



VALUATION OF:

Vacant Land
Registered as Block/Parcels 4B/181, 190, 195, 196, 380
West Bay North West
Grand Cayman, Cayman Islands

CLIENT:

Mr. Jon Hall MRICS
Chief Valuation Officer
Lands and Survey Department
P.O. Box 1089
Grand Cayman, KY1-1102

INTENDED USER:

Cayman Islands Government

DATE OF VALUE:

November 19, 2008

VALUATION BY:

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

Ref.: J/1136



ANDREWS KEY LTD.

PROPERTY CONSULTANTS

Executive Summary

Subject Property:	Vacant Land
Location:	Boatswain Bay Road, Boatswain's Bay, Grand Cayman, Cayman Islands
Legal Registration:	Block/Parcels 4B/181, 190, 195, 196, 380 West Bay North West Registration Section
Client:	Mr. Jon Hall Lands and Survey Department P.O. Box 1089 Grand Cayman, KY1-1102
Type/Basis and Intended Use of Valuation:	Estimate Market Value for vesting purposes (to the National Housing Development Trust)
Intended User:	Cayman Islands Government
Type of Report:	Summary Report
Title (Interest) Valued:	Absolute Title
Site Area:	Six parcels totalling 10.2224 acres or 445,288 square feet according to Land Registers
Date of Inspection:	November 19, 2008
Date of Value:	November 19, 2008
Date of Report:	November 20, 2008
Estimated Value: Market Value	KYD \$1,000,000

General Information

Purpose and Intended Use of Assignment:

The purpose of the assignment is to estimate the Market Value of the Absolute Title for the subject property "As Is" for vesting purposes (to the National Housing Development Trust). The valuation report and estimated values are not intended for any other uses or to be relied upon by any individuals or entities other than those listed in this report as the client and the intended users. I hereby direct the readers' attention to the signed certification, limiting conditions and assumptions (including any listed special assumptions and hypothetical conditions) included in this report on which the estimated value is contingent.

"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."

"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."

Hypothetical Conditions and Extraordinary Assumptions:

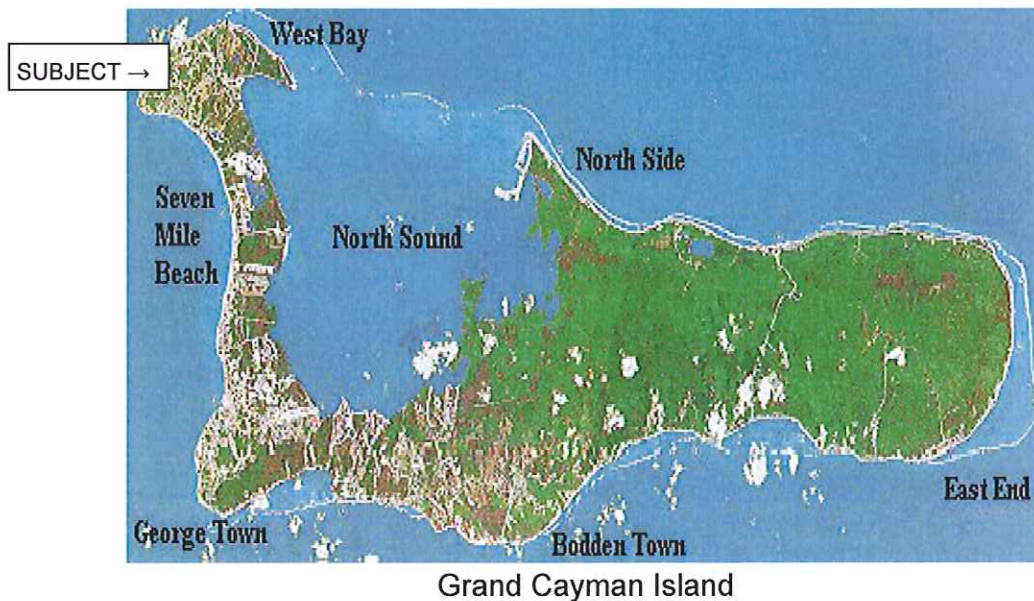
None

Scope of Work

The following describes the extent of the valuation process in this assignment:

1. I have inspected the subject 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 soil or sub-soil tests were taken to ascertain any environmental concerns that are other than notable by sight.
2. I have analysed the market pertaining to the subject site, including development activity, sales prices, listings, and inventory.
3. I have estimated the Highest and Best Use for the subject site based on legal, physical, financial and practical factors.
4. The (Depreciated Replacement) Cost Approach is a method of valuation based on the estimated depreciated replacement costs of the building and site improvements added to the estimated land value. A Cost Approach is not typically applicable in the valuation of vacant land. A cost approach was not applicable for this appraisal.
5. The Sales Comparison Approach is a method of valuation based on sales prices of similar properties which have sold, and with adjustments for dissimilarities. A complete sales approach was applied.
6. The Income Capitalisation (or Investment) Approach is a method of valuation based on converting the estimated income that could be generated by the property into value by way of capitalisation and/or yield rates. An Income Approach is not typically applicable in the valuation of vacant land. An Income Approach was not applicable for this appraisal.
7. A Land Residual method was undertaken, which assumes subdivision development, sales of lots, costs, and profit; in order to arrive at a value of the raw land.
8. The estimated values from these methods were reconciled into the estimated value for the property, and reported in this Summary Report.

Location and Identification of the Property



General Location

The subject is located in the Boatswain Bay area of West Bay. This location is about ten miles north of George Town, the capital and business centre of the Cayman Islands. This is a high density residential area, with single family homes and apartments of varying age and quality. In addition the area is home to the Boatswain's Beach tourist attraction, Cracked Conch restaurant, and the Tortuga Rum factory and attraction.

Specific Location

The property is located at south of Boatswain Bay Road, Boatswain's Bay, West Bay, Grand Cayman, Cayman Islands. The subject is an amalgamation of contiguous parcels in the southwest quadrant of Boatswain Bay Road and Fountain Road, about 100 feet west of Pembroke Drive

Identification of the Property

The subject can legally be described with its registration in the Torrens based Land Registry, as Block/Parcels 4B/181, 190, 195, 196, 380 in the West Bay North West Registration Section.

Uncertified copies of the Land Registers have been inspected, which details the particulars of the parcel including Appurtenances, Proprietorship, Easements, and Charges. These factors, including any recent transfers of the subject property have been considered in this valuation.

The allocation of the subject parcels is as follows:

Block/Parcel	Registered Area (Acres)
4B196	0.5
4B195	0.4
4B190	0.6
4B181	8.5
4B380	<u>0.2224</u>
Total	10.2224

Subject Photographs



Facing West From Foremast Close



Facing East from Northern Portion of Site



Facing South from Northern Portion of Site

Summary of Site Characteristics

Land Area (acres / square feet)

Registered Parcel Area: 10.2224 acres / 445,288 S.F. in six parcels (see allocation in previous section)

Excess Land Area: 0.00 acres / 0 SF

Usable Land Area: 10.22 acres / 445,288 SF

Dimensions/Frontage (Feet)

Shape: Irregular

Average Width: 450'

Average Depth: 990'

Primary Road Frontage: 200' Boatswain Bay Road

Secondary Road Frontage: 20' Florence Lane

Access

Primary access from Boatswain Bay Road, a 15 foot wide, chip and spray paved public road.

Topography/Soil Conditions

The site is generally gently sloping. The soil conditions appear to be crush rock/marl fill over coral rock, limestone and sand.

Elevation

26' in the north to near 0' in the south (above mean sea level) (Source: caymanlandinfo.ky GIS system)

Services

Mains Electricity: Yes (Caribbean Utilities Company Ltd.)

Mains Water: Yes (Water Authority Cayman)

Telephone: Yes

Public Sewer: No (Septic System would be required)

Encroachments

None noted

Highest and Best Use

The highest and best use of the site as though vacant is usually the one which brings the highest value to the land. There are four criteria in estimating highest and best use. The use must be legally permissive, physically possible, financially feasible, and maximally productive.

The site is zoned High Density Residential according to The Development Plan 1997 (2004 Revision). The High Density Residential zone allows for up to either six houses per acre, or four two-bedroom duplexes per acre, or 25 apartments per acre. The minimum lot size for apartments is 8,000 square feet. The subject is estimated to be able to support up to 44 lots (accounting for roads and public open space), or a maximum of about 250 apartments with 425 bedrooms.

The site is Irregular in shape and is gently sloping. The total land area is approximately 10.2224 acres or 445,288 square feet. The land area of the subject property is sufficient for typical development sites found in the area. Accessibility is considered good. In general the physical aspects of the site do not limit the utility of the site. The subject has an excellent elevation except for the far southern portion which will require fill.

Financially speaking the state of the residential market in this area is stable. Apartments would represent a higher return based on density, however this facet of the market is more saturated than that of single family lots.

The highest and best use of the property is considered to be either single family subdivision (high density) or apartments.

Preface to Value

There are three traditional approaches to value in the appraisal of real property. Following is a discussion of these approaches and their applicability in this case.

The (Depreciated Replacement) Cost Approach is a method of valuation based on the estimated depreciated replacement costs of the building and site improvements added to the estimated land value. This approach is most applicable when the building improvements are relatively new and there is little accrued depreciation. The Cost Approach is often used when there is little data to support the use of other approaches. The Cost Approach includes a value of the vacant site, typically valued by the Sales Comparison Approach. A Cost Approach is not typically applicable in the valuation of vacant land. A cost approach was not applicable for this appraisal.

The Sales Comparison Approach is a method of valuation based on sales prices of similar properties which have sold, and with adjustments for dissimilarities. This approach is typically the best emulation of the market and often is considered most applicable if there is sufficient data regarding recent comparable sales of similar properties. A complete sales approach was applied.

The Income (or Investment) Approach is a method of valuation based on converting the estimated income that could be generated by the property into value by way of capitalisation and/or yield rates. This approach is most applicable in the valuation of income producing (typically leased) properties, and is considered most applicable if the primary motivation for investment from typical purchasers would be the potential income stream. An Income Approach is not typically applicable in the valuation of vacant land. An Income Approach was not applicable for this appraisal.

A Land Residual method (or Development Approach) was undertaken, which assumes subdivision development including sales of lots, less costs and profit; in order to arrive at a value of the raw land.

Land Valuation By Sales Comparison

In the valuation of the subject site, sales of similar parcels are typically considered and compared for assistance in arriving at a value estimate. I have searched the Land Registry for sales of similar land sales in the area. Emphasis was placed on sales of large tracts, however, no sales of parcels more than 3.5 acres in West Bay were found. The comparable sales used are shown on the following chart, and are compared on a price per square foot of land area.

Summary of Land Sales					
		<u>Subject</u>	<u>Sale 1</u>	<u>Sale 2</u>	<u>Sale 3</u>
Location		Boatswain Bay Road	Town Hall Rd	Mt. Pleasant Road	Finch Dr.
Block/Parcel #		4B/181, 190, 195,	04E/127	04C/90	04B/281
Date of Sale		N/A	22.5.07	31.10.07	15.2.07
Sale Price	KYD	N/A	\$178,060	\$315,000	\$290,000
Land Size Acres		10.2224	2.712	3.5	1.41
Land Size, Sq. Ft.		445,288	118,135	152,460	61,420
Zoning		HDR	LDR	MDR	HDR
Avg. Elevation		10'	5.5'	1.50'	15'
Shape		Irregular	Irregular	Irregular	Irregular
\$/Square Foot	KYD	N/A	\$1.51	\$2.07	\$4.72
<u>Financial Adjustments</u>					
Conditions of Sale			0.0%	0.0%	0.0%
Market Conditions (Date of Sale)			0.00%	0.00%	0.00%
Adj \$/Sq. Ft.			\$1.51	\$2.07	\$4.72
<u>Location and Physical Adjustments</u>					
- Location			0.0%	0.0%	0.0%
- Elevation/Fill			15.0%	25.0%	-10.0%
- Zoning			0.0%	0.0%	0.0%
Adj/ \$/Sq. Ft.			\$1.74	\$2.59	\$4.25
<u>Price Per Sq. Ft. Adjustments</u>					
- Size			-25.0%	-20.0%	-35.0%
- Shape			0.0%	0.0%	0.0%
Adj. Price/Sq. Ft.	KYD		\$1.30	\$2.07	\$2.76

Due to dissimilarities, the unit prices of the comparables are adjusted to equate them with the characteristics of the subject site. No adjustments were necessary for conditions of sale or financing concessions. All sale transfers are Absolute Title, or Freehold. There is no evidence of significant appreciation of land values in the area over the last 24 months.

Land Valuation (Continued):

The sales are adjusted for location and physical characteristics such as elevation and access. On a "per square foot" basis the sales are adjusted for size and shape (frontage versus depth). Size adjustments are based on the principle of "economies of scale", meaning smaller sites typically sell for higher prices on a per-square-foot basis. The subject is larger than all three sales and size adjustments are made. The sale has a superior average elevation than Sales 1 and 2. The previous chart illustrates the adjustments and the adjusted unit prices for the comparables.

The adjustment process produced a range of data. The most comparable and best value indication for the subject is felt to come from Sales 2 and 3. In this case it was felt most appropriate to choose a value conclusion toward the middle to upper end of the range. Based on these considerations, the subject site as though vacant has an estimated value on a price per square foot basis as follows:

$$445,288 \text{ SF} \times \text{KYD } \$2.25 / \text{SF} = \text{KYD } \$1,001,897$$

Based on these conclusions, the estimated value of the subject site by the Sales Comparison Approach is KYD\$1,000,000.

Land Residual Method

This method of valuation assumes a development of a lot subdivision, deducting development costs from income. This is an estimate of gross sell-out values less development costs and profit, discounted over a reasonable sell-out period.

In this high density zone we see small lots ranging from 6,500 square feet to 9,000 square feet selling from CI\$35,000 to \$45,000 or about CI\$5.25 per square foot. Taking the total land value and deducting 15% for roads and 5% for public open space, the result is a potential 44 lots averaging 8,000 square feet which would sell for approximately CI\$40,000 each. This results in a Aggregate of Retail Values (ARV) or Gross Sellout Value of CI\$1,760,000.

For estimating the Development Costs (EDC) and other expenses, the following assumptions are made:

Development Expenses	
Marketing and Commissions	10.00%
Entrepreneurial Profit	15.00% costs
Planning and Survey Fees	\$1,800 /Lot
Roads Construction	\$100 /LF
Water Mains	\$30 LF
Electric Mains (after rebate)	\$0
Financing of EDC at 12 mos (6 mos avg) @	7% APR
Contingency	5%
Sellout Period	36 mos, 18 mos avg. discounting
Discount Rate (after appreciation deducted)	10%

The entrepreneurial reward is the return expected by a developer to take on such a project. The project is estimated to take 36 months to sellout, meaning 18 months would be the average interest paid to finance the remaining lots. The methodology assumes the developer will finance the Development Costs for 36 months, and hold a 5% reserve for contingency. Financing is based on development expenses incurred over 36 months, equating to 18 months average with interest calculated on the amount borrowed over time.

The road length is estimated to be about 2,226 linear feet (at 30 foot width), and water mains will have to be installed. CUC will install power with a minimum of five lots a rebate will offset any costs. Although the lots will have to be 4 feet minimum, the average elevation is already at least that high with plenty of fill on-site.

Land Residual Method (Continued):

The analysis assumes the lots will sell over a three year period, but with 18 month average discounting as some will pre-sell immediately. This is in-line with the discounting period of the expenses which will be expended over the 18 month period. The following represents the calculations for the Residual Method:

RESIDUAL METHOD	
Total Sellout	\$1,760,000
Deveopment Expenses (EDC):	
Planning and Survey Fees	\$79,200
Marketing and Commissions (10%)	\$45,000
Entrepreneurial Profit (15% land +costs)	\$80,046
To Finish Roads	\$222,644
Water Mains	\$66,793
Electric Mains	\$0
Total Development Expenses:	\$493,683
Financing of Expenses	\$8,639
Contingency	\$24,684
Net Proceeds:	\$1,232,994
Rounded To:	\$1,230,000
Discounted over 18 mos avg at 10% Ann IRR	\$1,059,329
Indicated Land Value (Rounded CI\$):	\$1,060,000

This analysis results in a value estimate of CI\$1,060,000 for the subject raw land.

Reconciliation and Opinion of Value

The following values have been estimated for the subject property:

Sales Comparison Approach	KYD \$1,000,000
Land Residual	KYD \$1,060,000

Both methods are considered, although there are far more variables with the Land Residual Method.

Based on the data, analyses and conclusions described on the following pages, the estimated Market Value of the Absolute Title for the property described herein, "As Is", as of November 19, 2008, was:

KYD \$1,000,000
ONE MILLION CAYMAN ISLANDS DOLLARS

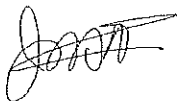
Preparation of Valuation Report

The valuation and report of the referenced property has been prepared in conformity with the Standards of Professional Practice and Code of Ethics of the Appraisal Institute (including the International Valuation Standards of the International Valuation Standards Committee {IVSC}), and the Practice Statements of the RICS Appraisal and Valuation Standards Manual. By signing the certification on the following page I also hereby state that I am competent to perform this assignment based on my qualifications and experience in the analysis of properties of this nature and in this local market.

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 no personal interest with respect to the parties involved.
- ◆ I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- ◆ My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- ◆ My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favours the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- ◆ The reported 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 (which in this case include the International Valuation Standards {IVS} and its Code of Conduct); 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 relating to review by its duly authorised representatives.
- ◆ As of the date of this report I have completed 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 real property appraisal assistance to the person(s) signing this certification.



James V. Andrews
2008.11.24
15:03:24 -05'00'

James V. Andrews MAI, FRICS
Chartered Valuation Surveyor
MAI Member, Appraisal Institute

Limiting Conditions

CONDITION NO. 1

Unless otherwise stated, the value appearing in this valuation/appraisal represents my opinion of the 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 valuation/appraisal report is gross, without consideration given to any encumbrance, restriction, or question of title, unless specifically defined.

CONDITION NO. 3

This valuation/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 valuation/appraisal expresses my opinion, and employment to make this appraisal was in no way contingent upon the reporting of a predetermined value or conclusion. The assignment was not based on a requested minimum valuation, a specific valuation or the approval of a loan. This 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 valuer/appraiser accepts no responsibility whatsoever to any other person. Photographs, sketches, etc. presented in this 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/or on the Land Register (where applicable). 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/appraisal, 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 his valuation/appraisal, 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 valuer/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 my 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 valuation/appraisal.

CONDITION NO. 10

The legal description and title of the subject property have been obtained from either the Government Land Registry or the client; and where possible 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/appraisal report relies upon their legal accuracy.

Definitions

"APPRAISAL" "(noun) the act or process of developing an opinion of value; an opinion of value. (adjective) of or pertaining to appraising and related functions such as appraisal practice or appraisal services" Source: Uniform Standards of Professional Appraisal Practice - 2008

"VALUATION" "A member's opinion of the value of a specified interest or interests in a property, at the date of valuation, given in writing. Unless limitations are agreed in the terms of engagement this will be provided after an inspection, and any further investigations and enquiries that are appropriate, having regard to the nature of the property and the purpose of the valuation." Source RICS Appraisal and Valuation Standards Manual

"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." Source: RICS Appraisal and Valuation Standards Manual

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

"FEE SIMPLE ESTATE" "Absolute ownership subject only to limitations imposed by the State, also called a Freehold." (Source: International Valuation Standards, Eighth Edition 2007)

"LEASEHOLD ESTATE" "The interest which a tenant or lessee acquires under a lease including rights of use and occupancy for a stated term under certain conditions". (Source: International Valuation Standards, Eighth Edition 2007)

"LEASED FEE ESTATE" "The ownership interest that the landlord or lessee maintains in a property under a lease with the rights and use of occupancy being conveyed or granted to a tenant or lessee" (Source: International Valuation Standards, Eighth Edition 2007)

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, 4th 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, 4th ed (published by The Appraisal Institute)

Professional Qualifications



James V.

Andrews MAI, MRICS

Box 11905 Grand Cayman, KY1-1011 Cayman Islands

Designations and Memberships

MAI Member, Appraisal Institute (1992)
MRICS - Royal Institution of Chartered Surveyors (2005)

Licenses Held

Real Estate Salesman, State of Tennessee (1987-1990)
Certified General Appraiser – State of NC (1991-Present)

Formal Education

Bachelor of Business Administration - Dec. 1985
Belmont University, Nashville, TN, USA

Post Graduate Coursework

Full curriculum of Appraisal Institute courses necessary for designation including 320 classroom hours of education. Various courses relating to residential and commercial property valuation and standards of practice.

Continuing Education

Appraisal Institute requirement of 100 (relevant) classroom hours every five years including USPAP standards updates, RICS requirement 60 hours (or equivalent) every three years.

Relevant Professional Experience

Began appraisal career in 1987 in Tennessee, USA (Bass & Associates Inc.) specializing in commercial property. Relocation to North Carolina, USA (Shiplett Wilkins & Associates, Inc.); with specialisation in valuation and feasibility studies of shopping centres and office buildings in the southern states. Moved to Grand Cayman in 1997; with professional experience mostly involving general practice property valuation and consulting locally (with Cardiff & Co. Ltd. and Andrews Key Ltd. as a partner); as well as valuation of resort and destination club properties throughout the Caribbean. Co-founded Andrews Key Ltd. in March, 2007

Types of Clients

Types of clients include local, regional, and international lending institutions, banks, life insurance companies, brokers, mortgage brokers and syndicators, resort destination clubs, Private Residence Clubs, general real estate owners and developers.



Quantity Surveyors

DDL Studio Ltd.

P.O. Box 31318, Grand Cayman

KY1-1206, Cayman Islands

**Valuation Report of
Land Parcels at
Block 4B Parcels 181, 190, 195, 196 and 380
West Bay North West**

26th November 2008

For

**Cayman Islands Government
Lands and Survey Department
P.O. Box 1089
Grand Cayman
KY1-1102**

Ref.: 8622/DSG

Tel (345) 943 3622/ 945 3622

Fax (345) 945 3623

Email queries@ddlstudio.com

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1.0 INTRODUCTION:

1.1 Client Details and Instructions:

Client's Name and Address:	Cayman Islands Government Lands and Survey Department P.O. Box 1089 Grand Cayman KY1-1102
Telephone Number:	949-2187
Date of Instruction:	11 th November 2008
Date of Inspection:	21 st November 2008
Date of Valuation:	26 th November 2008
Purpose of Valuation:	Assessment of Market Value – Proposed Vesting of Property to National Housing Development Trust
Type and Basis of Valuation:	Land Parcels – Market Value
Special Assumptions:	Vacant Possession

1.2 Land Register Details:

Title:	Crown/Absolute
Appurtenances and Incumbrances:	See reduced copy of Land Registry Map Extract

2.0 LOCATION AND PROPERTY DESCRIPTION:

2.1 Location:

The parcels adjoin one another and are located in the West Bay North West registration section of Grand Cayman approximately 7 ½ miles North of George Town, the business center and capital of the Cayman Islands. The land is located to the West of Fountain Road and to the South of Boatswain Bay Road and has access via Foremast close, Florence Lane or an unnamed paved road way towards the Northern section of the land. More particularly the exact location is shown highlighted on the attached copy of the Land Registry Map.

West Bay is the second largest district in the Cayman Islands and as such the parcels benefit from many local facilities including supermarkets, shops, schools, post offices, a police station, a clinic, a town hall, churches, restaurants, bars and various water sports businesses.

2.2 Parcel Description:

The parcels combined are irregular in shape and have a total registered area of 10.2224 Acres or 445,288 square feet. A portion of the land to the North is clear of vegetation and there are areas of stock piled fill material, topsoil and general debris in this location. The remainder of the land has a relatively dense covering of undergrowth, trees and shrubs. A section of Block 4B Parcels 380 and 181 has been developed as a chip and spray surfaced access road.

The Cayman Islands Government's Lands and Survey department's topographical data indicates that the land has a lowest point of 1.6 feet above sea level towards its Southern boundary rising steeply to a maximum height of 29 feet at the properties boundary with Boatswain Bay Road to the North.

I have enclosed site and aerial photographs of the land at the rear of this report for reference purposes.

3.0 SITE SERVICES:

Electricity: Mains electricity is available in the area (Caribbean Utilities Ltd.).
Water: Mains water is available in the immediate area
Drainage: No mains drainage is available in this locality

4.0 ZONING:

High Density Residential

5.0 REGISTERED AREA OF PARCELS:

Block 4B Parcel 181	-	8.5000 Acres	=	370,260 Square Feet
Block 4B Parcel 190	-	0.6000 Acres	=	26,136 Square Feet
Block 4B Parcel 195	-	0.4000 Acres	=	17,424 Square Feet
Block 4B Parcel 196	-	0.5000 Acres	=	21,780 Square Feet
Block 4B Parcel 380	-	0.2224 Acres	=	9,688 Square Feet
Total	-	<u>10.2224 Acres</u>	=	<u>445,288 Square Feet</u>

6.0 VALUATION:

6.1 The Land:

In order to derive a value for the subject parcel I have based my valuation upon the Sales Comparison or Market Data approach. This is a method of estimating market value by comparing the subject property to recent sales of similar parcels in this locality using the area in square feet or acres of the properties to assess a value. Adjustments are made for factors such as location, size, shape, and amenities. I have researched sales over the last few years at the Land Registry in this and adjacent blocks although sales in the last few months which have not yet been recorded by Land Registry were excluded. My research indicated that the following sales of larger bare land parcels have taken place within this locality over the past few years:-

Block/ <u>Parcel No.</u>	Area in <u>Sq. Ft.</u>	Date of <u>Sale</u>	Price <u>CI\$</u>	Price Per <u>Sq. Ft. CI\$</u>
4C 582	23,522	04/02/05	71,000	3.02
4C 90	152,460	14/07/05	190,000	1.25
4C 39	76,230	23/08/05	180,000	2.36
4C 390	67,082	23/12/05	100,000	1.49
4E 307	43,560	29/12/05	115,000	2.64
4C 455	42,279	03/02/06	104,000	2.46
4C 10	28,314	28/03/06	120,000	4.24
1D 311	66,211	30/06/06	165,000	2.49
4B 107	26,136	26/09/06	138,000	5.28
4B 281	61,420	15/02/07	290,000	4.72
4C 441	48,787	11/06/07	200,000	4.10
4C 90	152,460	31/10/07	315,000	2.07
4E 76	39,204	11/04/08	120,000	3.06
1C 181	65,340	11/06/08	200,000	3.06
1D 185	65,340	20/06/08	150,000	2.30

With regard to the more recent noted comparables both Block 4B Parcel 107 and Block 4B Parcel 281 are zoned by the Cayman Islands Planning Law for High Density Residential usage and are located on Finch Road and directly on Boatswain Bay Road a short distance to the North of the subject land respectively. Block 4C Parcels 441 and 90 have a Low Density zoning and are both located on Mount Pleasant Road. Block 4E Parcel 76 has a High Density development classification and is situated on Birch Tree Hill Road whilst Block 1C Parcel 185 and Block 1D 185 both have a Low Density zoning and are located on North West Point Road and to the East of Watercourse Road respectively.

6.0 VALUATION:

6.1 The Land: (Cont'd)

The sales comparables vary significantly dependent upon their exact location, specific characteristics and planning development zoning classification. The subject parcels combined represent a large development site and the majority of the land is well elevated. However the combined area of the subject land is larger than all of the listed comparables and as such I would anticipate economies of scale having an effect on its CI\$ per square foot value.

Accordingly I consider a Market Value of approximately CI\$2.00 per square foot or CI\$891,000 to be appropriate for the subject property in this instance.

6.2 Opinion of Value:

In my opinion the current Market Value of the combined subject parcels is:-

CI\$891,000 (Eight Hundred and Ninety One Thousand Cayman Islands Dollars)

Validity:

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

7.0 DEFINITION OF VALUE:

"MARKET VALUE" is defined by the Royal Institution of Chartered Surveyors 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.

"OPEN MARKET VALUE" is a basis of value supported by previous editions of the Royal Institution of Chartered Surveyors Valuation and Appraisal Manual (The Red Book). It's application provides the same result as **Market Value**.

8.0 ASSUMPTIONS AND LIMITING CONDITIONS:

- 8.1 Unless it has been made apparent by an express statement within this report the Valuer has made the following assumptions:
 - 8.1.1 That vacant possession is provided.
 - 8.1.2 That the property is not subject to any unusual or especially onerous restrictions, encumbrances or outgoings and that good title can be shown
 - 8.1.3 That the property and its value are unaffected by any matters which would be revealed by a local search and replies to the usual enquiries, or by statutory notice and that neither the property, nor its condition, its use, or its intended use, is or will be unlawful. The legal description and title of the subject property have been obtained from the Cayman Islands Land Registry and a copy of the register and 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 entirely upon their legal accuracy.
 - 8.1.4 That an inspection of those parts which have not been inspected, or a survey inspection, would not reveal material defects or cause the Valuer to alter the valuation materially.
- 8.2 Employment in and compensation for making this report are in no way contingent upon the value. We further certify that we have no interest, present or contemplated, in the property valued. The valuation assumes marketable title.

8.0 ASSUMPTIONS AND LIMITING CONDITIONS: (Cont'd)

- 8.3 In order to arrive at a supportable opinion of value, it was necessary to utilise both documented and hearsay evidence of market transactions. A concerned effort has been made to verify the accuracy of the information contained herein. Accordingly, the information is believed to be reliable and correct and has been gathered according to procedures which are laid down by the R.I.C.S. Comparable sales prices have been obtained from the documents at the Land Registry, or as reported to us by the Realty Companies active in the subject area or by published reports.
- 8.4 Possession of this Valuation Report, or a copy thereof, does not carry with it the right of publication. Neither the whole nor any part of this valuation report or any reference thereto may be included in any published document, circular or statement, nor published in any way without the express permission of DDL Quantity Surveyor's.

9.0 VALUATION CERTIFICATE:

9.1 Valuation:

As detailed within section 6.2 of this report I am of the opinion that the current Market Value of the combined subject parcels is:-

CIS\$891,000 (Eight Hundred and Ninety One Thousand Cayman Islands Dollars)

9.2 Certification:

I Certify that the parcels detailed within this report has been inspected by me, that I have valued the parcels and prepared this report, and that I am not disqualified from reporting on the parcels


.....
DAVID S. GROVES, B.Sc., MRICS
CHARTERED QUANTITY SURVEYOR

26/11/08
.....
DATE

DDL Studio Quantity Surveyors
P.O. Box 31318, Grand Cayman KY1-1206,
Cayman Islands, British West Indies
Tel: 943-3622 Fax: 945-3623



RESOLUTION

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

**LAND AT WEST BAY NORTHWEST
BLOCK 4B, PARCELS 181, 190, 195, 196, AND 380**

Whereas:

- 1) The subject land comprises approximately 10.32 acres.
- 2) 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 the National Housing Development Trust for NIL consideration, and that Stamp Duty and Registration Fees be waived.

AND IT IS FURTHER RESOLVED that full details of this land and of the disposition proposed shall forthwith be published in a 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 7th day of October, 2008.



ACTING CLERK OF THE CABINET

CAYMAN ISLANDS

GAZETTE

Tuesday, 11th November 2008

Issue No. 23/2008

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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 Tuesday. The next issue (24/08) will be published on 24th November 2008. Closing time for lodgement of commercial notices will be 12 noon, Friday, 14th November 2008. **Government notices must be lodged at the Gazette Office by 12 noon on the previous Wednesday (12th November).** This timeframe will be followed for all *Gazettes*. Notices are accepted for publication in the next issue, unless otherwise specified.

Ulema, Pakistan (QE.A.73.02.) refer to the same entity, the Al-Qa'ida and Taliban Sanctions Committee decided on 21 Oct. 2008 to consolidate the relevant information contained in both entries in the present entry.

The Consolidated List of those subject to measures imposed by the Security Council on individuals and entities associated with the Taliban, Usama Bin Laden and Al-Qa'ida has been updated to include the above amendments and technical changes. The Consolidated List is available at: <http://www.un.org/sc/committees/1267/consolist.shtml>, or from IOD's Sanctions Team.

This Notice is published in accordance with article 22 of the Al-Qa'ida and Taliban (United Nations Measures) (Overseas Territories) Order 2002, SI 2002 No. 112, and under the Terrorism (United Nations Measures) (Overseas Territories) Order 2001, SI 2001 No. 3366.

Land Notices

THE GOVERNOR (VESTING OF LANDS) LAW (2005 REVISION)

NOTICE UNDER SECTION 10 (1) (a)

PROPERTY IN WEST BAY NORTHWEST, GRAND CAYMAN

Notice is hereby given that the Governor in Cabinet proposes to vest the property specified below, presently held as Crown Land, to the National Housing Development Trust for NIL consideration and to waive the Stamp Duty and Registration Fees.

THE SCHEDULE

The parcel of land is located off Boatwain's Bay Road, near the lighthouse, in West Bay, Grand Cayman, more particularly described as:

SECTION	BLOCK	PARCELS	AREA
West Bay Northwest	4B	181, 190, 195, 196, and 380	10.32 Acres

The property is shown on the Registry Map which may be inspected at the office of the Director of Lands & Survey, BritCay House, Eastern Avenue, Grand Cayman, and at the Lands Office, District Administration Offices, Cayman Brac.

Made this 8th day of October 2008.

ALAN R. JONES
Director of Lands & Survey

Probate and Administration

Pursuant to rule 4, subrule (2), of the Probate and Administration Rules, there are published the following applications for grants of personal representation in respect of persons who died domiciled in the Cayman Islands:

Name of Decceased	Date of Application	Name of Applicant	Date of Death	Estimated Value of Estate
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Did you know?
Istanbul
straddles two separate continents,
Asia and Europe *