

**REPORT AND VALUATION
UPON
A RESIDENTIAL PROPERTY**



L.R. NO. 1870/IV/14 (I.R. 49550)

CHURCH ROAD

WESTLANDS AREA, NAIROBI COUNTY



Our Ref: RVI/G.O/2020/5903

Tuesday, December 31st 2019

Chief Operating Officer,
Cytonn Investments Management Plc,
3rd Floor, Liaison House, State House Avenue,
P.O Box 20695-00200,
Nairobi, Kenya.

Dear Sir,

**RE: VALUATION OF L.R. 1870/IV/14 CYSUITES, CHURCH ROAD - WESTLANDS,
NAIROBI COUNTY**

Pursuant to your request and in accordance with an award of contract received dated Friday 29th November 2019 referenced CP/AW/06/19/SO, we inspected the above captioned property on Monday, 16th December 2019, and we are pleased to submit the accompanying Report and Valuation.

The report, including exhibits, fully describes the approach to value and contains all pertinent data gathered in the investigation of the subject property.

The value opinion reported below is qualified by certain assumptions, limiting conditions, certifications, and definitions, which are set forth in the report.

Respectfully submitted,

STEPHEN R. KIROTICH
B.A. LAND ECONOMICS (HONS), M.I.S.K (VS)
REGISTERED AND PRACTISING VALUER
HEAD OF VALUATION

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EXECUTIVE SUMMARY

This Executive Summary must be read in the context of and in conjunction with the full valuation report of which it forms a part of. All comments, terms and conditions contained in the full valuation report relate directly to this Executive Summary.

SUMMARY OF SALIENT FACTS

INSTRUCTING PARTY:	CYTONN INVESTMENTS MANAGEMENT PLC
PROPERTY ADDRESS:	L.R. NO. 1870/IV/14 (I.R. 49550) CHURCH ROAD, WESTLANDS - NAIROBI COUNTY
DATE OF INSPECTION:	MONDAY, 16TH DECEMBER 2019
DATE OF VALUATION:	TUESDAY, 31ST DECEMBER 2019
REGISTERED PROPRIETOR:	WASINI RESORTS LIMITED
INTEREST APPRAISED:	LEASEHOLD TENURE
PURPOSE OF VALUATION:	BOOK PURPOSES
MAIN DEVELOPMENTS:	SIX (6NO.) BLOCKS OF SERVICED APARTMENTS
LAND SIZE:	0.4045 HECTARES OR 0.9996 ACRES
LAND USE:	RESIDENTIAL USE

BRIEF PROPERTY AND NEIGHBOURHOOD DESCRIPTION

The partly renovated blocks of furnished apartments, designated Cysuites - an apartment hotel, is well placed along Church road just about 200 meters off Waiyaki in Westlands a well-known administrative zone.

The immediate neighbourhood being a mixed use zone is characterized by residential and commercial land use, being strewn by mostly apartment blocks and office blocks.

VALUATION SUMMARY

		Current Values (KES)
(i)	Fair Market Value	927,000,000.00
(ii)	Forced Sale Value	695,250,000.00

1. DEFINITION OF TERMS

1.1. VALUATION RATIONALE

The subject property is a 1 acre plot developed with furnished and serviced apartments.

The property is currently in operations, however not at 100% as some sections are still being renovated and redecorated. We have consequently adopted the Contractors Method/Cost Approach and the Discounted Cash Flow (DCF) method checked against the direct income capitalisation method, and Sales Comparison/Market Approach to arrive at the opinion of Market Value.

Contractors Method/Cost Approach

The *International Valuation Standards 2017*, defines the Cost Approach as one that provides an indication of value using the economic principle that a buyer will pay no more for an asset than the cost to obtain an asset of equal utility, whether by purchase or construction. Valuation of the areas still under renovation and infrastructure components is based on this methodology applying the appropriate depreciation. Valuation Estimates of the same once complete is based on sales comparison or discounted cash flow method.

Discounted Cash Flow (DCF) Method

The Discounted Cash Flow Method is based on the theory that the value of a property earning streams of income is equal to the present value of its projected future income streams. The terminal value does not assume the actual termination or liquidation of the property operation, but rather represents the point in time when the projected cash flows level off or flatten. The amounts for the projected cash flows are discounted to the valuation date using an appropriate discount rate, which encompasses the risks specific to investing in the specific entity being valued.

1.2. BASIS OF VALUATION

Market Value

According to *The International Valuation Standards 2017*, Market value is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

Fair Market Value

1. The definition adopted by the IVSC:

'The estimated price for the transfer of an asset or liability between identified knowledgeable and willing parties that reflects the respective interests of those parties'.

2. *The definition adopted by the International Accounting Standards Board (IASB):*

'The price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date'.

Forced Sale Value

(FSV) is not a distinct basis of value but a description of the situation under which the exchange takes place. According to the *International Valuation Standards –IVSC 2017*; forced sale is used where a seller is under compulsion to sell and that, as a consequence, a proper marketing period is not possible and buyers may not be able to undertake adequate due diligence. **As a rule of thumb, this is around 70% to 75% of the market value.**

Nevertheless, we have based our estimated forced sale value on 75% of the Fair Market Value as per the Land Act, 2012 section 97(1); which stipulates that a chargee shall be in breach of duty, in exercising power of sale, if a property is disposed of at less than 75% of the Current Market Value.

1.3 POTENTIAL, HIGHEST AND BEST USE

1.3.1 Potential

This is the difference between the present use of a property and the highest and best use of the same property.

1.3.2 Highest and Best Use

This is the reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported and financially feasible and that results in the highest value.

1.4 NDUNGU LAND COMMISSION/REPORT

The Commission of Inquiry into the Illegal/Irregular Allocation of Public Land, which came to be known as the "**Ndungu Commission**" after the name of its Chair, Paul Ndungu, was a Kenya Government Commission established in 2003. The Commission was formulated to inquire into the extra-legal allocation of public lands and lands reserved for public purpose to private individuals and corporate entities, and to provide recommendations to the Government for the restoration of those lands to their original purpose or other appropriate solutions.

The report therefore has a list of properties which are alleged to be illegally/irregularly allocated from public to private individuals.



2. PROPERTY SETTING

2.1 LOCATION

The property is located along Church road which branches off Waiyaki Way. It is situated about 250 meters from the Pakistan High Commission and 100 meters from St. Michaels – Church road junction in Westlands, Nairobi County.

The geographical coordinates of the property are **1°15'41.86"S** and **36°47'17.16"E**.

2.2 NEIGHBOURHOOD AND LOCAL DATA

The locale within which the property is situated is developed with commercial, residential and retail real estate as evidenced by the presence of Le'Mac Tower, Sakina Apartments just to name a few.

2.3 SERVICES AND AMENITIES

Mains water, electricity and sewer are connected to the property. Mains water and electricity are supplemented by the availability of an onsite borehole and a 110 KVA power generator respectively.

The premise is also provided with 24 hour security.

Immediate access roads are all tar surfaced.

3. PARCEL AND ASPECTS OF TITLE

3.1 TENURE AND PROPRIETORSHIP

An inspection of the copy of title and a certified copy of search from Nairobi Lands Registry revealed that the property is held as leasehold interest for a term of 99 years as from **1st September, 1984** at an annual ground rent of **Kes. 57,195.00 (Revisable)**. It is registered in the name of **Wasini Resorts Limited**. The unexpired term of lease to date is **64 years**.

3.2 PARCEL ACREAGE

According to the copy of title and map, the plot measures **0.4045 hectares or 0.9996 acres** approximately.

3.3 ENCUMBRANCES

As per the copy of title, the following instruments are registered against it;

- i. A charge in favour of Kenya Commercial Bank Limited dated 18th December, 2014 to secure a sum of USD. 3,400,000.00
- ii. An additional charge dated 20th August, 2015 to secure a sum of USD. 200,000.00 (rank pari passu with charge entry no. i).

A copy of the title is attached as **Appendix IV**.

3.4 LAND RENT & PROPERTY RATES

The outstanding land rent to date is Kes. 223,629/- while the property rates liability currently stands at Kes. 52,875/-.

3.5 LAND DESCRIPTION

3.5.1 Land Ownership in Kenya

In Kenya, there are three (3) different land classifications: private land, public land, and community land.

Private land is land owned by an individual under freehold or leasehold tenure.

Public land is vested in the government for the benefit of the people of Kenya. It includes roads, all water bodies, forests, national parks, and land that have minerals, among others.

Community land is held by and managed by communities. It includes land registered under group representatives, shrines, grazing areas and ancestral lands.

3.5.2 L.R. 1870/IV/14 (I.R. 49550), CySuites

This property lies on a prime 1 acre plot along Church road, Nairobi County.

The title is held on Leasehold Interest granted under Registration of Titles Act, (Cap 281) now repealed and replaced by The Land Registration Act No. 3 of 2012.

4 POTENTIAL, HIGHEST AND BEST USE ANALYSIS

The property is development with serviced and furnished apartments and is situated in Westlands in a neighbourhood that has other apartments that offer near similar services. The immediate vicinity is residential cum commercial zoned and is just a few meters off Uhuru highway and within close proximity to Nairobi Central Business District.

Given the nature of the neighbourhood and developments thereon, it's our opinion that the property has achieved its highest and best use. It has the potential to be developed with a high rise mixed use block.

5. IMPROVEMENTS/DEVELOPMENTS

5.1 General Description

The plot is developed with 6No. four storied blocks of apartments, a double storied staff quarters block and a sentry. Four of the six blocks are identical and comprise of two, two-bedroom units on each floor. The other two blocks each feature 1 bedroom units and a pent house on the top floor. One Block differs from the other, having a restaurant with a terrace, a gym, a sauna and a massage room at the half-basement level.

As at the date of inspection one of the four identical blocks designated 'Block C' was undergoing structural renovation.

5.2 Construction Details

Walls are constructed of natural stones machine dressed colour-washed externally and plastered and painted internally beneath a timber truss roof overlaid with red clay tiles, finished with soffit and fascia boards. The roof is also provided with rain water gutters and down pipes.

The ceilings are painted reinforced concrete slabs.

The main external doors are either solid timber panel or solid metal plate types while internal doors are semi-solid timber panel type. Windows are glazed steel casements internally secured by metal grilles.

The floor is reinforced mass concrete, finished in ceramic tiles, laminate timber strips or terrazzo.

The kitchens are fitted with stainless steel sink units atop granite worktops, having low and high level cabinets while the bedrooms have inbuilt wardrobes.

Access to the upper floors is via reinforced concrete staircases finished in either ceramic tiles or red clay stones under steel balustrades and handrails.

5.3 Accommodation Details

This comprises of the following:-

Four Blocks (Blocks A, C, D & F):

These blocks are identical in every aspect; and comprise of two bedroom units, two on each floor. The accommodation details of a typical apartment are as follows:-

- Entrance;

- Lounge/Dining area;
- Kitchen with stainless steel sink unit atop a granite worktop, with low and eye-level kitchen cabinets;
- Two (2No.) bedrooms with built-in wardrobes;
- Bathroom with a Jacuzzi, shower cubicle having a cantilever wash hand basin, WC and bidet.

It is worthy of note that Block C was undergoing renovation as at the time of inspection. This would see it have the following accommodation details upon completion;

- Entrance;
- Lounge/Dining area;
- Kitchen with stainless steel sink unit atop a granite worktop, with low and eye-level kitchen cabinets;
- Master bedroom ensuite having built-in wardrobes and a water closet with flush toilet, wash hand basin and shower cubicle with overhead shower
- One (1No.) bedroom with built-in wardrobes;
- Shared water closet having overhead shower, wash hand basin and flush toilet.



-Note Block C still under renovation-

Pending Works include -

- Wall plastering and painting;
- Tiling of floors;
- Cladding of walls;
- Laying fittings.

Two Blocks (B & E):

These two blocks are mostly similar from the second and third floors but differ from the ground to the first floors. Below are the accommodation details of each;

Block B

- i. Ground floor:
 - Entrance to reception area;
 - Two (2No.) stores;
 - Two (2No.) offices.
- ii. 1st – 2nd floors:
 - Two (2No.) one bedroom units each having:-
 - Entrance into;
 - Lounge/ dining area;
 - Bathroom with wash hand basin, WC, shower cubicle and bidet;
 - Bedroom with built-in wardrobe;
 - Kitchen with stainless steel sink unit atop a granite worktop and fitted with low and high level kitchen cabinets.
 -
- iii. 3rd floor (Pent House):
 - The top floor features a pent house having the following accommodation details:-
 - Entrance into;
 - Dining area;
 - Lounge area;
 - Open plan kitchen with stainless steel sink unit atop a granite worktop and fitted with low and eye level kitchen cabinets;
 - Bathroom with wash hand basin, WC, shower cubicle and bidet;
 - Bedroom with built-in wardrobes;
 - Master bedroom ensuite with walk-in closet and a bathroom fitted WC, bidet, 2No. wash hand basins and a shower cubicle.

Block E

This is identical to **Block B** with the exception of the ground and first floors which have the following accommodation details;

- i. Semi - basement:
 - Gym;
 - Spa room;

- Ladies' cloakroom having 2No. shower cubicles, 2No. toilet cubicles with WC and 2No. wash hand basins;
 - Gents' cloakroom having 2No. shower cubicles, 2No. urinal bowls, 1No. WC and 2No. wash hand basins;
 - Repair and maintenance room.
 - 2No. saunas;
 - 2No. massage rooms;
 - Staircase to upper floor.
- ii. Ground floor:
- Kitchen;
 - Store;
 - Cold room;
 - Staff room;
 - Staircase to upper floor.
- iii. Terrace
- Open span restaurant with staircase to;
- iv. 1st floor:
- Landing to;
 - Reception area;
 - Ladies cloakrooms with WC and wash hand basin;
 - Gents' washroom with WC, wash hand basin and urinal bowl;
 - Conference room;
 - Staircase to upper floor.
- v. 2nd – 3rd floors:
- These floors are identical to **Block B** having two one bedroom units on the second floor and a pent house on the third floors.

Staff Quarters

Ground Floor

- Washroom with WC, wash hand basin and overhead shower;
- Washroom with wash hand basin with, squatting trough toilet;
- Staircase to upper floor.

Upper Floor:

- Single room ensuite with kitchenette and water closet having wash hand basin, flush toilet and overhead shower.

Generator House

This comprises an open span space for a power back-up generator.

Sentry

The sentry has the following accommodation details;

- One Room;
- Washroom with wash hand basin and WC.

Total Built-up Area: Approximately **56,540** square feet.

The floor area per unit is as follows;

Unit Type	Floor area per unit (ft ²)	Total no. of units
Pent House	1,776	2
2 bedroom	915	32
1 bedroom	840	6

5.4 General State of Repair & Maintenance

The developments were in a good state of repair having been renovated recently. The renovation exercise is however not complete as some rooms are still undergoing some minor refurbishment works.

Our findings can be summarized in the table below as: -

	YES	NO
Is the subject property located in an area where adverse soil conditions exist?		NO
Are any structural cracks visible?		NO
Would you recommend a Structural Engineer to inspect the property?		NO

5.5 Environmental & Land Contamination Concerns

Although this is not an Environmental Impact Assessment, we can confirm that there was no evidence of pollution or land contamination on the subject property or on the adjoining site. Our physical inspection of the property and its neighbourhood can be summarized in the table below:-

	Property Observations	Motivation
1	Briefly describe the surrounding environment of the property (e.g. industrial, residential, rural or commercial)	Mix of commercial and residential
2	Is the property located close to a water source or a sensitive ecological area (e.g. river, protected area, nature reserve)? If yes, please elaborate.	No
3	Do the operations/activities on the property involve the handling, storage, transportation or disposal of hazardous material (e.g. fuel, chemicals and fertilizer)? If yes, please elaborate.	No
4	In your opinion, are potential environmental and/or social risks satisfactorily managed on the property/site? (E.g. Yes, an Environmental Management System is in place)?	Yes

6 TENANCY/OCCUPANCY

6.1 Tenancy/Occupancy

At the time of inspection, most of the units were available for letting however some were under renovation and thus could not be occupied.

Below is a table summary for the actual charges;

Apartment Type	Pent House	Standard 1 BR	Executive 2 BR
Daily Rates	USD. 180.00	USD. 115.00	USD. 120.00
Monthly Rates	USD. 2200.00	USD. 1800.00	USD. 2000.00

7 SWOT ANALYSIS

We provide a SWOT analysis of the subject property as below:

Strengths:

- Prime location of the property;
- Close proximity to a major road – Waiyaki Way;
- Easily accessible from the Nairobi central business district;
- The neighbourhood is sufficiently planned.

Weaknesses:

- None noted;

Opportunities:

- Availability of trunk services and support infrastructure;

- Located in a busy and popular commercial district;

Threats:

- Volatility of the national and global economy has the potential to negatively impact the subject property and the general local property market;

8. MARKET OVERVIEW

8.1 Market Commentary

Local

The subject property is a development comprising of furnished and serviced apartments and is situated in a residential cum commercial zoned neighbourhood where it is surrounded by other blocks of apartments that offer similar services.

The hospitality industry in Kenya has experienced tremendous growth over the past 5 years more so due to the increased investment in the sector.

Such investments have affected the growth of the number of hotels in the pipeline with about 27 new hotels set to open up in Kenya. Consequently 4,200 hotel rooms are scheduled to enter the market by the year 2023. This is according to the Hotel Chain Development Pipelines in Africa 2019 report.

As good a sign as this is for the hospitality industry is not all players in the market are enthusiastic about this emergence of new hotels. Case in point; an older well-known hotel – the Southern Sun Mayfair Hotel is set to close its doors and exit the Kenyan market by end of the first quarter, 2020 due to the stiff competition from the emerging developments.

Serviced apartments are no exception to this growth as they have been witnessed to mature as an asset class in the recent years with the presence of branded serviced apartments grabbing a big portion of the hospitality industry and significantly impacting the market.

This is evidenced by the increased investment in mixed use developments that have incorporated serviced and furnished apartments as a part of their master plan resulting in further growth of the sector. Examples of this include The Pinnacle of Africa, Montave and the Global Trade Centre (GTC).

According to a report by Vaal Real Estate, the number of serviced apartment units numbered 4,500 as at the end of 2018. This is a 49% jump compared to 2013 when they numbered about 2,300 units.

Westlands claims the biggest share of all the units in Nairobi followed by Kilimani then trailed by Upperhill and the Nairobi central business district. This is attributable to

Westland's status as a popular business and administrative hub that offers higher synergies for the local population.

A future outlook on the region shows a growing preference for extended stay options following the growth of corporate use of the extended facilities and increased demand for a more corporate centred offering.

We thus anticipate that the demand for serviced and furnished apartments will continue to grow progressively into the foreseeable future especially with the continued influx of regional and international business tourists who require a no frills extended stay for on the go residents.

Confirmations

According to title documents available to us, this is a private property and had not, previously been set aside or gazetted for public use. Further, there was no planning, highway and other statutory considerations or likelihood of change of user or other developments of the subject property or those in the neighbourhood which could materially affect the value of the subject property.

The property does not encroach onto a road reserve or riparian reserve neither is it close to a wetland.

We have also perused the Ndung'u Land Report and the property does not appear to have been illegally allocated or acquired.

The property is also not mentioned in the National Land Commission Review of Grants and Disposition of Public Land Report of July 2017.

There is no evidence of pollution or contamination that would in our opinion impact negatively on the value of the subject property.

The marketability of this property is good and it is our opinion that the property is good security for lending purposes.

8.2 Market Analysis and Comparables

In considering the value of the property, we have analysed information relating to the **average** going rates for sale of plots and letting of similar properties in Westlands area of Nairobi. The following is a list of comparable properties obtained from reliable sources.

8.2.1 Rental Comparables

WESTLANDS RENTAL COMPARABLES						
	LOCATION	DESCRIPTION	PLINTH AREA (SQ FT)	MONTHLY RENT (KES)	RENT PER SQ FT (KES)	DATE
1	Lantana Rd. Westlands	4 Bedroom penthouse	2,900	240,000.00	82.00	2019
2	Nelson Court – Ring Road Parklands., Westlands	1 bedroom furnished/serviced apts	592	150,000.00	253.38	2019
3	The King’s Post Apts - Rhapta Rd. Westlands	1 Bedroom serviced apts	936	191,000.00	204.00	2018
4	Pilipili Way, Westlands	2 Bedroom Furnished apt	1,400	210,000.00	150.00	2018
6	Fenesi Gardens Apts – School Lane - Westlands	1 Bedroom Serviced/Furnished Apts	657	242,400.00	368.94	2018

8.2.2 Sales Comparables

WESTLANDS APARTMENT SALES COMPARABLES						
	LOCATION	DESCRIPTION	PLINTH AREA (SQ FT)	SALE PRICE (KES)	PRICE PER SQ FT (KES)	DATE
1	Mwanzi road, Westlands	2 Bedroom furnished apt	1,550	25,000,000.00	16,129.00	2019
2	Rhapta Rd. Westlands	2 Bedroom furnished apt	1,850	25,000,000.00	13,508.25	2018
3	General Mathenge rd, Westlands	3 Bedroom luxury penthouse+ DSQ	2,690	43,000,000.00	15,985.00	2018
4	Pristine, Mpaka rd Westlands	2 Bedroom + DSQ	2,050	25,000,000.00	12,175.00	2017

8.2.3 Land Comparables

WESTLANDS LAND SALES COMPARABLES						
	LOCATION	DESCRIPTION	SIZE (ACRES)	SALE PRICE (KES)	PRICE PER ACRE (KES)	DATE
1	Junction of Rhapta rd - David Osieli	Redevelopment plot	1	400,000,000.00	400,000,000.00	2018
2	Rhaphta Road, Westlands	Vacant plot	1.0	400,000,000.00	400,000,000.00	2019
3	Church Road, Westlands	Vacant plot	1.1	390,000,000.00	354,445,455.00	2018
4	Church Road, Westlands	Redevelopment plot	0.96	360,000,000.00	375,000,000.00	2019

8.3 Status of Approvals

All the necessary operating approvals for the project from the relevant authorities have been obtained.



9. VALUATION CERTIFICATE

We have analyzed the information obtained from the physical inspection of the property, information pertaining the asking prices for similar parcels of land in the area, the proposed and approved project, current costs of construction, as well as taken into account the economic conditions on the date of valuation to arrive at the opinion of value of the property as of **Tuesday, 31st December 2019** as follows:

- a) Fair Market Value: **Kes. 927,000,000.00 (Kenya Shillings Nine Hundred Twenty Seven Million Only).**
- b) Forced Sale Value: **Kes. 695,250,000.00 (Kenya Shillings Six Hundred Ninety Five Million, Two Hundred Fifty Thousand Only).**

**FOR AND ON BEHALF OF
REGENT VALUERS INTERNATIONAL (K) LIMITED**

**GABRIEL N. OKUMU
B.A.LAND ECONOMICS (HONS), G.M.I.S.K
VALUER**

**STEPHEN R. KIROTICH
B.A. LAND ECONOMICS (HONS), M.I.S.K (VS)
REGISTERED AND PRACTISING VALUER
HEAD OF VALUATION**

DATED: TUESDAY 31ST DECEMBER, 2019

APPENDIX I: PICTORIAL ILLUSTRATION OF THE PROPERTY







-View of the interior spaces-

DISCLAIMER

We certify that the valuer has inspected the subject property on the date above and has assessed the market value on the date above. This valuation is made subject to the details, remarks and qualifications made in this final report and it is intended for the sole use of the party to whom it is addressed and for no other purpose. No responsibility is accepted to any third parties in relation to this valuation and report. The valuer has neither a pecuniary interest in, nor with either party associated with the transaction that would conflict with the independent valuation of the property.

Where it is stated in the report that information has been supplied to the Company by another party, this information is believed to be reliable but the Company accepts no responsibility if this should prove not to be so. Where information is given without being attributed directly to another party, this information has been obtained by our search of records and examination of documents or by enquiry from government or other appropriate departments.

Where Market Value is assessed, it reflects the full contract value and no account is taken of any liability for taxation on sale or of the costs involved in effecting a sale.

The Valuation is not valid, unless it is duly signed by the Principal Valuer of this company and bears the Official Company Seal.

TERMS OF ENGAGEMENT

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

Neither all nor part of the contents of the report shall be reproduced for dissemination to the public through advertising media, public relations media, news media, sales media, social media or any other public means of communication without the prior consent and written approval of the appraisers.

This appraisal is based on the condition of the local and national economy, purchasing power of money and financing rates prevailing on the effective date of valuation.

SCOPE AND EXTENT OF INSPECTION

Our valuation report includes; the buildings together with all their supporting systems such as electrical and mechanical systems.

We have inspected the property as far as is reasonably necessary for valuation purposes. This has comprised a visual inspection of the exterior and interior of the buildings, such as could be undertaken from various levels within the boundaries of the site and adjacent



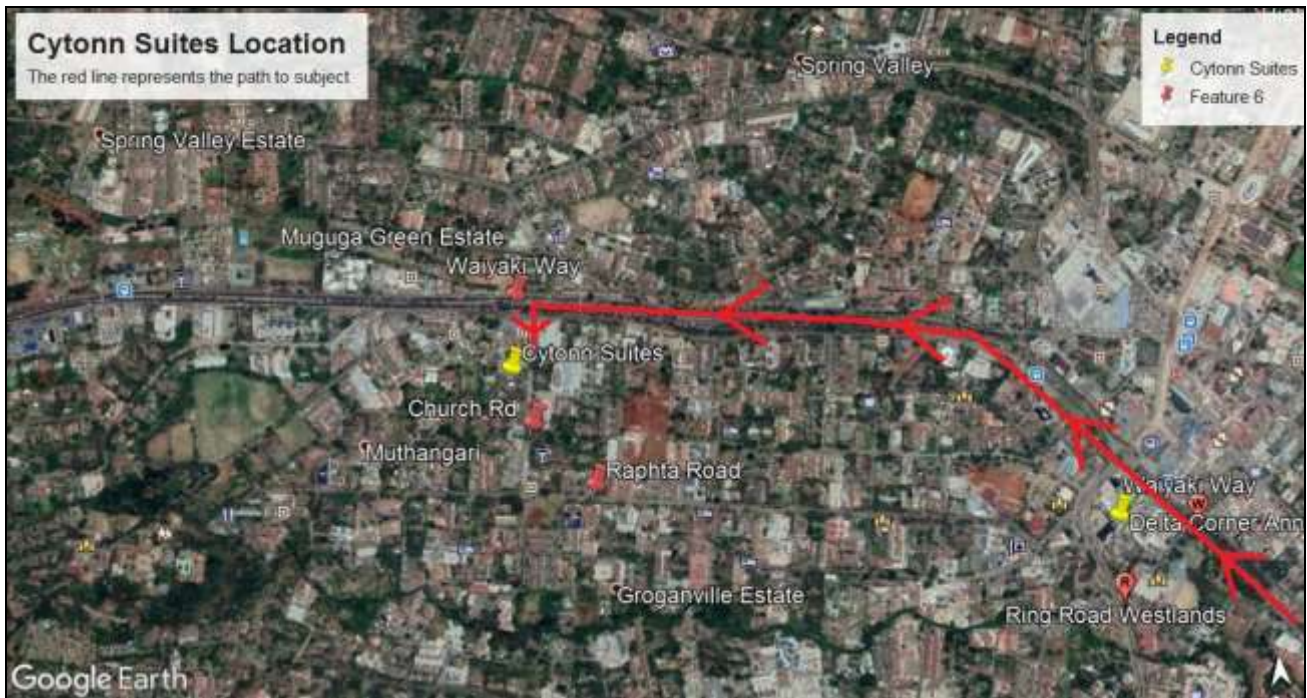
public/communal areas and as was readily accessible with safety and without undue difficulty including standing at the various floor levels.

We have not carried out a building survey of the buildings nor have we inspected woodwork, steelwork or other parts of the property which are covered, unexposed or inaccessible and we are therefore unable to report that any such parts of the property are free from defect. Our report does not purport to express an opinion about or to advise upon the condition of uninspected parts. Neither have we carried out any tests of any kind on the electrical, plumbing or other services installed.

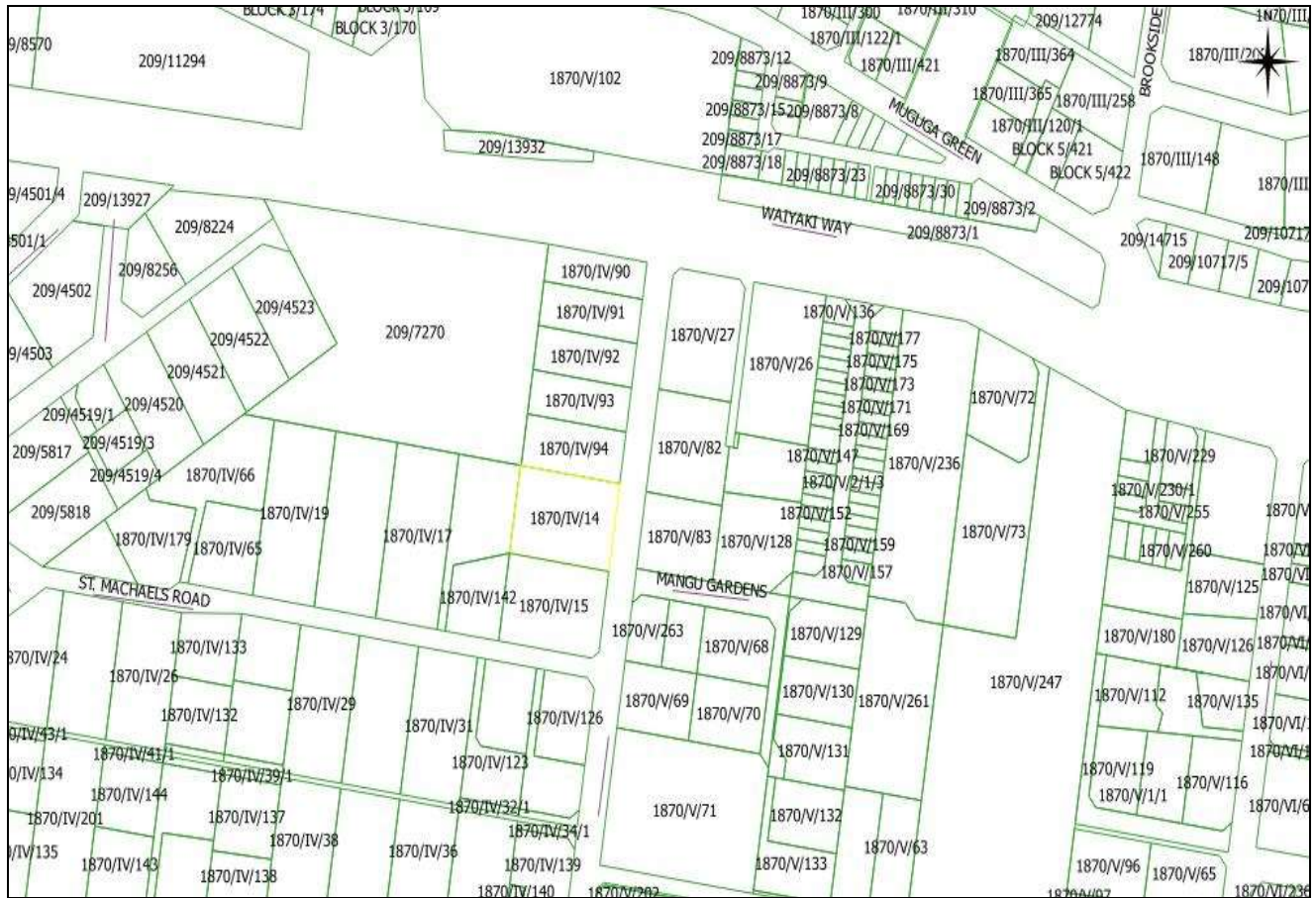
MARKET CHANGE DISCLAIMER

This valuation is current as of the date of valuation only. The value assessed herein may change significantly and unexpectedly over a relatively short period (including as a result of general market movements or factors specific to this particular property). We do not accept liability for losses arising from such subsequent changes in value. Without limiting the generality of the above comment, we do not assume any responsibility or accept any liability where this valuation is relied upon a year from the date of the valuation, or such earlier date if you become aware of any factors that have any effect on the valuation.

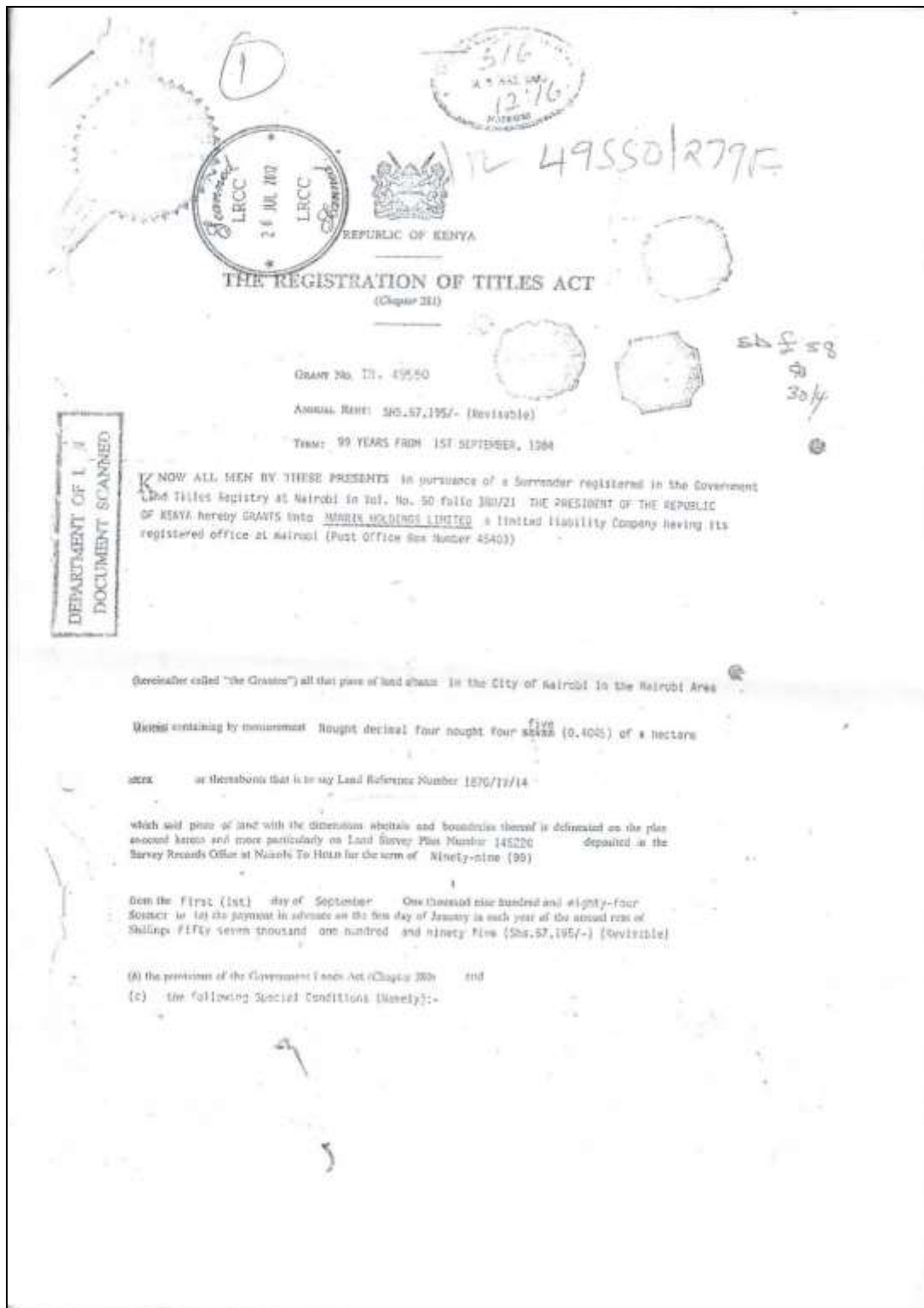
APPENDIX II: GOOGLE EARTH IMAGES OF THE PROPERTY

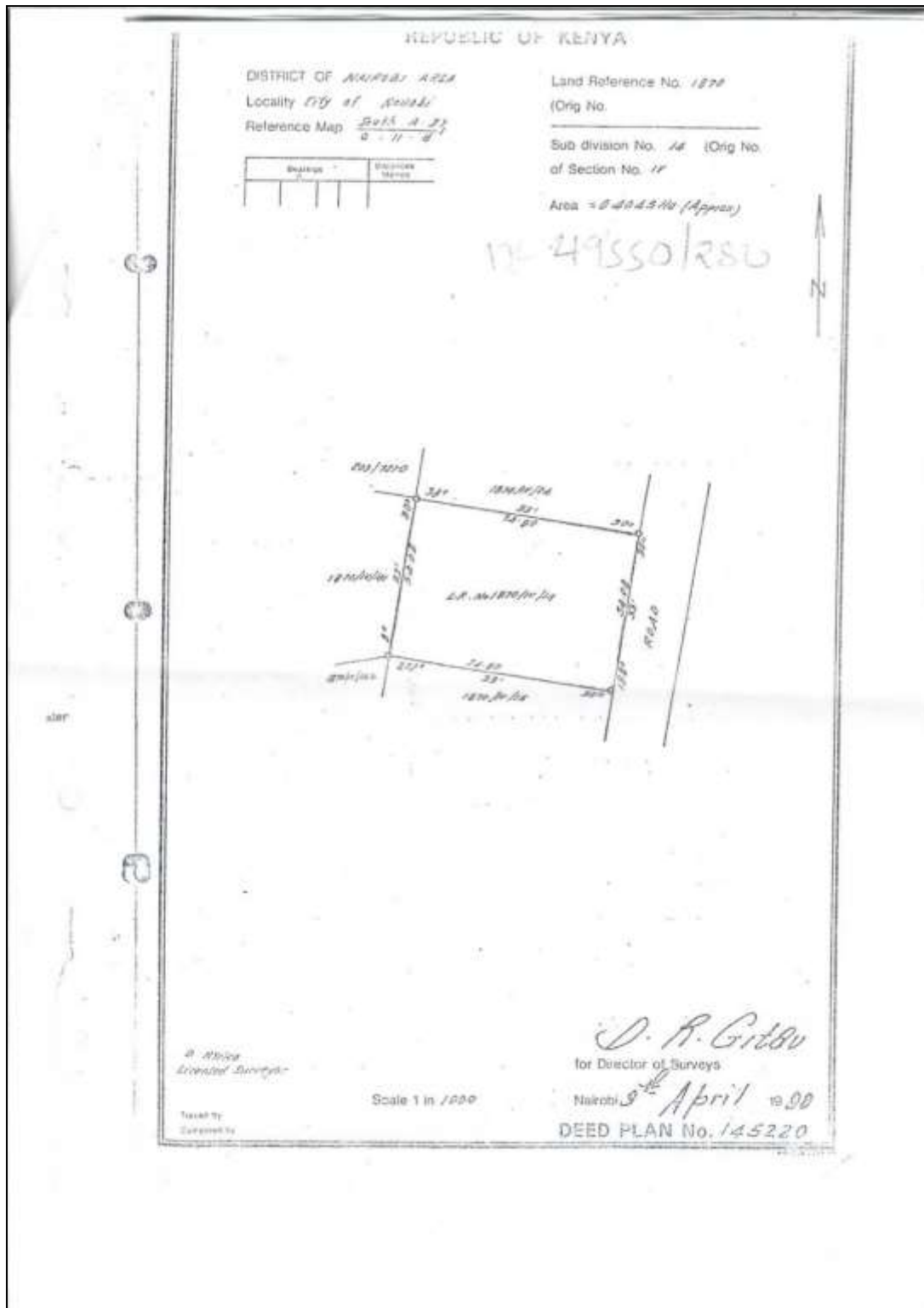


APPENDIX III: COPY OF THE SURVEY MAP EXTRACT



APPENDIX IV: COPY OF TITLE





2) Charge to National Bank of Kenya Limited for K-shs 15,000,000/-
 95 5-6-90 *Thide*

3) Discharge of No. 2 above
 49550/282
 915 22-4-91 *Thide*

4) Charge to Middle East Bank Kenya Limited for Kshs 12,000,000/-
 1263 30-6-1992 *Thide*

Discharge of charge No. 4 above.
 669 6745 6795
 669 15-6-93 *Archele*

5) Transfer to Church Road Development Company limited for Kshs. 20,250,000/-
 670 15-6-93 *Archele*

6) Convert under section 65(1) A) of R.T.A. in respect of Stamp Duty of unspecified amount
 15-6-93 *Archele*

7) Withdrawal of Convert No. 6 above.
 16-7-93 *Dale*

743 10/94

charge to Giro Bank limited
for Kshs 10,000,000/-

⑨
49550/283
Presentation No. 748 Date of Registration 19-10-94
THE FOLLOWING INSTRUMENT HAS BEEN REGISTERED AGAINST THE TITLE
Further charge to Giro Bank limited
for Kshs. 15,000,000/-
subject to No. 9 above.

1063
11/95 ⑩
Presentation No. 1063 Date of Registration 17-11-95

190-1
10/16
Discharge of charge Nos 9 & 10 above.

190
3-10-96
⑫
Charge to Barclays Bank of Kenya Limited
for Kshs. 80,000,000/-

191
3-10-96
THE FOLLOWING INSTRUMENT HAS BEEN REGISTERED AGAINST THE TITLE
Further charge to Barclays Bank of Kenya Limited
for Kshs 15,000,000/-
subject to No 12 above

1011
10/2001 ⑬
Presentation No. 1011 Date of Registration 24-10-2001

1025
8/04 ⑭
Caveat by Frakinga Enterprises Limited
claiming charge's interest in pursuant to
a letter of offer dated 17/7/98 Annexed to the
Caveat. At substantially limited the transaction be expected to be
subject to the claim of the caveator.

1025 Date of Registration 19-8-2004
G. G. Gachile 018

16. Further charge to Savings and Loan Kenya Limited for Kshs 100,000,000/=

Presentation No. 1726 Date of Registration: 17-6-2009 Registrar

15. THE FOLLOWING INSTRUMENT HAS BEEN REGISTERED AGAINST THE TITLE Transfer to Wasini Resorts Limited No 12 and 13 above

Presentation No. 135 Date of Registration: 5-12-2006 Registrar

16. CHARGE INSTRUMENT HAS BEEN REGISTERED AGAINST THE TITLE Charge to Savings and Loan Kenya Limited

Presentation No. 136 Date of Registration: 5-12-2006 Registrar

17. CHARGE INSTRUMENT HAS BEEN REGISTERED AGAINST THE TITLE Further charge to Savings and Loan Kenya Limited for Kshs 100,000,000/= Subject to No 16 above.

Presentation No. 1726 Date of Registration: 17-6-2009 Registrar

18. THE FOLLOWING INSTRUMENT HAS BEEN REGISTERED AGAINST THE TITLE Discharge of charges no 16 & 17 above

Presentation No. 1353 Date of Registration: 18-05-2011 Registrar W. M. Muigai 265

19. THE FOLLOWING INSTRUMENT HAS BEEN REGISTERED AGAINST THE TITLE Charge to Equity Bank Limited for Kshs. 370,000,000/=

Presentation No. 1354 Date of Registration: 18-05-2011 Registrar W. M. Muigai 265

20. THE FOLLOWING INSTRUMENT HAS BEEN REGISTERED AGAINST THE TITLE Discharge of Charge No. 19 above

Presentation No. 1354 Date of Registration: 18-12-2011 Registrar C. N. Kituyi 215

virtue of the title No 12 and 13 above...
 the instrument No 15...
 the instrument No 16...
 the instrument No 17...
 the instrument No 18...
 the instrument No 19...
 the instrument No 20...


THE FOLLOWING INSTRUMENT HAS BEEN REGISTERED AGAINST THE TITLE
Charge to Kenya Commercial Bank Limited.
For ~~USD~~ ^{USD} 3,400,000/-

(21) Presentation No. 238 Date of Registration: 18-12-2014
C. N. Kitanyi *215

THE FOLLOWING INSTRUMENT HAS BEEN REGISTERED AGAINST THE TITLE
Further charge to Kenya Commercial Bank Limited
For ~~USD~~ ^{USD} 200,000/-
Bank Pass Book No. 21 above

(22) Presentation No. 2164 Date of Registration: 20-8-2017
B. F. Aieno *208

500/-
20/-
520/-
15th September 2017
B. F. Aieno

	PROPERTY RATES PAYMENT REQUEST	Number	LR1901-28708	
		Date	23-Jan-2019	
LA Name: - 001 - NAIROBI CITY COUNTY				
CUSTOMER SERVICES OFFICE The Customer Services Office Notifies WASINI RESORTS LTD (108-02187-G)				
that the PROPERTY RATES payment for 1870/IV/14 /1870/IV/14 is due at the CASH OFFICE of the council				
DETAIL OF CHARGES				
NO.	Account Code	CostCentreID	Description	Amount (KSh)
1	1-2101	0304-02-00	Land Rates Current Year	52,875
				Bill Total Amount <u>52,875</u>
<i>Annual Rates : 52,875 Ground Rent : 0 Other Charges : 0 Total : 52,875</i>				
The total outstanding amount before payment is KShs. 52,875 NOTE : LATE PAYMENTS ATTRACT A PENALTY OF 3.00% PER MONTH FROM DUE DATE				
				Payment Information

(Customer Copy)