
Grand Cayman

You are hereby authorized by Cabinet to construct a 229 sheet pile seawall as bulkheading and placement of backfill material in coves and ironshore adjacent to the Port Authority Project at George Town Harbour Marine Park, Block OPY Parcel 20.

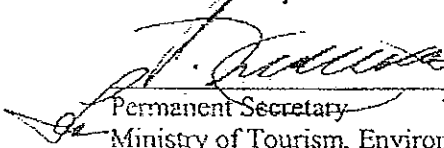
All works shall be carried out strictly in accordance with the following conditions:

1. Prior to start of any coastal works the Licensee shall Provide written notification of the date works are expected to start to the Department of Environment (DOE) at P.O. Box 486 GT, Grand Cayman at least five (5) working days prior to such commencement date.
2. Obtain from the DOE two (2) Coastal Permits which must be visibly displayed on site, one permit near the area of coastal construction and the other by the roadside. **Work shall not commence without issuance of such permits.** Failure to display the permits at the site shall constitute a breach of the licence, which may incur penalties or cause the Grantor to determine the licence. Upon completion of work the Licensee shall return one (1) of the permits to the DOE who will conduct a final inspection to verify compliance with licence conditions.
3. Work shall consist of installing an +8-ft MSL high sheet pile bulkhead 229-ft in length around Block OPY Parcel 20 and backfilling the coves and ironshore comprising an area of 4,874-ft<sup>2</sup> to +8-ft MSL. At minimum the site shall be graded to militate against flooding of buildings/roadways, and other stormwater management measures should be incorporated into the design. Works shall be in accordance with approved drawings appended to this licence. **A copy of the drawings, construction plan for the Port Authority works and signed licence shall remain on site for inspection for the duration of the work.**
4. The licensed area shall be the 4,874-ft<sup>2</sup> area within which bulkheading and backfilling has been approved.
5. Machinery used during construction must operate within the licensed area so noted and in a manner that minimises environmental impact. No work or impact to the seabed shall be permitted outside of the licensed area. Should post-construction inspection determine that impact has exceeded the licensed area, the Licensee or agent/contractor on his behalf may be held liable for damages and/or additional royalties and penalties applied to unauthorised work.
6. There shall be no excavation of the seabed other than for the purpose of installing the sheet pile bulkhead.

7. Failure to install the bulkhead and backfill in accordance with approved drawings or in accordance with licence conditions hereto shall be a breach of the licence and may be a violation of the Marine Conservation Law, may incur penalties, and/or may cause the Grantor to determine the licence.
8. Stockpiled materials used in construction shall be suitably contained or stored in locations away from the water's edge so as not to cause problems with leaching of sediments as a result of run-off from wave activity, rain and drainage.
9. Silt screens must be securely installed around the work area throughout the sheet pile installation and backfilling. Screens shall remain in place for the duration of the project until the water contained in the screens has cleared to the same appearance as the water immediately outside of the screens. Screens shall be installed and maintained to the satisfaction of the DOE.
10. The Licensee or agent/contractor on his behalf will comply with verbal or written notification by the DOE regarding means of reducing environmental impact, including immediate cessation of work if such work is resulting in significantly greater damage to the marine environment than anticipated or if the deployment of the screens is not effective. Operations shall resume at the authorisation of the DOE once corrections to work methods to safeguard against further environmental degradation have been made in accordance with DOE specifications.
11. The DOE shall be afforded reasonable access to the site, both offshore and inland, for monitoring purposes.
12. All work shall be carried out to the satisfaction of the DOE in such a way as to have the least possible deleterious effect on the environment and in particular so as to result in as little silt as possible in the surrounding waters of the Marine Park.
13. If any damage occurs to the marine environment as a result of a breach by the Licensee or agent/contractor of any covenants on its behalf in this licence, the Licensee shall covenant that it will remedy such damage to the reasonable satisfaction of the Department within such time as the DOE may reasonably specify and that, in default thereof, the Grantor may itself remedy the damage and recover the costs reasonably incurred thereby from the Licensee.
14. All work shall be carried out in such a way as not to cause any damage or injury to any property, land or person (including Government property or land not authorised in this licence). In the event of any such damage or injury, the Licensee shall pay fair and proper compensation and indemnify the Government against any resulting claims, costs or other proceedings.
15. The Licensee shall observe all relevant planning and statutory requirements relating to or affecting the works and provide the Grantor with copies of other documents received pursuant to any such agreement.
16. Payment of royalty in the sum of \$48,740.00 for 4,874-ft<sup>2</sup> of seabed affected by bulkheading and reclamation activities.

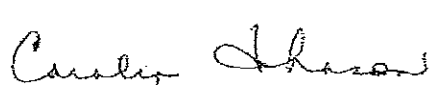
17. Payment of mitigation in the sum of **\$24,370.00** for construction in a Marine Park Zone.
18. Payment of administration and monitoring fees in the sum of **\$627.07** for all work stipulated above.
19. If any payment of the whole or part of the licence fees shall remain unpaid for thirty (30) days or if there shall be any breach, non-observance or non-performance of any of the Licensee's covenants, the Grantor may determine the licence at any time by giving written notice to the Licensee.
20. The duration of this licence shall not exceed twelve (12) months from the date of the signing of the licence. All works shall be completed within this timeframe.
21. The applicant should be reminded that approval of a Coastal Works Licence is valid for one (1) year within which time works must commence. Works must be completed within the twelve (12) months duration of the licence. The applicant/licence holder is required to apply for an extension to the licence should he/she fail to commence or complete works within the specified timeframe.
21. Payment of the above stated coastal work fees in the sum of **CI\$68,863.07** must be paid to the Cayman Islands Government prior to the issuance of the licence.

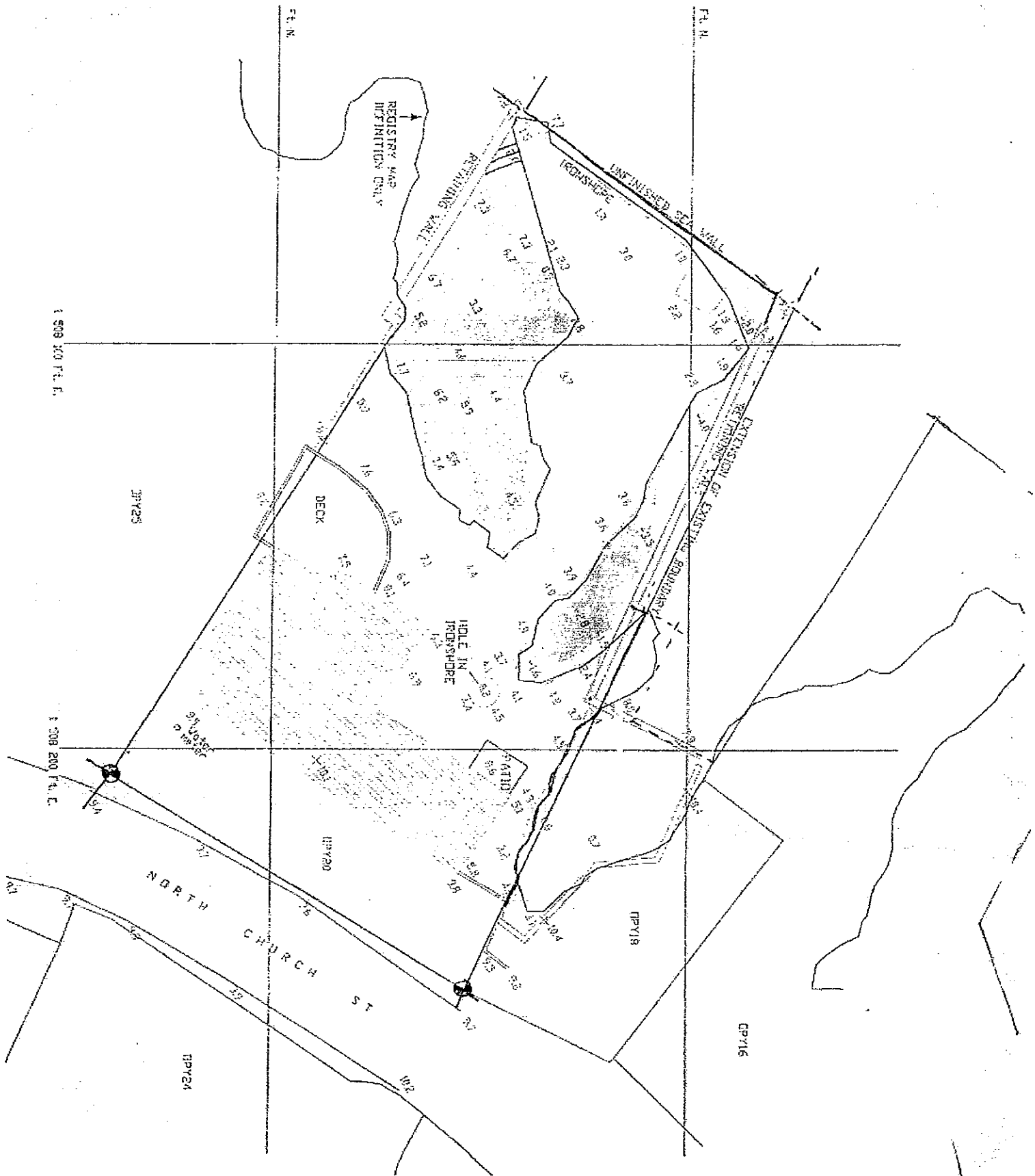
Made this 11 day June 2004

  
Permanent Secretary

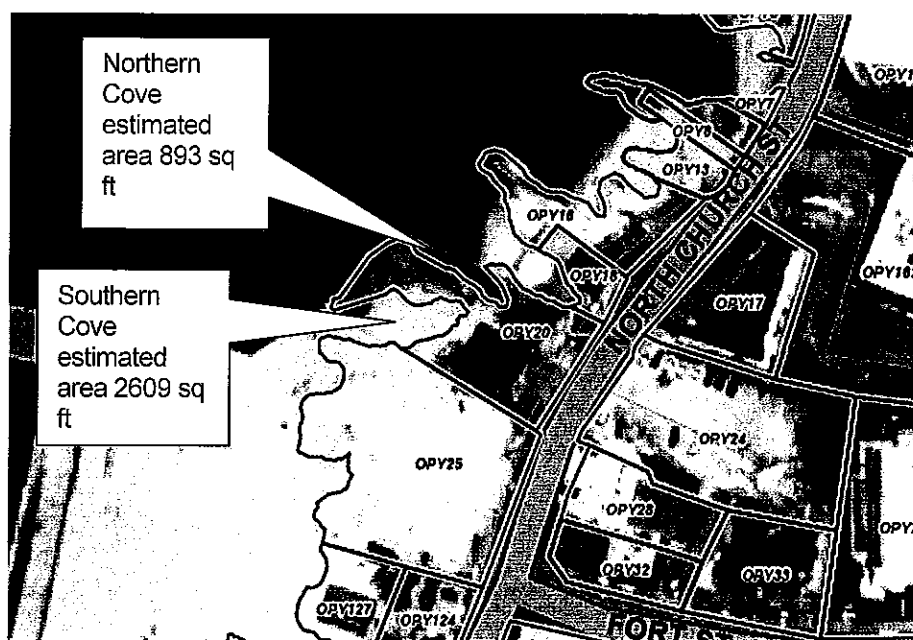
Ministry of Tourism, Environment, Development and Commerce

I/We hereby agree to carry out the condition specified above.

  
Mrs. Carolyn Johnson



Aerial Photographs Feb 2004 and Oct 2004



## Appendix 3

### Aerial Photograph 2007



18 September 2007

Your ref: OPY 20

Our reference: AGH OPY 20

Mr. N. Bates MRICS  
Chief Valuation Officer  
Lands and Survey Department  
Britcay House, Eastern Avenue  
P.O. Box 1089  
Grand Cayman KY1-1102  
CAYMAN ISLANDS

Dear Mr. Bates,

**PROPERTY APPRAISAL** : Sea bed land, George Town South, Grand Cayman  
**PHYSICAL ADDRESS** : North Church Street, George Town, Grand Cayman  
**BLOCK & PARCEL NO.** : OPY 20

Further to your instructions, we confirm that we have inspected the above property and now attach our report as instructed.

Thank you for your instructions and note that should you require further assistance please contact us.

Yours truly,



Alex Harling BSc MRICS  
Chartered Surveyor  
For Bould Consulting Limited

## INSTRUCTIONS

Our instructions are contained in e-mails received from Mr. N. Bates dated 19<sup>th</sup> June 2007 and 9<sup>th</sup> July 2007. We summarize the salient parts below.

- 1) The Ministry of Tourism has granted a Coastal Works Licence to the registered land owner (who for the purposes of this report we shall refer to as The Landowner), including over Crown land, but failed to notice that they were actually allowing The Landowner to extend their parcel over Crown land.
- 2) To carry out a market valuation of the area of the Crown sea bed that is to be transferred (which we shall refer to as "The Reclaimed Land") to The Landowner.
- 3) The market valuation is to be prepared as at the date of granting of the Coastal Works Licence, on 11<sup>th</sup> June 2004, which is therefore the valuation date.
- 4) In the process of agreeing to transfer The Reclaimed Land to The Landowner a premium is intended to be charged. An independent market valuation is therefore required to calculate the amount of such premium.
- 5) We have been informed that the area of The Reclaimed Land the new land created is approximately 4,874 sq ft, enlarging the existing parcel to a total of 17,506 sq ft.

## CONFLICT OF INTEREST STATEMENT

We have already informed you that Bould Paterson Limited, for whom Alex Harling and Martyn Bould both formerly worked, carried out a valuation for JIL Corporation (The Landowners) in respect of parcel OPY 20 and parcels BG14 29, BG14 30, BG14 33 and BG14 89. The valuation date was March 2006.

You have instructed us to prepare this valuation, after our full disclosure of our previous involvement.

Neither Bould Paterson Limited, Bould Consulting Limited, or Alex Harling have any financial or other beneficial interest in the land and property being valued and confirm that they are acting independently and objectively in preparing this valuation.

## ASSUMPTIONS FOR VALUATION PURPOSES

1) We are aware that The Landowner has interests in four parcels on the inland side on North Church Street, namely parcels BG14 29, BG14 30, BG14 33 and BG14 89.

The value of OPY 20 is therefore linked to these four inland parcels, which The Landowner has informed us previously, they intend to use as remote parking in connection with the proposed development of OPY 20. This allows parcel OPY 20 to obtain a more intensive planning consent. Without parcels BG14 29, BG14 30, BG14 33 and BG14 89 providing parking, it would not be possible to develop OPY 20 as intensively

The value of OPY 20 and the value of parcels BG14 29, BG14 30, BG14 33 and BG14 89 is enhanced by them being combined. There is, in other words, a marriage value created in having all five of these parcels in the same ownership.

For the purposes of this valuation, we are disregarding that factor and valuing parcel OPY 20 as a stand alone parcel.

2) You informed us that the Landowner claims that the cost of the works carried out, to construct the sea retaining wall and infill The Reclaimed Land is CI\$638,673,00 .

We are not specialists, or qualified through experience sufficiently to confirm or otherwise calculate the cost of these works and are therefore our calculations use the cost of works figure you provided. Should the cost differ materially from the figure you provided, or need to be adjusted for the date they were undertaken, then such changes may need to be reflected in the valuations below.

3) We assume that no materially substantial premium was paid in order for the landowners to obtain the Coastal Works Licence.

4) We assume that there would be a significantly limited market and demand from any purchasers for The Reclaimed Land, other than from The Landowners. The Landowners are therefore Special Purchasers, causing this valuation to fall outside the RICS definition of Market Value.

5) From the Land Registry title documentation we are not aware of any rights of way or other easements passing over the registered area of OPY 20.

6) Should any of the above assumptions prove incorrect, or any other information in this report need to be changed, then our valuation figures may require amendment.

**VALUATION DETAILS**

|                               |                                                                                                           |
|-------------------------------|-----------------------------------------------------------------------------------------------------------|
| <b>CLIENT</b>                 | Lands and Survey Department of the Cayman Islands Government.                                             |
| <b>PURPOSE OF VALUATION</b>   | Assessment of premium to charge to transfer sea bed (The Reclaimed Land) from The Crown to The Landowner. |
| <b>BASIS OF VALUATION</b>     | Market Value, amended to take account of the special circumstances.                                       |
| <b>DATE OF VALUATION</b>      | 11 <sup>th</sup> June 2004                                                                                |
| <b>DATE OF INSPECTION</b>     | 11 <sup>th</sup> September 2007                                                                           |
| <b>PROPERTY INSPECTION BY</b> | Alex Harling MRICS                                                                                        |
| <b>REPORT BY</b>              | Alex Harling MRICS                                                                                        |

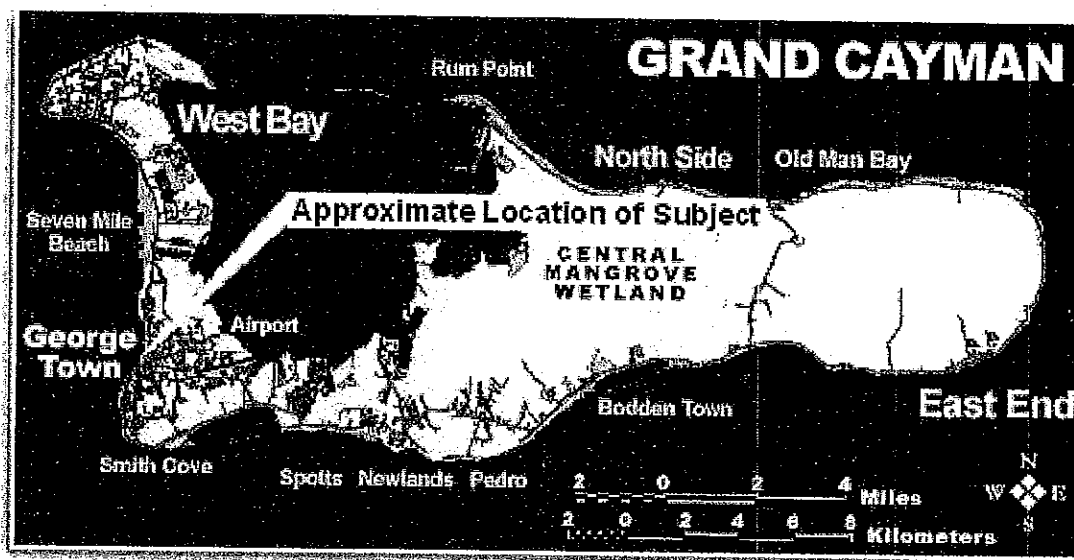
**REGISTRATION DETAILS**

|                             |                                                         |
|-----------------------------|---------------------------------------------------------|
| <b>DETAILS AS OF</b>        | 17 <sup>th</sup> May 2006                               |
| <b>SECTION</b>              | George Town Commercial                                  |
| <b>BLOCK</b>                | OPY                                                     |
| <b>PARCEL</b>               | 20                                                      |
| <b>REGISTERED TO</b>        | JIL Corporation Limited                                 |
| <b>DATE REGISTERED</b>      | 21 <sup>st</sup> October 1997                           |
| <b>INSTRUMENT NUMBER</b>    | 7909/97                                                 |
| <b>TITLE OF LAND</b>        | Absolute                                                |
| <b>APPURTENANCES</b>        | None                                                    |
| <b>INCUMBRANCES</b>         | Please also see the enclosed Lands and Survey document. |
| <b>REGISTERED LAND AREA</b> | 0.29 acres (12,632 sq ft)                               |
| <b>ZONING OF LAND</b>       | General commercial                                      |

## PROPERTY LOCATION

The subject property is an ocean front parcel situated on North Church Street, immediately north of the new Royal Watler Cruise Terminal.

The property is therefore accessed directly off North Sound Road. We understand that the property was formerly the site of Smugglers Cove restaurant, but the site had been cleared and sea bed reclamation works undertaken at the time of our inspection.



In addition to the map above location and site maps are enclosed as appendices to this report.

## SITE DESCRIPTION BEFORE RECLAMATION

|                              |                                                                                                                                                                                                                                                                                                                   |
|------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>TITLE REGISTERED AREA</b> | 0.29 acres (12,632 sq ft)                                                                                                                                                                                                                                                                                         |
| <b>GROUND CONDITIONS</b>     | <p>Ironshore, partly filled up to the level of the road, towards North Church Street.</p> <p>There were two fingers of ironshore extending into the ocean, one considerably larger than the other. The larger of the two had only a narrow access connection to the main road-fronting section of the parcel.</p> |
| <b>ELEVATION</b>             | Shown on the Lands and Survey system as being approx 10.4 to 2.0 above mean sea level.                                                                                                                                                                                                                            |
| <b>ELECTRICITY</b>           | Caribbean Utilities Company Limited assumed to be available at the road.                                                                                                                                                                                                                                          |
| <b>WATER</b>                 | City Water assumed to be available at the road.                                                                                                                                                                                                                                                                   |
| <b>DRAINAGE</b>              | None, other than natural drainage.                                                                                                                                                                                                                                                                                |
| <b>TELEPHONE</b>             | Cable and Wireless connection assumed to be available at the road.                                                                                                                                                                                                                                                |

**SITE DESCRIPTION AFTER RECLAMATION**

|                                |                                                                                                                                         |
|--------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|
| <b>RECLAIMED LAND AREA</b>     | 0.112 acres (4,874 sq ft)                                                                                                               |
| <b>TOTAL AFTER RECLAMATION</b> | 0.402 acres (17,506 sq ft)                                                                                                              |
| <b>GROUND CONDITIONS</b>       | Cleared with backfilled compacted fill behind steel pile sea wall.<br><br>Uniform shape, with all ironshore indentations 'squared off'. |
| <b>ELEVATION</b>               | Approximately 8 feet above mean sea level, although this varies slightly from point to point.                                           |
| <b>ALL SERVICES</b>            | Assumed to be the same availability as before reclamation.                                                                              |

## **METHODS OF VALUATION**

This valuation is to assess the amount of the premium to charge The Landowner of OPY 20 for having The Reclaimed Land added to their existing registered holding for OPY 20.

Our opinion is that the premium to be charged should reflect the increase in value to The Landowner. It is therefore necessary to calculate the Market Value of the registered area of parcel OPY 20 immediately before the Coastal Works License was granted and the Market Value of the registered area plus The Reclaimed Land, immediately after Coastal Works License was granted.

### **Market Value of OPY 20 before the Coastal Works License was granted**

The Market Value of the registered parcel OPY 20, prior to the Coastal Works License being granted, is the estimated amount for which 0.29 acres (12,632 sq ft) should exchange on 11<sup>th</sup> June 2004 between a willing buyer and a willing seller in an arm's-length transaction, after proper marketing wherein the parties had acted knowledgeably, prudently and without compulsion.

This figure is somewhat subjective given the very unusual shape of the western half of the land, which had two fingers of iron shore extending into the ocean. Our opinion is that the main large iron shore finger, which has only a narrow strip connecting it to the road-fronting parcel, would have a relatively low value compared to other nearby parcels with a more uniform ocean frontage.

We have disregarded any increase in value which may be attributable to parcels BG14 29, BG14 30, BG14 33 and BG14 89 also being owned by The Landowner, as we assume that a price was negotiated separately for those in the open market.

### **Market Value of OPY 20 and The Reclaimed Land after the Coastal Works License was granted**

This is the market value of the more uniform, extended parcel of OPY 20, including The Reclaimed Land. This is far more usable, given its elevation above sea level, the depth of the site from the road and the more uniform shape lending itself better to development.

For this part of the valuation we have used the Market Value definition, without amendment, as could be a hypothetical willing seller and would be hypothetical willing purchasers.

We have again disregarded any increase in value which may be attributable to parcels BG14 29, BG14 30, BG14 33 and BG14 89 also being owner by The Landowner.

## COMPARABLE METHOD OF VALUATION

In arriving at our opinion of value for both the registered area of OPY 20 and The Reclaimed Land using the comparable method we have had regard to sales of similar properties in the locality, as close as possible to the valuation date, making appropriate adjustments as we consider necessary in order to reflect the differences in location, ocean frontage, ground conditions, transaction dates and structures on site, etc. Sales of particular relevance include the following;

## MARKET VALUE OF THE LAND

### LAND SALES

| Date   | Block    | CI\$ Transfer | Parcel (sq ft) | Price/ sq ft CI\$ | Linear feet | Price / linear ft CI\$ | Notes                                                                                                                    |
|--------|----------|---------------|----------------|-------------------|-------------|------------------------|--------------------------------------------------------------------------------------------------------------------------|
| Dec-05 | 148A-C   | \$3,024,000   | 17,424         | \$173.55          | 110         | \$27,491               | On the South Sound coast, zoned Beach Resort / Residential and formerly occupied by Parrot's Landing commercial premises |
| Dec-05 | 13EH 161 | \$2,675,000   | 60,592         | \$44.15           | 0           | N/A                    | Inland side of North Church St. Formerly Regal House shops & Atlantic Departm't Store Warehouse, now demolished.         |
| Dec-05 | 13E 178  | \$5,800,000   | 108,137        | \$53.64           | 85          | \$68,235               | Group sale of inland view cleared land, plus approx 80 foot ocean front & frontage to North Church Street & Bodden Road. |
| Nov-05 | 14BG 99  | \$2,530,000   | 21,344         | \$118.53          | 305         | \$8,295                | Ocean-front parcel, developed with buildings including Rackhams Bar                                                      |
| Jun-05 | 14E 4    | \$2,184,000   | 65,340         | \$33.43           | 256         | \$8,531                | Zoned beach resort / residential.                                                                                        |
| May-05 | 13EH 15  | \$1,260,000   | 21,344         | \$59.03           | 43          | \$29,302               | The ocean front site of The Wharf restaurant, north of the Eastern Avenue junction.                                      |
| Feb-05 | 14BG 3   | \$840,000     | 21,780         | \$38.57           | 122         | \$6,885                | 109 North Church Street.                                                                                                 |
| Feb-05 | 14BG 2   | \$840,000     | 21,780         | \$38.57           | 135         | \$6,222                | North Church Street, An ocean front parcel with a small inland section.                                                  |
| Dec-04 | 13EH 14  | \$2,310,000   | 57,935         | \$39.87           | 290         | \$7,966                | Very small ocean front parcel opposite Arthur's Way.                                                                     |

|        |             |             |        |          |     |          |                                                                                   |
|--------|-------------|-------------|--------|----------|-----|----------|-----------------------------------------------------------------------------------|
| Nov-04 | 6D2         | \$638,400   | 28,750 | \$22.21  | 112 | \$5,700  | Land to the south, on South Sound coast, zoned as Beach Resort / Residential.     |
| Nov-04 | 14BG 11     | \$1,407,000 | 6,534  | \$215.34 | 53  | \$26,547 | The Wreck Bar and On Rocks Restaurant.                                            |
| Mar-04 | OPY 16 & 18 | \$5,363,000 | 2,352  | \$2,280  | 119 | \$45,067 | Irregularly-shaped ocean front parcel.                                            |
| Dec-03 | 14E 9       | \$2,150,000 | 43,560 | \$49.36  | 147 | \$14,626 | A parcel of land on the South Sound coast, south of George Town.                  |
| Jun-03 | 13EH 20     | \$294,000   | 8,712  | \$33.75  | 128 | \$2,297  | Ocean front parcel to the north of the subject property. 147 North Church Street. |
| Jul-98 | OPY 25      | \$3,030,500 | 23,958 | \$126.49 | 165 | \$18,367 | Site of The Royal Watler Cruise Terminal.                                         |

The parcels of land can be valued by reference to three main methods. These are: -

### **1) A rate per linear foot of ocean frontage**

This method compares the length of ocean frontage of parcel OPY 20 to the linear ocean frontage of sales of other nearby parcels.

### **2) A rate per square foot overall**

This method compares the total area of parcel OPY 20 to other nearby ocean front parcels. This method is usually seen as reliable as it compares directly like for like, with fully completed sales transactions.

### **3) Residual valuation.**

This is a method of valuing land by working back from the Gross Development Value assuming a development scheme has been completed. All of the costs of development are deducted from the Gross Development Value and the resultant residual value represents the price a developer could afford to bid for the land.

This method should not be used unless there is a reasonable prospect of a development scheme proceeding. In this instance, this method does not produce a higher figure than the rate per square foot, or per linear foot, without additional

parcels being incorporated, which can be used to increase site density on parcel OPY 20.

### **COMMENTS UPON THE COMPARABLES**

We have used comparables as close in time to the valuation date as possible.

Those comparables in Table A have an average of CI\$ 288.31 per square foot and an average of CI\$19,773 per linear foot of ocean frontage. This is distorted by some of the comparables having good quality buildings on site as at the dates of transaction.

Whilst we have had regard to the wider ranging comparables above, as these help set the site within context, those comparables which we consider to be too far from the property, of significantly different size, zoning or with good quality marketable structures on site have been largely disregarded in arriving at a suitable rate per square foot to apply to this property.

### **COMMENTS ON THE COMPARABLE METHOD**

With reference to our conclusion on value, we would also make the following observations: -

- We also assume that there are no outstanding payments to be made to government, who we have been informed, carried out and paid for the extension of the subject site and construction of the retaining sea wall.
- We have not carried out a structural or engineering survey of the site and assume that the whole site, including the extended area, is sound and have good bearing capacity.
- The ocean front land is estimated to be between 10.4 and 2.0 above sea level. However, as a result of the extension of the site in to the former ocean and filling, the levels may have increased. We are unable to estimate the exact levels above mean sea level, although it appears that the specification of works called for a minimum 8 feet above mean sea level.
- The property is presently zoned for general commercial. We have previously been informed that a Red Card has been granted for the construction of a three storey building on site. From the plans supplied to us on behalf of JIL Corporation Limited we understand that this will consist

of 5,625 square feet on the ground floor, 5,249 square feet on the second floor and 4,651 square feet on the third floor, so 15,252 square feet in total. We were previously informed that this will be general commercial space, but will include retail, office and restaurant/bar users.

- Site OPY 20 is likely to be considered by purchasers as suitable for other types of building, albeit within the current planning constraints. From speaking to the Cayman Islands Government planning department and the duty planning officer we are informed that the property falls within area GC1 in relation to flight paths and that in his interpretation of the current planning document a building of up to 91 feet, or seven stories may be considered suitable in planning terms to be built in site.
- From the Land Registry title documentation we are not aware of any rights of way or other easements passing over the registered area of OPY 20.
- The valuation assumes that all services are available at the road, or front of the site. You are, however, recommended to check that all connections are indeed available at no cost, as otherwise our valuation may be adversely affected. We have not tested, nor traced the path of services.
- Some of the comparables above are, on their own, only capable of taking lower rise buildings, particularly those with smaller site sizes.
- The location of the relatively new Royal Watler Cruise Terminal building directly adjacent to the subject parcel is likely to significantly increase demand for parcel OPY 20. Additionally this should aid the ability to let any units developed on the site and also investor demand for any resultant building.
- From the table above it can be seen that the comparables have a range of rates per linear foot of between CI\$2,257 per linear foot (or more recently CI\$5,700) to CI\$68,235 per linear foot.
- The highest rate at CI\$68,235 per linear foot was for parcel 13EH 178, which was a group sale of three parcels, two on the inland side and one ocean front. There is only a small ocean frontage of 85 feet. However there is a very large part of the parcel (102,192 square feet) on the inland side. If this is valued at a rate obtained for nearby parcel 13EH 161, which was at CI\$44.15 per square foot then the ocean fronting remaining parcel is worth CI\$1,288,223. As this is 5,945 square feet and has ocean

frontage of 85 feet, this gives comparable rates of CI\$216.69 per square foot, and CI\$15,156 per linear foot.

- The transactions in the above table have been arranged in descending date order and do not show any clearly discernable pattern. However it is our opinion that prices have been rising on Grand Cayman in the last two to three years, with rapid price growth in many instances after Hurricane Ivan. This growth appears to have slowed recently. The valuation date is pre-Hurricane Ivan.
- The average rate per square foot of all of the above comparables is in our opinion less useful than is often the case. This is because the subject site has an excellent and unique location. The new Port Authority terminal which is practically complete is located directly next door. We understand that rents in the region of CI\$150 per square foot have been obtained for some of those Port Authority units, although this has not been confirmed and we cannot yet substantiate. We also understand that there has been exceptionally high demand for units within the Port Authority complex and some of this demand is likely to spill over and increase demand for any buildings built on the subject site. Demand may well be higher for smaller units, which therefore have more affordable annual rents.
- Having regard to all of the above, we are of the opinion that site OPY 20 has the advantage of being directly adjacent to the Port Authority building and as such should have very high demand.
- Its designation as General Commercial zoned land may, according to our conversation with the planning department, enable development of up to seven stories or 91 feet in height. Some prospective purchasers may therefore wish to re-submit a fresh planning application for an alternative planning scheme.
- This potential leads us to the opinion that the property has a higher value per square foot than all of those comparables listed above.
- From the Lands and Survey website and plans supplied to us, we estimate that prior to the Reclaimed Land being incorporated the total linear ocean frontage, taking a straight line from the northern to the southern boundary, of OPY 20 was 135 linear feet. The actual shoreline is far longer due to the indentations of the ironshore.

- We estimate that as a result of the Reclaimed Land being developed the total linear ocean frontage of OPY 20 has increased to 189 linear feet.

### **METHOD 1 - COMPARABLE MARKET VALUE BASED ON RATE PER LINEAR FOOT**

We consider this method to be unreliable, as it is almost impossible to arrive at a useful measurement for the ocean frontage before The Reclaimed Land was incorporated into the parcel and also to arrive at accurate and useful measurements of the ocean frontages of the comparables. We are therefore not using this method in this instance.

### **METHOD 2 - COMPARABLE MARKET VALUE BASED ON RATE PER SQUARE FOOT**

Based on a rate per square foot method we consider that for all of the above reasons, a rate of **CI\$200** per square foot fairly reflects the Market Value rate for the property.

Therefore, having regard to the differences in size, age and design between the subject property and comparables we are of the opinion that the subject property should be valued for a figure based on the following;

#### **Before inclusion of Reclaimed Land**

Registered area - 12,632 sq ft at **CI\$ 200 per square foot = CI\$ 2,526,400**

#### **After inclusion of Reclaimed Land**

Total area - 17,506 sq ft at **CI\$ 200 per square foot = CI\$ 3,501,200**

**Increase due to adding The Reclaimed Land = CI\$ 974,800**

It can therefore be seen that disregarding the ability to obtain higher density planning consents by using other nearby parcels for parking, that the increase in Market Value of OPY 20, as a result of incorporating The Reclaimed Land, is CI\$974,000, which we have used in calculating below the premium to be charged.

## **DEVELOPMENT POTENTIAL**

When Bould Paterson Limited previously valued parcel OPY 20 for JIL Corporation Limited it was valued in conjunction with four other inland parcels, at CI\$9,000,000 (nine million Cayman Island Dollars).

The valuation date in that instance was 19<sup>th</sup> March 2006 and the valuation figure included the value of the other four parcels, as a residual valuation. Should you wish us to take this situation into account for the purposes of calculation of the premium, please contact me to discuss this.

## PREMIUM CALCULATION

There are various calculations which can be used to arrive at a premium which could be charged to The Landowner, as follows: -

### 1) Entire residual value

The premium could be calculated as the Market Value of the absolute title of OPY 20 including The Reclaimed Land (0.402 acres, or 17,506 sq ft), less the Market Value of the absolute title of the registered area of OPY 20 (0.29 acres (12,632 sq ft) and less the cost of the retaining sea wall and back-fill.

The residual figure is effectively a profit, or merger value. It could be argued that as there is no compulsion for The Crown to sell The Reclaimed Land, that they could hold out for all of the residual value, or profit. However, this does not give any incentive to The Landowner to proceed.

|                                                       |            |                       |
|-------------------------------------------------------|------------|-----------------------|
| Increase in MV by merging OPY 20 & The Reclaimed Land | =          | CI\$ 974,000          |
| Less the cost of the reclamation works                | =          | -CI\$ 638,673         |
| Residual value                                        | =          | CI\$ 295,327          |
| <b>Therefore premium</b>                              | <b>say</b> | <b>= CI\$ 300,000</b> |

### 2) 50% of the residual value

The residual value of The Reclaimed Land is arrived at as described in 1) above.

However there would then be a 'fair' split of the residual value. The reason for this is that The Reclaimed Land has negligible value to any purchaser other than The Landowner, as it would comprise sea bed with no access and therefore have no market. In other words, The Landowner is a special purchaser.

This is similar to the approach typically provided for under UK law, for marriage value arising as a result of the merging of freehold and long leasehold interests. Such marriage value would therefore be apportioned equally between the two parties. This would appear to be fair in this situation which is not a normal open market, arm's length transaction.

|                                                       |            |                       |
|-------------------------------------------------------|------------|-----------------------|
| Increase in MV by merging OPY 20 & The Reclaimed Land | =          | CI\$ 974,000          |
| Less the cost of the reclamation works                | =          | -CI\$ 638,673         |
| Residual value                                        | =          | CI\$ 295,327          |
| The Landowner's share of residual value @ 50%         | =          | CI\$ 147,664          |
| <b>Therefore premium</b>                              | <b>say</b> | <b>= CI\$ 150,000</b> |

### 3) Residual value net of developer's profit

The residual value of The Reclaimed Land is again arrived at as described in 1) above.

It could alternatively be argued to be reasonable for The Crown to request the entire residual value, less a 'developer's profit' to reflect the risk and enterprise required for the landowner to embark on the purchase negotiations, conveyancing and development of The Reclaimed Land.

For a more traditional development, a developer's profit of around 10%-15% is typically considered acceptable. Given the added complexities of this case 20% would be more reasonable.

|                                                       |   |                     |
|-------------------------------------------------------|---|---------------------|
| Increase in MV by merging OPY 20 & The Reclaimed Land | = | CI\$ 974,000        |
| Less the cost of the reclamation works                | = | -CI\$ 638,673       |
| Residual value                                        | = | CI\$ 295,327        |
| Less Landowner's profit @ 20% of residual value       | = | -CI\$ 59,065        |
| <b>Therefore premium</b>                              | = | <b>CI\$ 236,262</b> |

### 4) A compromise approach

After calculating and agreeing on the added value The Landowner derives from purchasing The Reclaimed Land negotiations are likely to take place and probably already have. The apportionment of the residual figure could be anywhere between The Landowner paying 100%, to a negligible premium to reflect the very limited number of willing purchasers.

Whilst the most likely situation is a 50% split, the premium to be charged therefore being **CI\$ 150,000 (one hundred and fifty thousand Cayman Island Dollars)**, the actual figure settled on will depend upon the negotiating strengths of each party, the time each is prepared to wait to resolve the matter and the costs each is prepared to incur.

### Conclusion on premium calculation method

Each of the methods above will need to be amended if the costs of the works to build the sea wall and backfill The Reclaimed Land differ from the figure we use, or the share of these costs was borne jointly by the parties, rather than all being borne by The Landowner, as this report assumes.

Our conclusion is that, as this situation is not specifically covered by legislation, that there is no one right answer and the approach adopted will depend upon the position of the parties involved.



**SIGNED:** \_\_\_\_\_

**DATED:** 13<sup>th</sup> September 2007

Alex Harling BSc MRICS  
Chartered Surveyor  
For Bould Consulting Limited

## DEFINITION OF MARKET VALUE

"Market Value" is defined by the Royal Institution of Chartered Surveyors and the International Valuation Standards Committee as;

"The estimated amount for which a property 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 acted knowledgeably, prudently and without compulsion."

## ASSUMPTIONS

1. Unless the Valuer has stated any express or special assumptions above within the main body of this report, the following assumptions apply.
2. That vacant possession is available as at the valuation date.
3. That chattels, furniture and items not forming a permanent part of the structure are excluded.
4. That the boundaries and land area are accurate, as we have not carried out a survey to establish boundaries or accuracy of land area. The opinion of value is subject to verification of boundaries and land areas.
5. That no incumbrances, appurtenances or charges are registered which could affect the sale of the property on the open market.
6. That the property and its value are not affected by any matters which would be revealed by a local search and replies to usual enquiries.
7. That all government planning and statutory laws and regulations have been complied with and approvals obtained, including planning permission for any buildings, structures, extensions and alterations, that the condition and use of the property are lawful, that any buildings are correctly located and that all Occupancy Certificates, Planning Board, Building Control Unit, Fire Authority, Environmental Health and Electrical Inspectorate certificates and approvals have, where necessary, been obtained, including for connection of utilities.
8. That all information obtained from the government Land Registry, realtors and the property owner is correct. No guarantees are offered on the correctness of such information, both documented evidence and hearsay, which should be subject to substantiation.

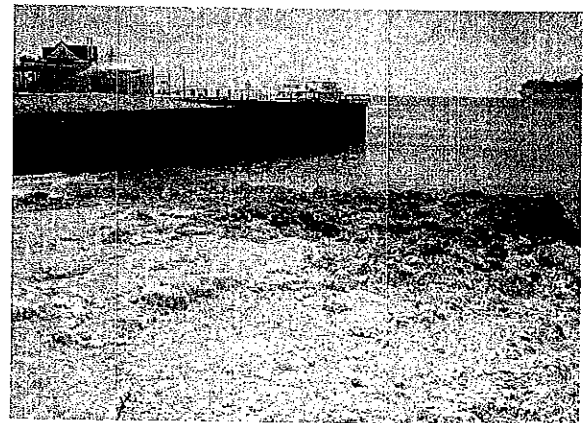
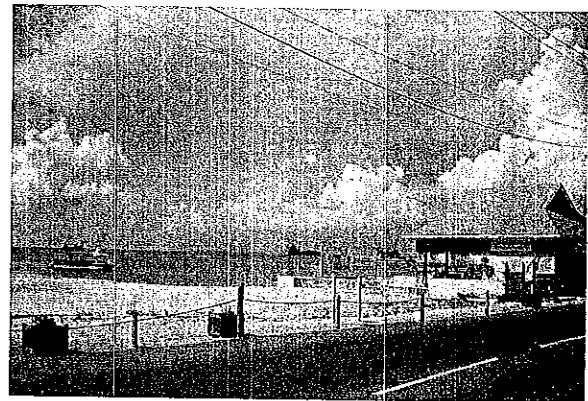
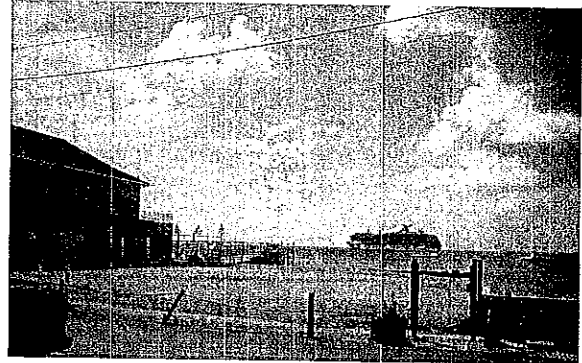
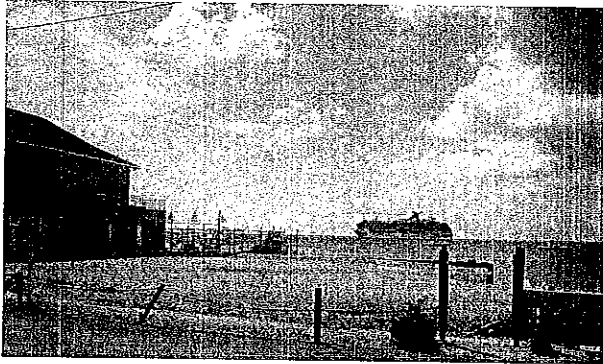
9. That all those covered or unexposed areas which are concealed during the construction process, or were otherwise enclosed, covered, or not accessible during our inspection and which we did not open up, are free from material defect. We therefore cannot offer any warranty as to the construction and condition of such concealed areas.
10. That no deleterious or hazardous materials or techniques have been used and that the buildings and site are free from any contamination. We have not tested for such, although have noted these where we have been alerted to their visual presence.
11. We have also not carried out an investigation of the sub-strata or service installation to the property and this opinion is subject to the ability of the land to accept the required development and the adequacy of the service installations without incurring additional expense.
12. The opinion of market value excludes the following :-
  - a) Selling expenses.
  - b) Legal fees and expenses.
  - c) Stamp duty or other fees by Government.
  - d) Furniture, contents and possessions.
  - e) Sales' commissions.
13. The employment of Bould Consulting Limited in and compensation for preparing this report are in no way contingent upon the opinion of value stated and neither Bould Consulting Limited, or the Valuer have any interest in the subject property, either present or prospective, direct or indirect, financial or otherwise, nor are they associated with the party or agent with whom the client is dealing.
14. The appraiser's fees are not contingent upon an action or event resulting from the analyses, opinions or conclusions in, or the use of, the appraisal.
15. The appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan or investment, nor was the compensation contingent upon the amount of the value reported.
16. This valuation is valid for 12 months from the date hereof, subject to there being no material changes in circumstances, the property market, or the economy generally. After 12 months, or should any material circumstances alter we recommend that a revaluation be carried out.

17. This report shall be rendered invalid if without an original signature.
18. The report is provided for the sole use of the client. It is confidential to the client and their professional advisers. Bould Consulting Limited gives no warranty, representation or assurance to any third party that the statements, conclusions and opinions expressed or implied in this report are accurate or valid. Any third party who relies upon this report does so at their own risk.
19. Neither the whole nor any part of this report or any reference to it may be included in any published document, circular or statement, nor published in any way without Bould Consulting Limited' prior written approval, including of the form and context in which it may appear.

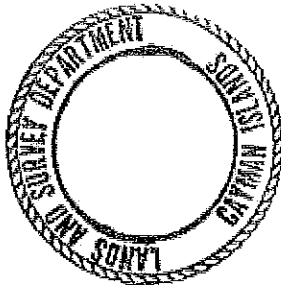
### **LIMITING CONDITIONS**

1. This is not a structural or building survey and the extent of our inspection was in accordance with RICS guidelines for inspections for valuation purposes, which is of a limited nature. We cannot offer any warranties, expressed or implied, as to the structural and other condition of the building, standard of workmanship, quality of materials or possibility of latent defects. We did not test services. Should you require such advice we recommend that a further report be obtained.
2. This report is not intended to advise on the effect any defective materials, workmanship, construction or other parts of the property, including those concealed, nor upon the effect such areas may have upon the structural and decorative condition of the property.
3. The Market Value appraisal should not be used as a reinstatement figure for insurance purposes. We have not been advised of the claims history (if any) relating to the property. Should any special risks exist, or there have been any material, serious or recurrent claims then we should be advised of these, as in the light of such further information our valuation may require amendment.
4. This report is not intended to form a Measured Survey, as defined by the RICS and floor areas, where stated, are approximate and for information only.

## PHOTOGRAPHS



## LANDS AND SURVEY TITLE EXTRACT



**CAYMAN ISLANDS**  
**LAND REGISTER**

L/C destroyed 21/10/97. MJ

**A - PROPERTY SECTION**  
**APPURTENANCES**

**P**  
**Nature of title : A**

**Origin Of Title**

**First**

1972-12-15

**Registration :**

**Mutation No :**

**Edition No :**

**Opened :**

7

23 AUG 2006

**Block and Parcel No. OPY 20**

**Registration**

GEORGE TOWN

**Section :**

COMMERCIAL

**Block and Parcel No**OPY 20

:

**Name of Parcel :**

**Approx. Area :** 0.29 Acre (M 6106) AW

### B - PROPRIETORSHIP SECTION

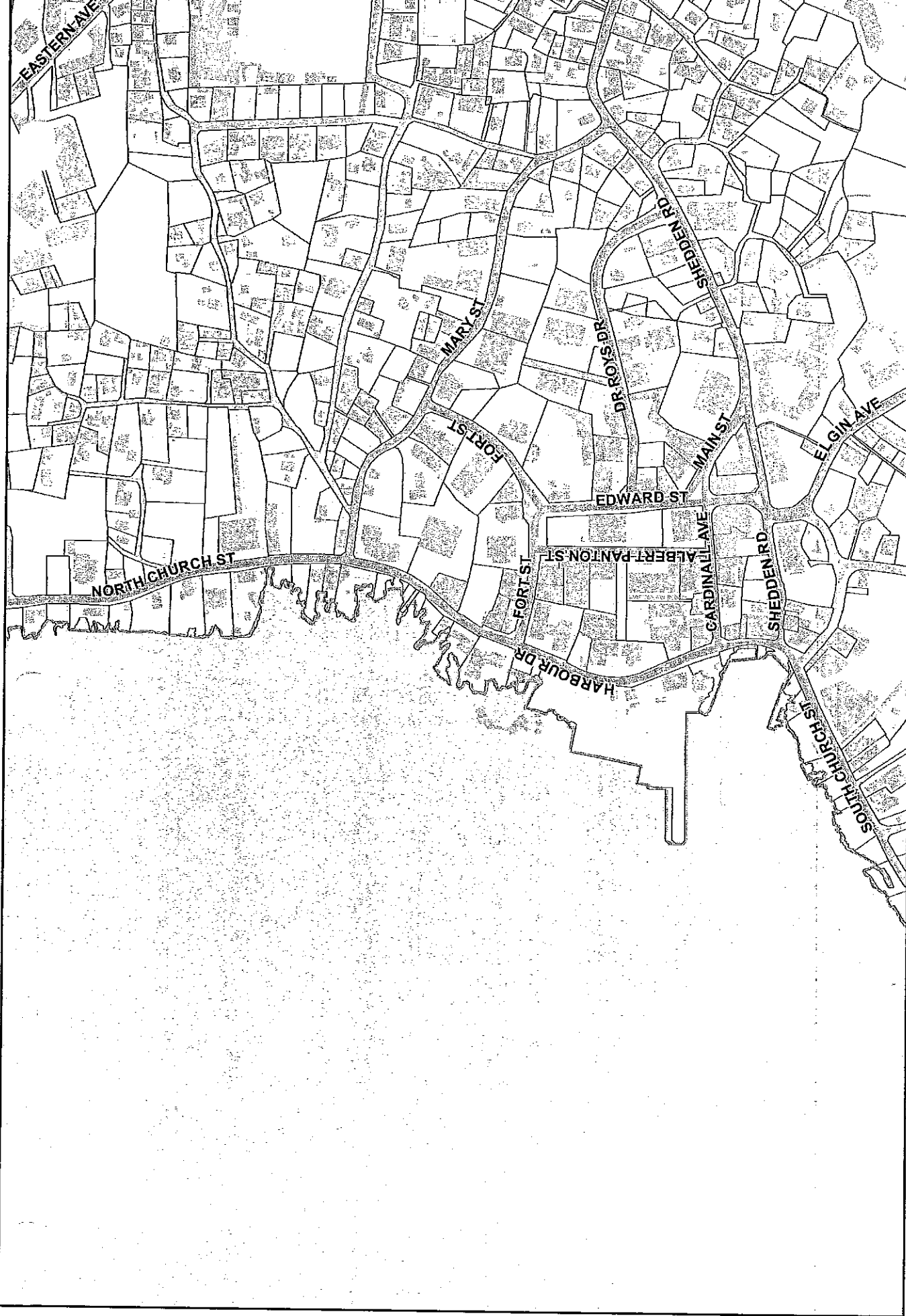
| ENTRY No. | DATE     | INSTRUMENT No. | NAME AND ADDRESS OF PROPRIETOR(S)                             | SIGNATURE OF REGISTRAR |
|-----------|----------|----------------|---------------------------------------------------------------|------------------------|
| 7         | 08/04/02 | 2127/02        | JIL CORPORATION LTD., P.O. Box 886 GT, Grand Cayman.          | S BROWN                |
| 8         | 16/08/06 | 35762/06       | Cauton: Cayproperties Ltd., P.O. Box 31363 SMB, Grand Cayman. | A Kirchman             |

Block and Parcel No. OPY 20

### C - INCUMBRANCES SECTION

| ENTRY No. | DATE | INSTRUMENT No. | NAME OF INCUMBRANCE | FURTHER PARTICULARS | SIGNATURE OF REGISTRAR |
|-----------|------|----------------|---------------------|---------------------|------------------------|
|-----------|------|----------------|---------------------|---------------------|------------------------|

## LOCATION MAPS



Lands & Survey Department,  
P.O. Box 10856T, Grand Cayman, Cayman Islands.

# **CAYMAN LAND INFO**

Tel: (345) 244 3420 Fax: (345) 949 2187  
[www.caymanlandinfo.ky](http://www.caymanlandinfo.ky)



Produced by the Lands & Survey Department, Copyright - Cayman Islands Government



## DOCUMENTS SUPPLIED BY CLIENT



**VALUATION REPORT OF:**

Coastal Seabed  
Block/Parcel OPY/20 (beyond coastal boundary)  
George Town Central  
George Town, Grand Cayman  
Cayman Islands

**CLIENT:**

Mr. Nigel Bates  
Chief Valuation Officer  
Dept. of Lands and Survey  
P.O. Box 1089 GT  
Grand Cayman

**INTENDED USER:**

Cayman Islands Government

**DATE OF VALUE:**

June 11, 2004

**VALUATION BY:**

Andrews Key Ltd.  
James V. Andrews, MAI, MRICS  
Chartered Valuation Surveyor

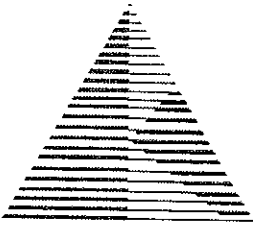
**Ref.: J/1018**



**ANDREWS KEY LTD.**

PROPERTY CONSULTANTS

P.O. Box 11905 Grand Cayman • KY1-1011 Cayman Islands • #5 GFK Plaza, 90 Godfrey Nixon Way, George Town  
Tel: (345) 946-2000 • Fax: (345) 946-2001 • info@andrewskey.com www.andrewskey.com



**ANDREWS KEY**

PROPERTY CONSULTANTS

August 13, 2007

Mr. Nigel Bates  
Dept. of Lands and Survey  
P.O. Box 1089 GT  
Grand Cayman

At your request I have completed a valuation/appraisal of the Coastal Seabed located at Block/Parcel OPY/20 (described herein, beyond the coastal boundary), George Town Central, George Town, Grand Cayman. The purpose of the assignment is to estimate the Market Value with Special Conditions (see below) for sale purposes (vesting of land) for use by Cayman Islands Government. The valuation is not intended to be used for any other uses and not to be relied upon by any other individuals or entities. The valuation is reported in a Summary Report as defined by the Uniform Standards of Professional Appraisal Practice (USPAP).

The subject property is Crown-held seabed, only useful to the adjacent landowner if he wishes to increase the size of his parcel. In this case the estimated value is the appropriate (market oriented) price to be paid by the specific landowner for extension of his parcel boundaries across the defined seabed area. The value to one person or entity is also known as Investment Value. I direct the reader's attention to the signed certification, limiting conditions and assumptions (including hypothetical conditions) stated in this report, on which the value conclusion(s) are contingent. Based on the data, analyses and conclusions described on the following pages, the estimated Market Value with the Special Conditions Defined Herein, for the Absolute Title of the property described herein, as of June 11, 2004, was:

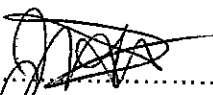
**CI\$290,000**

**TWO HUNDRED NINETY THOUSAND CAYMAN ISLANDS DOLLARS**

Respectfully Submitted,



**RICS**  
CHARTERED  
SURVEYORS

  
James V. Andrews, MAI, MRICS

**ANDREWS KEY LTD.**

PROPERTY CONSULTANTS

P.O. Box 11905 Grand Cayman • KY1-1011 Cayman Islands • #5 GFK Plaza, 90 Godfrey Nixon Way, George Town  
Tel:(345) 946-2000 • Fax:(345) 946-2001 • info@andrewskey.com www.andrewskey.com

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## **Summary of Salient Information**

|                                           |                                                                                            |
|-------------------------------------------|--------------------------------------------------------------------------------------------|
| Subject Property:                         | Coastal Seabed to be added to parcel                                                       |
| Location:                                 | Harbour Drive, George Town, Grand Cayman, Cayman Islands                                   |
| Legal Description (Block/Parcel):         | OPY/20 (beyond coastal boundary – see included drawings)                                   |
| Registration Section:                     | George Town Central                                                                        |
| Client:                                   | Mr. Nigel Bates, Chief Valuation Officer<br>P.O. Box 1089 GT, Grand Cayman                 |
| Type/Basis and Intended Use of Valuation: | Estimate Market Value with Special Conditions* "As Is" for sale purposes (vesting of land) |
| Intended User:                            | Cayman Islands Government                                                                  |
| Type of Report:                           | Summary Report                                                                             |
| Title (Interest) Valued:                  | Absolute Title                                                                             |
| Site Area:                                | 4,874 square feet to be added                                                              |
| Date of Value:                            | June 11, 2004 (date of granting of Coastal Works License)                                  |
| Date of Report:                           | August 13, 2007                                                                            |
| Estimated Value:                          |                                                                                            |
| Market Value                              |                                                                                            |
| with Special Conditions*                  | CI \$290,000                                                                               |

\* The subject property is seabed, only useful to the adjacent landowner if he wishes to increase the size of his parcel. In this case the estimated value is the appropriate (market oriented) price to be paid by the specific landowner for extension of his parcel boundaries across the defined seabed area. The value to one person or entity is also known as Investment Value.

## **General Information**

### **Valuation Standards:**

The valuation and report of the referenced property has been prepared in conformance with the Standards of Professional Practice and Code of Ethics of the Appraisal Institute, the Uniform Standards of Professional Appraisal Practice (USPAP), and the Practice Statements of the RICS Appraisal and Valuation Standards Manual.

### **Purpose and Intended Use of Appraisal:**

The purpose of the assignment is to estimate the Market Value with Special Conditions (see below\*) of the subject property "As Is" for sale purposes (vesting of land). The appraisal report and estimated values are not intended for any other uses or to be relied upon by any other individuals or entities.

"MARKET VALUE" is defined as:- "The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arms-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion."

\* The subject property is seabed, only useful to the adjacent landowner if he wishes to increase the size of his parcel. In this case the estimated value is the appropriate (market oriented) price to be paid by the specific landowner for extension of his parcel across the defined seabed area. The value to one person or entity is also known as Investment Value. *Although the involvement of one "captive" purchaser often results in a higher value than market value, the purpose of the assignment is to conclude a value that is market oriented.* The analysis in question is essentially the reverse of a Compulsory Purchase situation – the value in question is the difference in value of the parcel after adding the additional land area but with a deduction for the cost to create land from seabed.

### **Hypothetical Conditions and Extraordinary Assumptions:**

The acquisition of the seabed is only of value to the adjacent land owner if he/she has permission to construct a seawall and fill the site. The valuation assumes that a Coastal Works License has been approved for such, and in fact I understand this was the case as of the date of valuation.

## **Scope of Work**

The following describes the scope of the appraisal process in this case:

1. I have inspected the adjacent site and surrounding area. Emphasis was placed on factors affecting value, and within the normal realm of a valuer's expertise. As I am not an environmental engineer, no tests were taken to ascertain any environmental concerns that are other than the obvious with regard to filling seabed.
2. I have analysed the market pertaining to water front land in George Town, including development activity, sales prices, listings, and inventory.
3. I have analysed the cost for seawalls and backfill to create land from seabed.
4. The Sales Comparison Approach is a method of valuation based on sales prices of similar properties which have sold, and with adjustments for dissimilarities. The valuation includes a comparison of land sales to estimate land value, with deductions for creating land from seabed. A Before and After valuation was implemented to estimate the effect of the addition. The cost of creating the land was deducted which includes both direct construction costs and indirect (license and royalty) costs.

## **Location and Identification of the Property**



Grand Cayman Island

### **Specific Location**

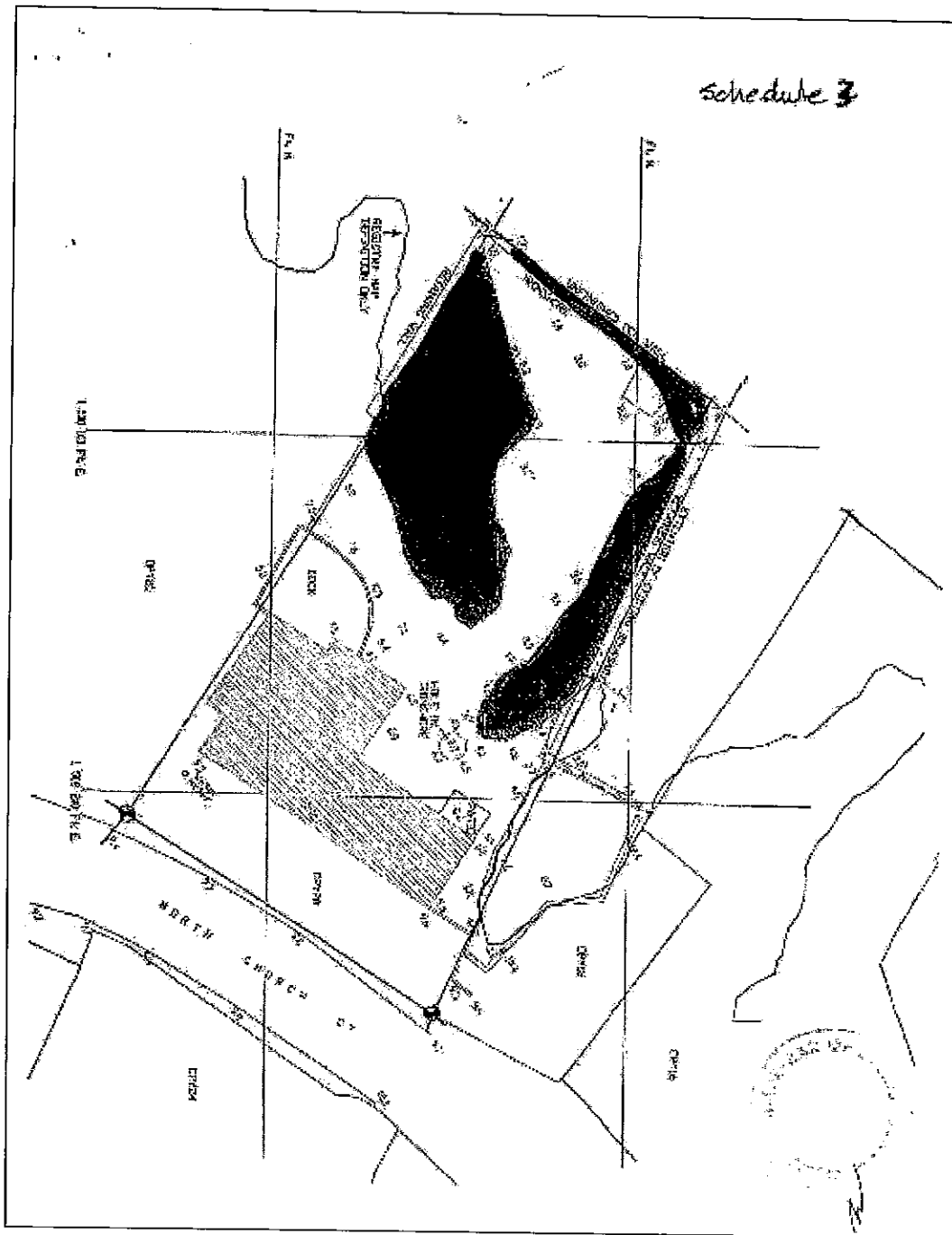
The property is located at on Harbour Drive immediately north of the Royal Water Cruise Terminal and "Finger Pier" in George Town, Grand Cayman.

### **Neighbourhood / Area Analysis**

The subject is essentially located in the George Town Harbour area. Generally the profile of the area is commercial and tourism related businesses.

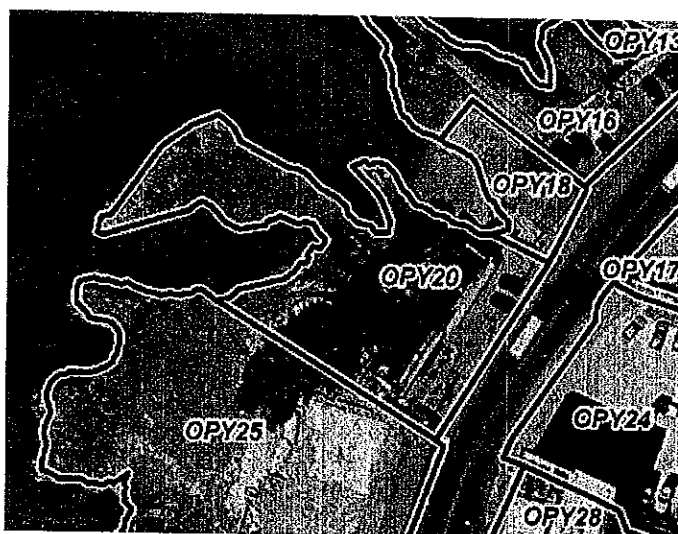
Specific property uses in the area include offices, retail shops, restaurants, watersports operations, and other businesses relating to tourism. Additional land uses include the three cruise ship arrival terminals (two as of the date of value) and related docks.

Subject Property

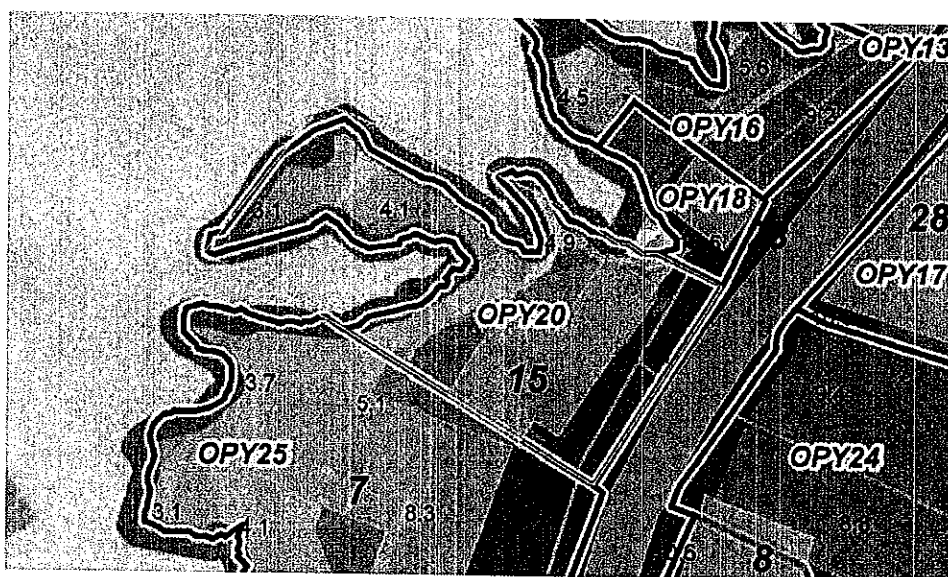


Parcel Map and Area of Seabed in Question

## The Subject Property



Aerial Photograph (2004 Photography)



Registry Map (with Elevations) With Defined Area in Yellow

## **Description of the Property**

The subject property is actually 4,874 square feet of seabed which extends from the coastal boundary of Block OPY Parcel 20. As of the date of value a Coastal Works License had been granted by the Cayman Islands Government for erection of a seawall (made from sheet pilings and reinforced concrete) to extend and straighten the parcels boundaries, and backfill to create and add new land onto the parcel.

The area in question is irregular in shape (like two inverted peninsulas) but would help to straighten and normalize the shape of the overall parcel. The topography is that the sea is about 3' to 8' deep at the coastline, has a "hardpan" or semi-compacted sand over bedrock type composition, and the shoreline is "ironshore" or fossilized coral rock. The area in question is in a Marine Park.

## **Valuation Analysis**

The analysis in question is essentially the reverse of a Compulsory Purchase situation – the value in question is the difference in value of the parcel after adding the additional land area. This can be accomplished by valuing the parcel before and after the addition, or simply the additional area's contribution to the overall value. The additional area, however, is not land but seabed – so a deduction must be made for the cost to create usable land from seabed.

### **Valuation Before Addition**

In order to value the site before the addition, I have compared prices paid for small sites fronting the George Town Harbour. These comparable sales are all 2004 and earlier and are shown following.

| GEORGE TOWN HARBOUR FRONT LAND SALES (2004 AND EARLIER) |               |              |           |           |             |           |           |
|---------------------------------------------------------|---------------|--------------|-----------|-----------|-------------|-----------|-----------|
| Sale Date                                               | Location      | Block/Parcel | Front Ft. | Area S.F. | Price C/\$  | C/\$ / SF | C/\$ / FF |
| Jan.03                                                  | S. Church St. | 14E 9        | 150       | 43,560    | \$2,150,000 | \$49.36   | \$14,333  |
| Nov.04                                                  | N. Church St  | 14BG 11      | 50        | 6,534     | \$833,333   | \$127.54  | \$16,667  |
| Apr.02                                                  | N. Church St  | 13EH15       | 35        | 4,356     | \$599,976   | \$137.74  | \$17,142  |
| Jun.03                                                  | N. Church St  | 13EH 20      | 130       | 8,712     | \$291,655   | \$33.48   | \$2,244   |
| Jul.02                                                  | N. Church St  | 14BG99       | 150       | 21,344    | \$1,666,600 | \$78.08   | \$11,111  |

*Note that for 14BG/99 (the subject), the linear feet of sea frontage includes all of the western boundary but only ½ the southern boundary to avoid double counting for valuation purposes.*

The prices vary for many reasons and the first to be considered is Time or Date of Sale. Rackham's bar and restaurant is considered a good indicator as is re-sold again in November 2005. The differences in prices indicated inflation of 1.2% per month or 15.2% per year. Although the second sale occurred after the date of value this analysis is considered useful for assessing appreciation in recent years in George Town Harbour land prices.

**14E/9** is the former Parrot's Landing dive business sold to Don Fosters Dive Ltd. Although the site is improved the buildings do not represent the highest and best use of the land which contributes the majority of the value. This location on South Church Street, however, is far inferior to the subject which is in the heart of the harbour next to the new cruise ship terminal. The site is also much larger which typically indicates a lower unit price.

**Before Valuation (Continued):**

**14BG/11** is perhaps the most comparable in terms of location as it is also a short walk from the cruise ship terminals. *Although the date of sale is shortly after the date of value it is still considered as a general indication of the values for the area in that time frame, and used as there is a shortage of truly comparable data.* The site was the former Casanova's restaurant which was torn down after Hurricane Ivan and re-built subsequent to this sale. A sale price of US\$1,000,000 (CI\$833,333) was reported – and although there was an amount allocated to goodwill and chattels, I would estimate these items did not contribute to the price paid. The site is smaller than the subject.

**13EH/15** is farther to the north and inferior in location – outside of the general walking distance from the cruise ship terminal. The site indicates a high unit price most likely due to its very small size. In this respect this is a comparable indication. This site is also smaller.

**13EH/20** is also inferior in location for the same reason. Although larger than and more recent than 13EH/15, this sale indicates a lower value for reasons unknown. This site is also smaller.

**14BG/99** is the sale of the Rackham's restaurant and bar, and although improved the improvements are minimal and mostly unenclosed spaces. This parcel is also inferior in location although it is close to the cruise ship walking periphery. The location is also inferior as it is farther north from the centre of the harbour. The site is also much larger which typically indicates a lower unit price.

**Conclusion of Value Before Addition**

The subject is immediately adjacent to the new cruise ship port which is essentially the most prime oceanfront location in George Town. The location of the subject is superior to any of the comparables although the total area is larger than three of the sales. The only negative factor is that the shape of the site due to the inlets hamper its utility. In general the indicated value should be toward the upper end of the range. Based on these conclusions and general opinion, the estimated value before the addition, as of the date of value, is CI\$130 per square foot over 12,632 square feet, CI\$17,500 over 90 linear feet of sea frontage, or in the region of CI\$1,600,000.

**Valuation After Addition (as though filled land)**

The site is odd in shape due to the inlets, and the addition would help to "normalize" the shape of the subject parcel like the final piece of a puzzle— which suggests additional value to the owner. In addition to greater site utility, the area in question and the ironshore will be leveled with fill and concrete. These factors lend toward a higher value on a unit price basis. The estimated value after the completed works and with the addition would be in the region of CI\$150 per square foot over 17,506 square feet or CI\$2,600,000.

**Valuation of the Increase Due to the Addition (as though land)**

Therefore, the increase in value due to the addition (as though filled land) would be CI\$1,000,000.

**Cost to Create Land**

As the subject is not land but seabed area, the cost to covert this to usable land must be deducted. The owners of the parcel stated that the actual cost of the seawall and compacted backfill was CI\$638,673 or CI\$131.04 per square foot.

Indirect costs relate to the cost of the Coastal Works License allowing the physical works. The cost of the license was CI\$10.00 per square foot for the Environmental Impact Royalty, and additional CI\$5.00 for the fact that it is in a Marine Park. There is a minor administrative fee, and the total fee is CI\$68,863.07.

### **Final Value Indication**

The cost of creation of land is deducted from the value "as though land", in order to reach a value of the seabed area in question. This process indicates a value as follows:

|                           |                     |
|---------------------------|---------------------|
| Estimated Land Value      | CI\$1,000,000       |
| Less Direct Costs         | CI\$ 638,673        |
| Less Indirect Costs       | <u>CI\$ 68,863</u>  |
| Indicated Value of Seabed | CI\$ 292,464        |
| Rounded to                | <b>CI\$ 290,000</b> |

Based on the data, analyses and conclusions described on the following pages, the estimated Market Value with Special Conditions (defined herein) of the Absolute Title for the property described herein, as of June 11, 2004, was:

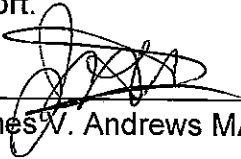
**CI \$290,000**

**TWO HUNDRED NINETY THOUSAND CAYMAN ISLANDS DOLLARS**

## **CERTIFICATION**

I certify that, to the best of my knowledge and belief:

- ◆ The statements of fact contained in this report are true and correct.
- ◆ The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions, and conclusions.
- ◆ I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
- ◆ Neither my engagement to make this appraisal (or any future appraisals for this client), nor any compensation therefore, are contingent upon the reporting of a predetermined value or direction in value that favours the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
- ◆ My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute (including the Uniform Standards of Professional Appraisal Practice); and in conformity with the Practice Statements of the RICS Appraisal and Valuation Standards Manual.
- ◆ The use of this report is subject to the requirements of the Appraisal Institute and the RICS relating to review by their duly authorised representatives.
- ◆ As of the date of this report I have completed the requirements of the continuing education program of the Appraisal Institute.
- ◆ I have made a personal inspection of the property that is the subject of this report.
- ◆ No one provided significant professional assistance to the person(s) signing this report.

  
James V. Andrews MAI, MRICS

## **LIMITING CONDITIONS**

### **CONDITION NO. 1**

Unless otherwise stated, the value appearing in this appraisal represents our opinion of the Open Market Value or the Value Defined AS OF THE DATE SPECIFIED. Market Value of Real Estate is affected by economic conditions and consequently will vary with future changes in such conditions. If the value reported herein is as of a future date, no liability can be assumed for changes that may occur in any conditions or factors that would impact the value conclusions reported.

### **CONDITION NO. 2**

The value estimated in this appraisal report is gross, without consideration given to any encumbrance, restriction, or question of title, unless specifically defined.

### **CONDITION NO. 3**

This appraisal report covers only the property described, and the values and rates used do not apply to any other property, however similar it may be.

### **CONDITION NO. 4**

It is assumed that the title to the premises is good, that the description of the property is correct, that the improvements are entirely and correctly located on the property described and that there are no encroachments on this property, but no investigation or survey has been made.

### **CONDITION NO. 5**

This appraisal expresses our opinion, and employment to make this appraisal was in no way contingent upon the reporting of a predetermined value or conclusion. The appraisal assignment was not based on a requested minimum valuation, a specific valuation or the approval of a loan. This Valuation Report is provided for the stated purpose and the sole use of the named client. It is confidential to the Client and his professional advisers and the appraiser accepts no responsibility whatsoever to any other person. Photographs, sketches, etc. presented in this Valuation Report are included for the sole purpose of illustration.

### **CONDITION NO. 6**

No responsibility is assumed for matters legal in nature, nor is any opinion of title rendered. 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. For the purposes of this Valuation, it is assumed that the subject property meets all the requirements of Planning Regulations, Building and Electrical Codes, where applicable, Fire Officer's and Health Inspector's requirements and other Legal Government Laws and Regulations, unless noted to the contrary in this Report.

### **CONDITION NO. 7**

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 no other technical or engineering techniques which would be required to discover any latent or inherent hidden defective condition of the subject property. For the purpose of this Valuation, therefore, we have assumed that the subject land and property are free from any defects as stated. Parcel sizes have been obtained from the Land Register unless otherwise stated.

The property rights valued exclude any mineral rights or values, if any, arising therefrom. We have not arranged for any investigation to be carried out to determine whether or not high aluminium cement or calcium chloride additive or any other potentially deleterious material has been used in the construction of this property or has been incorporated and we are, therefore, unable to report that the property is free from risk in this respect. For the purposes of this Valuation, we have assumed that such investigation would not disclose the presence of any such material to any significant extent.

We have not arranged for any investigation, inspection or test of any of the services in connection with the subject land and property - Gas, Electrical, Water (Cistern, Mains, Well, Hot, Cold, Waste), Drainage (Septic Tank, Sewage disposal or treatment and Mains). We are therefore, unable to report that the Services have been correctly designed and/or installed or that they are in accordance with the Bylaws and Regulations appertaining to the property. For the purpose of this Valuation, we have assumed that such investigation or test would not disclose any adverse defects.

**CONDITION NO. 8**

No part of this report (especially conclusions of value, the identity of the appraiser or the firm with which he is connected, or reference to the Appraisal Institute or any of its designations) shall be disseminated to the public through advertising media or any other public relations media, news media, sales media or any other public means of communication without our prior written consent and approval.

**CONDITION NO. 9**

This report represents only summary discussions of the data, reasoning, and analyses that were used in the appraisal process to develop our opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in our files. The depth of discussion contained in this report is specific to the needs of the client and is for the intended use stated in the report. It is our determination that this report is not so summarised as to result in a misleading or confusing appraisal.

**CONDITION NO. 10**

The legal description and title of the subject property have been obtained from the Government Land Registry and a copy of the Register and Section of the appropriate Land Registry Map is attached to this Report. These documents are assumed to be true and correct and our Valuation Report relies upon their legal accuracy.

## **DEFINITIONS**

**"MARKET VALUE"** is defined as:- "The estimated amount {in terms of cash or cash equivalent} for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arms-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion." Source: RICS Appraisal and Valuation Standards Manual; {USPAP 2005}

**"ABSOLUTE TITLE"** According to the Cayman Islands Registered Land Law, an 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."

**"PROFESSIONAL PROPERTY VALUER"**: "A person who possesses the necessary qualifications, ability and experience to estimate property value for a diversity of purposes including transactions involving transfer of property ownership, property considered as collateral to secure loans and mortgages, property subject to litigation or pending settlement on taxes, and property treated as fixed assets in financial reporting." Source: RICS Appraisal and Valuation Standards Manual

**"RICS"**: The Royal Institution of Chartered Surveyors

**"USPAP"**: The current edition of the Uniform Standards of Professional Appraisal Practice

### **FOR INSURANCE VALUATIONS:**

**"INDEMNITY VALUE"** "It is the cost necessary to replace, repair, or rebuild the property insured to a condition substantially the same as, but not better or more extensive than, its condition at the time that the damage occurred taking into consideration age, condition, and remaining useful life." Source: The Dictionary of Real Estate Appraisal, 4<sup>th</sup> ed (published by The Appraisal Institute)

**"REINSTATEMENT VALUE"** "This is the cost necessary to replace, repair, or rebuild the property insured to a condition substantially the same as, but not better or more extensive than, its condition when new." Source: The Dictionary of Real Estate Appraisal, 4<sup>th</sup> ed (published by The Appraisal Institute)