

DART REALTY (CAYMAN) LTD.

POSTAL: 10 MARKET ST., #772, CAMANA BAY GRAND CAYMAN KY1-9006
PHYSICAL: 89 NEXUS WAY, CAMANA BAY, GRAND CAYMAN
TEL: (345) 640 3600

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Ministry of Financial Services, Commerce and Environment
133 Elgin Avenue, Government Administration Building
BY EMAIL & HAND DELIVERY

Attn: Mr. Troy Jacob

Coastal Works Application for a Trial Site Investigation in Front of Block 11B17, Seven Mile Beach, Grand Cayman

Thank you for providing us with The Department of Environment (DoE) Technical Review Committee's report on our Coastal Works application for a trial site investigation in front of 11B17 for the removal of beachrock. We note that many of the items raised in the DoE report relate to a possible future Coastal Works application rather than the specific trial area, which is the subject of the Coastal Works application currently under consideration.

Purpose & Objectives of the Trial Coastal Works Application

The purpose of the limited site investigation is to determine the thickness of the formation, what underlies it, and to collect samples of submerged beachrock for further laboratory study. The investigation will also trial construction methodologies.

The objectives of the trial include:

- collecting samples of submerged beachrock for analysis by geologist Dr. Brian Jones
- conducting trials to determine a safe beachrock removal methodology
- ascertaining the thickness of the beachrock and what lies beneath it
- estimating how much sand – if any – would be required to cover the newly exposed seabed
- determine whether beachrock can be broken up and screened to produce useful beach replacement sand

The proposed methodology for the trial excavation of beachrock is required to validate our assumptions, however, as recommended by DoE and in furtherance of gathering additional data, we agree to supplement the trial investigation with additional cores advanced using a tripod rig.

The results and analysis of the information gathered from the proposed beachrock removal trial would inform whether we submit a future Coastal Works application.

Appointment of a Third Party Coastal Engineer

While we agree with DoE's suggestion that an independent third party coastal engineer is commissioned by the Government to evaluate the full beachrock removal proposal should we submit a second Coastal Works application, we do not believe this is necessary for the current Coastal Works application considering the limited area of the trial excavation.

Dr. Seymour's position on the Trial Coastal Works Application

We note DoE's concerns that Dr. Seymour may have misunderstood the scope of the main project. His opinion is clearly favourable for the minor beachrock removal that is the subject of the trial Coastal Works application.

Turtle Nesting

The protection of turtle nesting beaches is of paramount importance to Dart Realty, and we would take extraordinary precautions to contain the trial site and monitor nesting on a daily/nightly basis, working with the acknowledged experts to ensure no adverse effect.

Benthic Habitat

Comments in the DoE report on benthic habitat do not reference the comprehensive habitat assessment of the proposed trial project area conducted by marine biology consultants Cardno which found that diversity of coral species was significantly lower than in nearby areas in deeper waters and that the diversity of other marine species was also much lower than in nearby patch reef areas.

Separate from the Coastal Works application for the trial site investigation, we would like to discuss potential enhancements through alternative benthic habitat in deeper water farther offshore from the trial area. Our marine biology consultants have initial thoughts for artificial reefs which would be able to provide substrate for a much greater diversity of marine life than is currently found on the existing formations in the trial area.

Development and the Environment

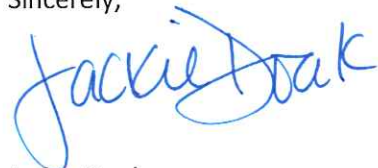
Achieving a delicate balance between economic development and environmental management requires a thoughtful approach and generational outlook. Dart Realty strives to deliver high quality sustainable development that aligns with the societal and ecological diversity of the Cayman Islands and will stand the test of time.

Dart Realty and its selected five-star operator have identified 11B17 as the preferred site of a luxury resort development given the parcel's beach frontage, accessibility, depth and pedestrian connection over to the Cayman Islands Yacht Club. This site allows us to locate the main buildings to the east of the natural vegetation line in accordance with the coastal construction setback guidelines outlined in the 2003 Beach Review Assessment Committee report. For your reference we have included a graphic that illustrates our conceptual site plan along with the trial investigation site that is the subject of this Coastal Works application.

As our properties developed in Cayman over the last two decades demonstrate, Dart Realty is a conscientious steward of land and resources. Those along Seven Mile Beach are particularly valuable, not only to Dart Realty as a landowner, but also to current and future generations of Caymanians and island visitors. We take our role in sustainable development very seriously and the trial site investigation is a manifestation of this carefully considered approach. Removal of beachrock is not an all or nothing proposition for us; we have submitted the Coastal Works application for the trial to gather additional information for further analysis so that all parties involved can make a fully-informed decision.

On behalf of Dart Realty, we thank you for your consideration and request approval of our Coastal Works application for a trial site investigation.

Sincerely,



Jackie Doak

cc:

Mr. Dax Basdeo Chief Officer, Ministry of Financial Services, Commerce & Environment

Mrs. Gina Ebanks-Petrie, Director, Department of Environment

Ms. Tamara Ebanks, Deputy Chief Officer, Ministry of Financial Services, Commerce & Environment

Coastal Work application for a trial site investigation in front of Block 11B17,
Seven Mile Beach, Grand Cayman



Trial site
investigation area

**DART
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CONCEPTUAL SITEPLAN FOR ILLUSTRATIVE PURPOSES ONLY