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**REPORT AND VALUATION
ON
“DOLPHIN COVE NEGRIL”
POINT (PART OF SECTION C)
LUCEA
HANOVER**



Prepared by

EASTON DOUGLAS & COMPANY

CHARTERED VALUATION SURVEYORS
REAL ESTATE DEALERS



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REPORT AND VALUATION

EXECUTIVE SUMMARY

| ITEM | DESCRIPTION | PAGE |
|--|--|------|
| PROPERTY NAME & ADDRESS | : “Dolphin Cove Negril” Point (Part of Section C) Lucea Hanover | 2 |
| AUTHORITY TO VALUE | : Dolphin Cove Limited C/o Mr. Gary Robinson Financial Controller | 2 |
| CERTIFICATE OF TITLE | : VOLUME 538 FOLIO 85 | 2 |
| PROPRIETOR | : NATIONAL HOUSING TRUST | 2 |
| USE CLASS | : RECREATIONAL | 3 |
| AREA OF LAND | | |
| • Considered for Market Value | : 9.33 HECTARES (23.03 ACRES) | 5 |
| • Considered for Rental Value | : 3.24 Hectares (8.00 Acres) | |
| AREA OF BUILDINGS | : SEE REPORT | 5 |
| FACILITIES | : ADMINISTRATIVE BUILDING AND OTHER RESORT COMMERCIAL AND RECREATIONAL FACILITIES | 5 |
| STATE OF REPAIRS | : GENERALLY GOOD | 13 |
| ESTIMATED AGE | : APPROXIMATELY FOUR (4) YEARS | 13 |
| MARKET VALUE | : SEVEN HUNDRED MILLION TO SEVEN HUNDRED AND TWENTY MILLION DOLLARS (\$700,000,000.00 – \$720,000,000.00) | 13 |
| DISAGGREGATION OF VALUE | : SEE REPORT | 13 |
| MARKET RENTAL VALUE - NET (PER ANNUM) | : TWENTY MILLION DOLLARS (\$20,000,000.00) | 14 |
| MORTGAGE | : Adequate security for Trust Funds | 14 |
| REINSTATEMENT COST | : ONE HUNDRED MILLION DOLLARS (\$100,000,000.00) | 14 |
| FORCED SALE PRICE | : SIX HUNDRED MILLION DOLLARS (\$600,000,000.00) | 14 |
| DATE OF REPORT | : OCTOBER 2014 | 14 |

**REPORT AND VALUATION
ON
“DOLPHIN COVE NEGRIL”
POINT (PART OF SECTION C)
LUCEA
HANOVER**

PREAMBLE

Instructions:

Authorization for this appraisal to assess the open market values of the above property was confirmed by Mr. Gary Robinson, Financial Controller, Dolphin Cove Limited, Ocho Rios, St. Ann for internal purposes.

**Interest to
be Valued:**

The unencumbered fee simple estate and interest and leasehold value as at **October 2014**.

Inspection:

Inspection and survey of the property as well as associated market investigations and analyses were completed on **October 13, 2014**.

LEGAL PARTICULARS

**Title
Reference:**

Under the Registration of Titles Act, Certificate of Title to these premises is registered at Volume **538** Folio **85** in the Register Book of Titles.

Ownership:

National Housing Trust is the registered proprietor of the fee simple estate and interest recorded by **Transfer # 1389073** and registered on **December 13, 2005**.

ENCUMBRANCES

**Restrictive
Covenants:**

There is no evidence of restrictive covenants endorsed on the Certificate of Title.

Mortgage: There is no evidence of a current mortgage on the Certificate of Title.

Caveats and Other Charges: There is no evidence of endorsement of caveats or other charges on the Certificate of Title.

Please see attached copy of The Certificate of Title as at 08/10/2014.

Valuation Roll Reference: Under the Land Valuation Act, reference to these premises is Valuation # **00704001002** on the valuation roll of the National Land Agency.

Land Use Zoning: Under the Town and Country Planning (Hanover Coast) Development Order 1962, the property is zoned for resort purposes. Its development and use conforms to the land use zoning.

GENERAL PARTICULARS

Utilities and Services:

The town in which the subject property forms a part is serviced by social and physical infrastructure including piped water supply, electrical power, street lighting, telephone services, fire, police and postal services, garbage collection and disposal and sewage disposal.

Also available is easy access to good banking facilities, public transportation, convenience shopping, recreational facilities, cultural and educational institutions.

Analysis of the environs:

The subject property is located within the community of Paradise, which is situated along the northcoast main road a few kilometres east of Lucea.

It lies between the communities of Mosquito Cove and Elgin Town and is approximately 30 minutes regular commuting time from Montego Bay and Negril.

The area in recent years has become attractive as a natural expansion of the town of Negril. Consequently several hotels and other resorts type attractions and facilities have emerged. In addition sites along this area are being considered for investment in anticipation of a likelihood that the location will experience an increase in development activity and property values.

The location is within proximity to hotels and resorts facilities, such as Grand Palladium, Tryall Golf and Beach Club and West Palm Hotel.

LOCATION MAP



Source: Google Maps

● - APPROXIMATE LOCATION OF SUBJECT PROPERTY

SUBJECT PROPERTY

Location and Boundaries:

The "Dolphin Cove Negril" resort attraction is situated on the northern side of the Kew Bridge to Great River Road. It is easily identified by signage and is bounded as follows:

| | | |
|--------|--------------------------------|--------|
| North: | The Caribbean Sea | - |
| East: | Land Part of Hopewell | Vacant |
| South: | Kew Bridge to Great River Road | - |
| West: | Land Part of Point | Vacant |

Lot Size:

Registered by survey as **those parcels of land, known as Point, formerly "The Point", and "Paradise Estate"**, in the parish of Hanover, this land under consideration for the purpose of this report and valuation contains an area of **9.33 Hectares (23.03 Acres)**. Of this amount the "Dolphin Cove Negril" facility is sited on approximately **3.24 Hectares (8.00 Acres)** which is the amount under consideration for the purpose of rental value.

The Site:
(Dolphin Cove Negril facility area)

The site is irregular in shape, evenly graded throughout in the section that is currently utilised and has a gently downwards slope towards the Caribbean Sea. Its boundaries are secured by barbed wire and two (2) double-hung hardwood gates with a security post are situated at the entrance to the site. The driveway leading into the property is paved with asphalt and terminates into a paved large parking area.

Walkways on the site connecting buildings were paved with cement tiles and cut stone and there was also a trellis-like structure along the path leading into the main administrative building. Additional landscaping includes area of manicured lawns and edges and well kept garden areas.

A section along its southern boundary defined by gabion baskets was being developed for a lazy river but has since been abandoned.

Along the shoreline there are several pens and holding areas for the dolphins, stingrays and sharks and also areas for touching/interactions program. There are also pens and houses to accommodate ostriches and camels.

The "Palapa" area is located along a dolphin observation area and is accessed by a boardwalk suspended on wooden posts along the bay. This area is used for training and orientation for guests.

Several breakwater groins have been established to define the used areas; in addition, there is an area that is well suited and is reserved for the development of a beach area.

The remainder of the site is relatively flat and undeveloped. It has a gently descend to the sea and appears to have good surface drainage.

Facilities:

The site accommodates several buildings and other structures which are complimentary to the attraction. They are described as follows:

Building # 1 – Administrative Office/Gift Shop

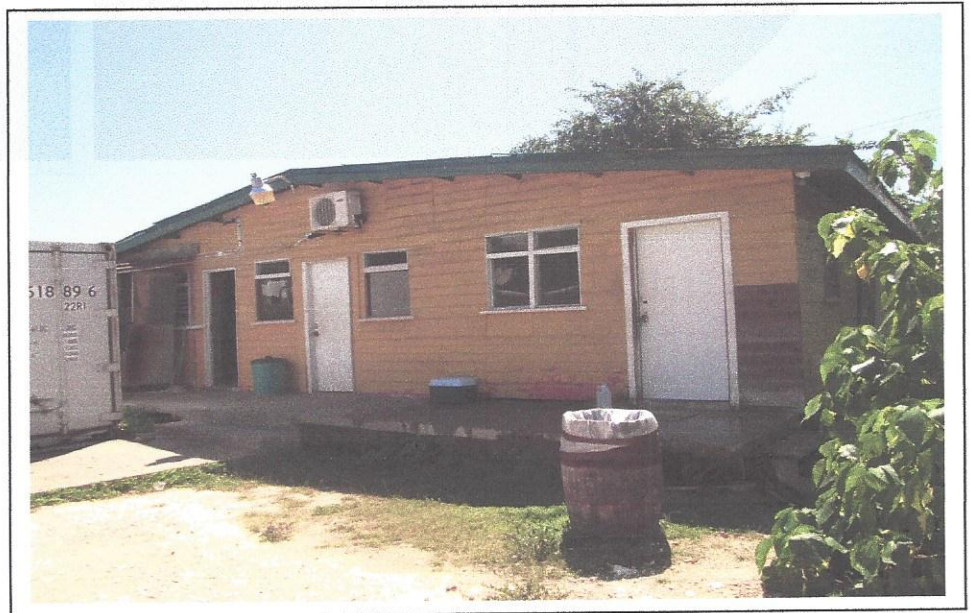
This single storey building is disposed over a gross floor area of approximately **491.11 m² (5,286.26 ft²)**. It consists of a receptionist area, sitting lounge, gift shop, general office, security camera observation room, bathroom, video department and storage.



BUILDING # 1 Taken (12/10/2014)

Building # 2 – Dolphin House

This single storey building is disposed over a gross floor area of **159.08 m² (1,712.42 ft²)**. It consists of a dolphin kitchen, sterile room, office, staff lounge and changing/restrooms and a generator room.



BUILDING # 2 Taken (12/10/2014)

Building # 3 – Palapa

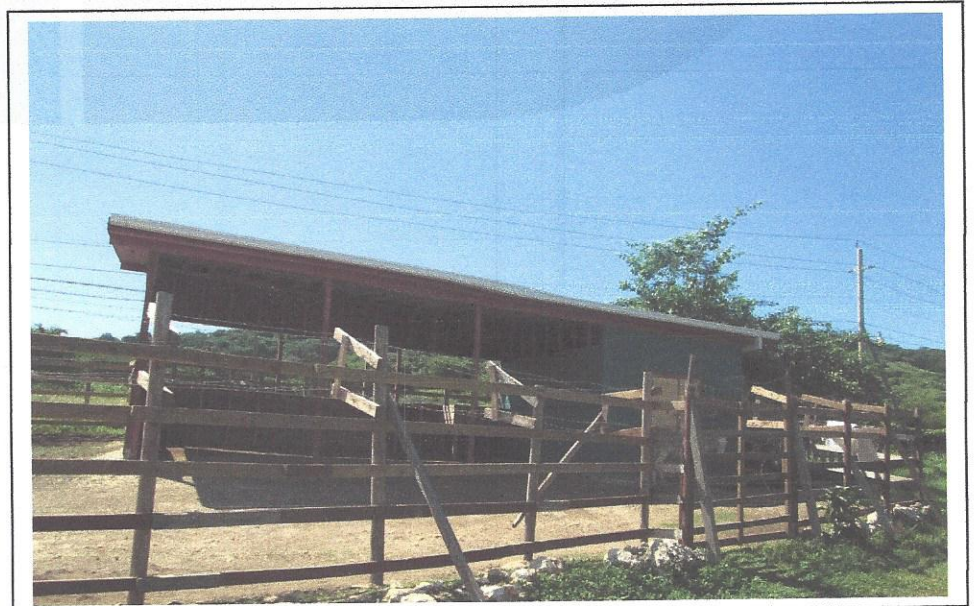
This is an open-shed type structure disposed over a gross floor area of **108.14 m² (1,164.00 ft²)**. It consists of a large area used for training, observation and orientation.



BUILDING # 3 Taken (12/10/2014)

Building # 4 – Camel House/Pen

This building is disposed over a total gross floor area of **52.95 m² (570.00 ft²)**. It consists of a storage room and a holding area for camels.



BUILDING # 4 Taken (09/10/2014)

Building # 5 – Changing Room

This building is disposed over a total gross floor area of **44.31 m² (477.00 ft²)**. It consists of changing areas and an open shed area used for dining.



BUILDING # 5 Taken (12/10/2014)

Other buildings/structures on the site include:

- Camel Mount 4.74 m² (51.05 ft²)
- Gazebo 13.38 m² (144 ft²)
- Barbeque Hut 12.08 m² (130 ft²)
- Guard House 4.18 m² (45ft²)
- Ostrich Pen 557.41m² (5,997.77ft²)
- Board walk -



OSTRICH PEN Taken (12/10/2014)



BARBEQUE HUT Taken (12/10/2014)



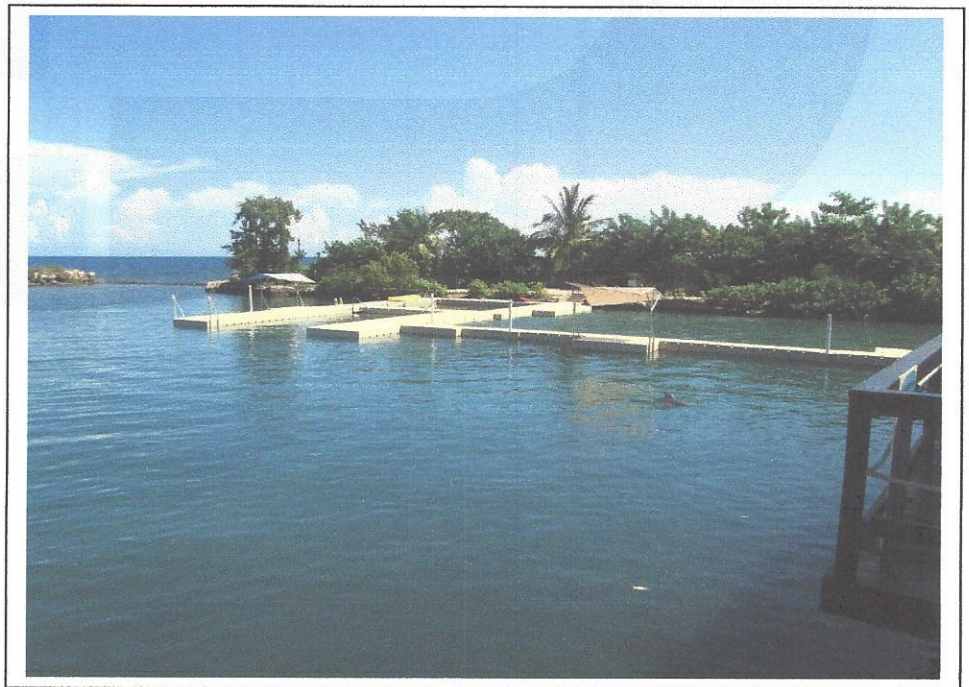
GAZEBO Taken (12/10/2014)



SHARK SHOW DECK Taken (12/10/2014)



PROPOSED BEACH Taken (12/10/2014)



VIEW OF HOLDING PEN Taken (09/10/2014)