

KREAL/VAL/012/084/2016

23rd December, 2016

The Real Estate Services Manager,
Cytonn Real Estate,
P.O. Box 20695-00200,
NAIROBI-KENYA

Attn: Johnson Denge (Mr.)

Dear Sir,

**REPORT AND VALUATION
OF
L. R. NO. 5910 (ORIG NO. 92/1)
TATU CITY NEIGHBOURHOOD, KIAMBUCOUNTY
“I.N.O. CYTONN INVESTMENT PARTNERS FIVE LLP”**

Terms of reference:

We refer to your instructions requesting us to inspect the above captioned property with a view to advising on its market value for Audit purposes as at 31st December 2016. Here below is our report and valuation:-

LIMITING CONDITIONS

The property Report and Valuation is subject to the following limiting conditions:-

1. Neither the whole nor any part of this Report and Valuation or any reference to it may be included in any published document, circular to statement and/or published in any way without the prior written approval of the Company of the form and context in which it may appear.
2. 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 will accept no responsibility if this should prove not be so. Where information is given without being attributed directly to another party, this information has been obtained by our own search of records and examination of documents or by enquiry from Government or other appropriate departments.
3. The responsibility of the Company in connection with this Report and Valuation is limited to the client to whom the report is addressed and for the purposes to which it is intended.
4. The values assessed in this Report are the subject property and any allocation of values between parts of the property applies only in the terms of and for the purpose of this Report. The value assessed should not be used in conjunction with any other assessment as they may prove incorrect if so used.
5. While due care is taken to note significant building defects in the course of inspection this is a Report and Valuation and not a structural assessment and no guarantee is given in respect to rot, termite and pest infestation or any other defects whether exposed or unexposed.
6. Where market values are assessed, they reflect the full contract value and no account is taken of any liability to taxation on sale or of the costs involved in effecting a sale.
7. This valuation is invalid unless it is signed by an Authorized signatory and bears our Official Company Seal.

Basis of Valuation:

Market Value:

An opinion of the best price, at which the sale of an interest in property might be expected to have been completed unconditionally for cash consideration on the date of valuation, assuming: -

- i) a willing seller;
- ii) that, prior to the date of valuation, there had been a reasonable period (having regard to the nature of the property and the state of the market) for the proper marketing of the interest, for the agreement of the price and terms and for the completion of the sale.
- iii) that the state of the market, level of values and other circumstances were, on any earlier assumed date of exchange of contracts, the same as on date of valuation.
- iv) that no account is taken of any additional bid by a prospective purchaser with a special interest;
- v) that both parties to the transaction had acted knowledgeably, prudently and without compulsion.

Method of Valuation:

Comparable Approach:

This is also referred to as the **'Direct Capital Comparison Method'**. By this method, the valuer equates the value of the property under appraisal to the value of a known comparable property whereby the latter's value is taken to be the best price that can be obtained by the property being valued, with due allowance made for value affecting differences between the subject property and the comparable property such as condition, location, level and amount of services provided, accessibility, plot size, planning and zoning regulations, date of transaction, parties to the transaction, motive of sale and tenure and the unexpired term.

L.R. NO. 5910 (ORIG NO. 92/1) TATU CITY NEIGHBOURHOOD, KIAMBU COUNTY

Date of Inspection: 21st December 2016 by our valuer I.B. Oyuga.



SITUATION:

The parcel fronting an earthen access road is situated about 2.9 Kilometers due North of the Ruiru-Kiambu and access roads intersection. This intersection lies about 600 meters to the North East of Kamiti corner in the Tatu City neighbourhood of Kiambu County. A location sketch plan and a Google earth directional imagery are herein attached.

Survey Maps:

We have perused the relevant cadastral maps and in particular Folio No.40 Register No.353 registration section and confirm that the property described here in this report and valuation concurs with what we inspected on the ground.

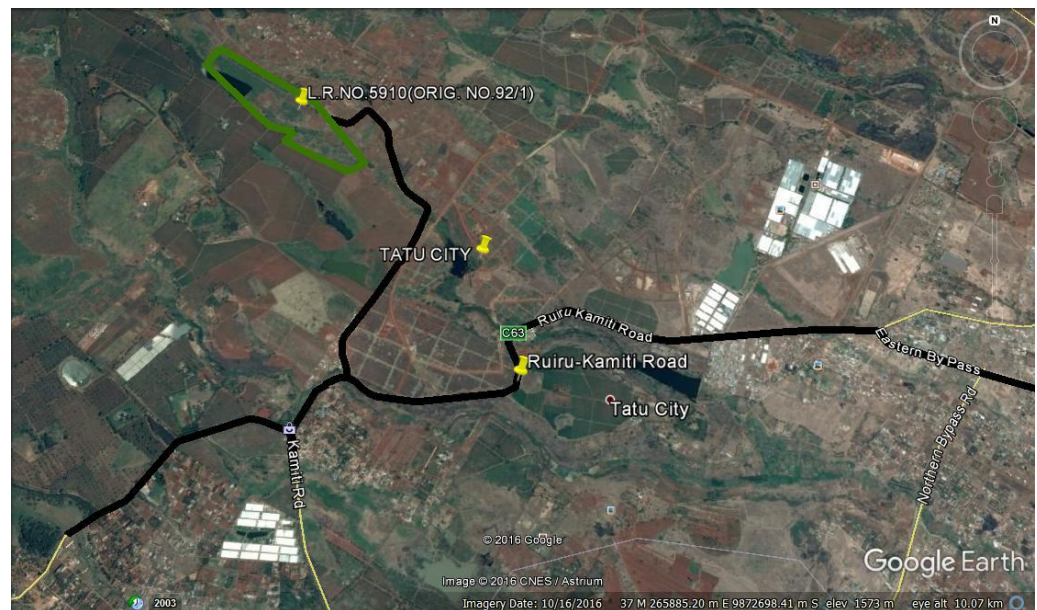
L.R. NO. 5910 (ORIG NO. 92/1) TATU CITY NEIGHBOURHOOD, KIAMBU COUNTY

Google Earth Imagery:

We confirm the directional imagery for the parcel from Google earth and the accompanying coordinates concurs with what we inspected on the ground.

The coordinates for the property identified are as follows:

Latitude	-1.1356720
Longitude	36.8809030

**TENURE:**

Freehold interest registered in the name of *Cytonn Investment Partners Five LLP*

Encumbrances:

Nil

L.R. NO. 5910 (ORIG NO. 92/1) TATU CITY NEIGHBOURHOOD, KIAMBU COUNTY

Land Rent and Land Rates:

We have applied for the land rate/rent statement for the parcel and will forward upon receipt.

AREA:

The parcel measures approximately *One Hundred (100) acres*

The Parcel:

This is a gently sloping gradient agricultural parcel of red loam soils whose boundaries are marked with Streams, barbed wire on wooden posts and live hedges. Access into the property is open.

IMPROVEMENTS: Developed on the property are two (2) housing units, four (4) stores and a pump room. In addition, the parcel has a dam and is grown with coffee bushes, trees, banana suckers and arrow roots.

We have ignored the developments in this report and valuation as they are in a poor state of repair and decoration and require overhaul (redevelopment).



L.R. NO. 5910 (ORIG NO. 92/1) TATU CITY NEIGHBOURHOOD, KIAMBU COUNTY

SERVICES: Mains water and electricity services are available in the neighbourhood for connection to the property. Foul drainage would be to a septic tank/ soak away pits. The immediate access road is murrum surfaced connecting to Ruiru-Kamiti road about 2.9 kilometers away.

REMARKS:

i). Title and Search:

In comparing the copy of the title provided and the property search undertaken, the registered owner, the title number, the parcel size, the tenure and encumbrance details are in harmony

ii). Search

A copy of the official search is herein attached.

iii). Neighbourhood

The immediate neighbourhood is characterized by mainly agricultural user. Gated towns like Tatu City and The Migaa are up-coming within this neighbourhood.

iv). Public User Compliance:

As per our field survey and title search; the subject property is not situated within a road reserve, public user/ utility plot, gazetted forest land, grabbed land, wetland, riparian wayleaves; and has not been mentioned in the Ndungu Report on *'Irregular/Illegal Allocation of Public Land in Kenya'*.

vi). Physical Planning Compliance:

As per our inspection and available information, the subject property has not received any notices of objection from the local relevant authority/ council.

L.R. NO. 5910 (ORIG NO. 92/1) TATU CITY NEIGHBOURHOOD, KIAMBU COUNTY

vii). Environmental Issues:

There are currently no environmental issues including contaminated land either on the subject of our valuation or on adjoining sites that could materially affect the value of the subject property.

viii). Title registration:

The ownership of the subject property is under the Government Land Act (Cap 280) of the Laws of Kenya now repealed. The certificate of ownership for the subject property was issued on 1st December 2016.

VALUATION:

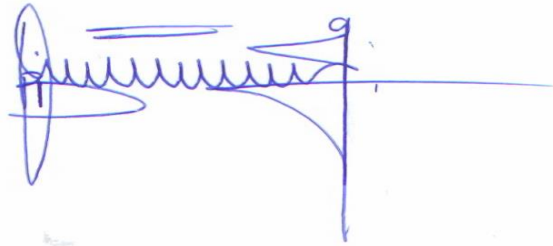
In our opinion, the market value of the unencumbered leasehold interest in **L.R. NO. 5910 (ORIG NO. 92/1) TATU CITY NEIGHBOURHOOD, KIAMBU COUNTY** for book purposes could be stated in the sum of **Kenya Shillings One Billion Five Hundred Million– (Kshs. 1,500,00,000.00)**

Concluding Remarks:

We confirm that neither Kenval Realtors (EA) Limited nor the valuer has any conflict of interest in providing this report and valuation and that we have no undisclosed relationship with the applicant(s).

Yours faithfully,

For: KENVAL REALTORS (EA) LIMITED

A handwritten signature in blue ink, appearing to be 'I. B. Oyuga', written over a horizontal line. The signature is stylized with a large initial 'I' and a long horizontal stroke.

I. B. OYUGA:

B.A. LAND ECON (HONS) NBI

M.I.S.K. REGISTERED VALUER

23rd December 2016