GRAND COURT OF THE CAYMAN ISLANDS

CAUSE NO:

BETWEEN: MELKO DOBROSLAVIC
RONALEE MURRAY-DOBROSLAVIC

PLAINTIFFS

AND:

(1) GRAND HARBOUR PROPERTIES LIMITED
(2) DALE CRIGHTON, AS DEVELOPER
(3) TREVOR WATKINS, AS LAND OWNER

DEFENDANTS

WRIT OF SUMMONS

TO: (1) Grand Harbour Properties Limited, Governor's Square, 2nd Floor, Lime Tree Bay Avenue, Grand Cayman, P.O. Box 1597, KY1-1110

(2) Dale Crighton of Crighton Properties Ltd., 260 Crew Road, Grand Cayman, P.O. Box 497, KY1-1106

(3) Trevor Watkins, 242 Edge Water Way, Grand Cayman, c/o Chart Limited, P.O. Box 1569, KY1-1110

THIS WRIT OF SUMMONS has been issued against you by the above named Plaintiffs in respect of claim set out on the next page.

Within 14 days after the service of this Writ on you, counting the day of service you must either satisfy the claim or return to the Court Office, PO Box 495G, George Town, Grand Cayman, the included Acknowledgment of Service stating therein if you intend to contest these proceedings.

If you fail to satisfy the claim or to return the Acknowledgment withing the time states, or if you return the Acknowledgment without stating therein an intention to contest the proceedings, the Plaintiffs may proceed with the action and judgment may be entered against you forthwith without further notice.

Issued this day of 2022

NOTE – This Writ may not be served later than 4 calendar months (or, if leave is required to effect service out of the jurisdiction 6 months beginning with the date of issue unless renewed by order of the Court.)

IMPORTANT

Directions for Acknowledgment of Service are given with the accompanying form.

STATEMENT OF CLAIM

Parties

1. The Plaintiffs are newly arrived to Grand Cayman and purchased Lot 43 in Harbour Reach, Grand Cayman on December 30, 2020.

2. The Defendant (1) is Grand Harbour Properties Ltd. And registered seller of Lot 43, Harbour Reach.

3. The Defendant (2) is Dale Crighton, part owner of the Defendant (1).

4. The Defendant (3) is Trevor Watkins, second owner of Defendant (1)

Cause of Action

5. The Cause of Action for Plaintiffs' Claim is misrepresentation and deceit under common law tortious principles in civil action. Defendant (1) is an entity that cannot make misrepresentation, but its owners did. That is why they are included as Defendants personally.

6. Land ready for building home: fully demucked to bedrock and filled with compacted aggregate. Plaintiffs assert that Defendants induced Plaintiffs to purchase the lot under false presentations in writing by Defendants. Plaintiffs subsequently became aware that written representations were false and knowingly use to induce Plaintiffs to buy.

Misrepresentation and Deceit Summary

7. Soon after settling on Island, Plaintiffs started looking for lot to build new home. At same time Plaintiffs looked for contractor to build the home. Plaintiff found Dave Thompson and he brought brochure to us about Harbour Reach. At that time we immediately drove to see subdivision and we noticed the sign on right hand side before the gate. Language on sign was similar as in brochure.

8. Relying on written presentation, Plaintiffs contacted Real Estate Broker, Robert Totten, with ERA Real Estate in order to make an offer.

9. The Plaintiffs bought the property, Lot 43 in Harbour Reach, on December 30, 2020.

10. The Plaintiffs hired contractor and we were informed that soil testing must be Performed before any building permit could be secured.

11. First engineer performed drilling and found that soil underneath is soft and Unstable and that piling was only option.

12. Plaintiffs questioned that and hired second engineer to make sure that piling is necessary. Second report was similar to first report and confirmed that piling must be used.

13. The results of the two reports were unexpected that we will have to use piling and that this is a very expensive process.

14. Relying on what was written by Developer on his brochure and his large sign before the gate, it became evident that negligent misrepresentation was specifically written to mislead and induce potential buyers in order to obtain higher price for the lots and to sell as many as they could as soon as they could.

15. Developer claimed in writing that they have gone to bed rock and replaced existing material with compacted aggregate to prevent need for expensive piling. That intentional statement was reckless and untrue due to fact that engineers went down to 19 feet and 21 feet depth to find bedrock.

16. Financing was already arranged with interest rate at 5% but construction could not start pursuant to above stated misrepresentation. Samples had revealed no aggregate ever went anywhere close to bed rock and that construction had to be delayed for seven months in order to complete engineers' and government requested piling which took seven months before government issued permit to proceed.

17. In meantime, Plaintiffs called Developer directly to secure a meeting at neutral ground at Grand Old House Restaurant. Dale Crighton arrived and quickly after introduction, we produced itemized costs of piling inclusive all related other costs which included interest on costs when waiting for government permit.
Dale Crighton looked quickly at list and he made statement to me and my wife that he came with intention that $9,000 was all that was required to settle differences. He became disinterested in any negotiations or any other talk as that matters. He pulled his chair, got up and started walking away. We barely managed to let him know we would see him in court to defend himself.
Dale Crighton has never contacted us since that meeting. He was adamant that we would have to absorb those costs.

18. There were 43 pilings required and stated above, they went 19 feet to 21 feet deep and were heavily reinforced by concrete and steel pursuant to engineers' and architect's requirements.

Misrepresentation and Deceit: Summary

19. In summary, the Plaintiffs' Claim for misrepresentation and deceit that the lots in Harbour Reach were fully demucked to bedrock and filled with compacted aggregate to avoid need of expensive piling caused financial damages in the amount of $70,000 plus interest. Specific damages are listed as part of this claim and inclusive attachment "Exhibit A".

20. Plaintiff further claims punitive damages due to fact that Defendants were fully aware that developed land is unsuitable to sustain weight of new construction and that piling will be required but went to great extent to mislead and claim intentionally that they had already prepared all land in Phase 2 to avoid piling requirement. Moreover, developer and sellers are very experienced and knowledgeable about land conditions in most if not all areas in Grand Cayman.

21. Misrepresentation and deceit were driven in order to obtain maximum profits from potential buyers including Plaintiffs herein. Their written statements are unacceptable, unwarranted , and against commons law on the books that are written not to protect developers but to protect public at large. Plaintiffs find that law governing developers is very similar to laws governing landlords and tenants. If it is ambiguous and unclear, judgments are awarded to tenants. Likewise, in development when intentional deceit and misrepresentation is involved, judgments are awarded to buyers who represent general public interests. In this case, Plaintiffs believe that punitive damages are appropriate in amount of $150,000 in order to stop developers ever again misrepresenting public at large, subject to Court's discretion.

22. The public at large in this case included an 84 year old buyer recently arrived in Grand Cayman without any knowledge that piling was required and that developers are decades in development and business and that they were fully aware of need for piling but intentionally and negligently used written language to deceit potential buyers.

23. Relying on untrue written statements of Defendants, Plaintiffs have suffered monetary and emotional damages not knowing such additional costs and they even questioned if they would ever be permitted to build their home on that land. That is why Plaintiffs believe that punitive damages in the amount of $150,000 are just and fair in order to restrain developers from doing it again.

24. Plaintiffs pray that Court will award:

1. Damages incurred of $47,371.40 CI
2. Seven Month Interest Delay from Bolas Report to Final Piling of $21,871.40 CI
3. Additional approximate interest on damages from Final Piling to house completion date expected to be February 28, 2023, 15 months @ 4% (adjusted if completion is sooner or later) of $2,368.57. CI
4. Punitive damages of $150,000.00 CI
5. Court Costs.
6. Attorney Fees if it becomes necessary.
7. Pre-judgment and post-judgment interest.

25. Plaintiffs reserve the right to amend our Statement of Claim if it becomes evident and necessary to do so. Furthermore, Plaintiffs reserve the right to hire an attorney if

Defendants' conduct warrants that and in that case we ask the Court to allow for all additional legal costs.

26. Attached to this Statement of Claim are:

Addendum A Damages

Addendum B Bolos Engineering Report

Addendum C APEC Consulting Engineers Report

Addendum D Defendants' Statements in Advertising Brochure

Addendum E Defendants' Statements on Sign entering Harbour Reach

DATED this 26 day of May, 2022

Melko Dobroslavic (Plaintiff) acting in person

Ronalee Murray-Dobroslavic (Plaintiff) acting in person

Addendum A

HARBOUR REACH, LOT 43

TOTAL DAMAGES FOR 7 MONTH DELAY DUE TO MISREPRESENTATION

Bolas Engineering	Geo Tech Fee	$1,000.00
APEC Consulting	Sub Soils Report	1,500.00
Watler & Hislop	Boreholes & PVC	835.00
Cox Lumber	Piles	12,500.00
National Concrete	Concrete in Piles	16,224.00
Industrial Services	Auger	13,876.45
A.L. Thompson	Lumber 20% Additional Cost for 30" Footings Rather Than Standard 24"	1,435.95
	Total Additional Cost	$47,371.40

7 Month Interest Delay from Bolas Report to final Piling $21,871.40

Additional Approximate Interest On Additional Cost $47,371.40 from Final piling until expected home Completion Feb. 28, 2023 15 months (adjusted if completion is sooner or later) 4% $2,368.57

Addendum B

GEOTECHNICAL REPORT

Foster Residence

Harbour Reach
Block 22E Parcel 513
Grand Cayman, Cayman Islands

May 1, 2021

Project Number: BE2021-028

Client: Ms. Jordyn Foster

BOLAS
Engineering Ltd.
Structural and Civil Engineering

10 Market Street, Box #239 Grand Cayman, Cayman Islands KY1-9006
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info@bolasengineering.com
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CONTENTS

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info@bolasengineering.com
www.bolasengineering.com

BOLAS Engineering, ltd.

May 1, 2021

TO: Jordyn Foster
C/O Design Cayman limited
Unit 16 Breezy Castle
P.O. Box 10315
Grand Cayman KY1-1003

RE: **Geotechnical Investigation**
Foster Residence – Block 22E Parcel 513
Grand Cayman, Cayman Islands
Our Reference: BE2021-017

INTRODUCTION

Dear Ms. Foster:

Per your request, BOLAS Engineering has conducted a geotechnical site observation of the above referenced project. The geotechnical site observation was supervised by Bolas Engineering. The objectives are as follows:

- Observe the subsurface soil conditions within the proposed building footprint area.
- Recommendation of suitable foundation options for a proposed 2 story residential house.

Limitations on use and liability

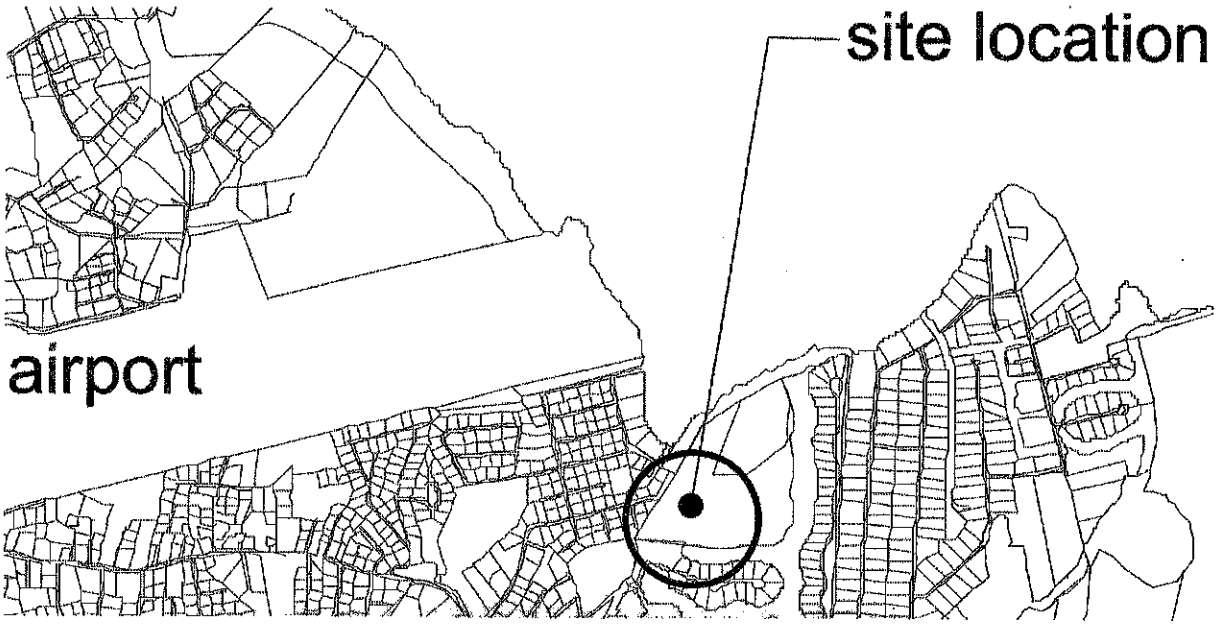
The ground is a product of continuing natural and man-made processes and therefore exhibits a variety of characteristics and properties which vary from place to place and can change with time. Geotechnical and environmental engineering involve gathering and assimilating limited facts about these characteristics and properties to understand or predict the behavior of the ground and groundwater on a particular site under certain conditions. BOLAS Engineering may report such facts obtained by visual inspection, excavation, probing, sampling, testing or other means of investigation. If so they are directly relevant only to the ground and groundwater at the place where and at the time of when the investigation was carried out and are believed to be reported accurately. Any interpretation or recommendation given by BOLAS Engineering shall be understood to be based on judgment and experience and not on greater knowledge of the facts than the reported investigations would imply. The interpretation and recommendations are therefore opinions provided for our Client's sole use in accordance with a specific brief. As such they do not necessarily address all aspects of ground behavior on the subject site.

BOLAS Engineering, ltd.

THE SITE

Location

The proposed site is located as shown below. The site elevation for proposed development is relatively flat and approximately 4 feet above sea-level with low-lying grass.



Proposed Development

Based on our discussion with the client of this soil's investigation, we understand that the proposed development will consist of one (1) two-story residential house approximately 5000 sq. ft. and one (1) pool and pool patio (approximately 1100 sq ft).

GROUND INVESTIGATION

Fieldwork

The fieldwork comprised the excavation of four (4) trial pits. The trial pits were excavated on Thursday the 11th of March 2021 using a rubber-tire backhoe provided by Owen McGee Backhoe Services. The trial pit locations were positioned approximately within the footprint of the proposed structure. All fieldwork was supervised and logged by BOLAS Engineering ltd.

The trial pits were excavated down to 11 feet below existing grade without finding solid rock. For detail of soil conditions please refer to trial pit logs and photographs of soil conditions found for each of the trial pits.

BOLAS Engineering, ltd.

GROUND CONDITIONS

This section of the report provides information on the observed ground conditions encountered within the trial pits excavated during the investigation.

General Stratigraphy

The stratigraphy encountered at the site comprised the following:

LOG OF TRIAL PIT #1 *(Existing grade, approx. flush with crown of road)*

- 6-inches of soft top soil and Loosely compacted beige to white marl weakly cemented, matrix of sand to cobble-size, ¾" to 2" fragments.....**-0'-0" to -3'-0"**
- A inconsistent layer of peat running horizontally mixed with well-compacted beige/white marl .....**-3'-0" to -6'-0"**
- Well-compacted medium dense beige to white marl weakly cemented, matrix of sand to cobble-size, ¾" to 3" fragments.....**-6'-0" to -11'-0"**
    - **Roots mixed within existing marl layer at 5'-0" below existing grade**
    - **Tree logs mixed within existing marl layer at 8'-0" below existing grade**
- **Water entered the test pit at approximately -4'-0" below existing grade.**
- **Test Pit dig terminated due to the depth limitation of the backhoe arm. Bedrock was not found.**

LOG OF TRIAL PIT #2 *(Existing grade, approx. flush with crown of road)*

- 6-inches of soft top soil and Loosely compacted beige to white marl weakly cemented, matrix of sand to cobble-size, ¾" to 2" fragments.....**-0'-0" to -8'-0"**
- A inconsistent layer of peat running horizontally mixed with soft beige/white marl .....**-8'-0" to -10'-0"**
- Soft to medium dense beige to white marl weakly cemented, matrix of sand to cobble-size, ¾" to 3" fragments.....**-10'-0" to -11'-0"**
- **Water entered the test pit at approximately -4'-0" below existing grade.**
- **Test Pit dig terminated due to the depth limitation of the backhoe arm. Bedrock was not found.**

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LOG OF TRIAL PIT #3 *(Existing grade, approx. flush with crown of road)*

- 6-inches of soft top soil and Loosely compacted beige to white marl weakly cemented, matrix of sand to cobble-size, ¾" to 2" fragments.....**-0'-0" to -5'-0"**
- A inconsistent layer of peat running horizontally mixed with soft beige/white marl .....**-5'-0" to -8'-0"**
- Well compacted medium dense beige to white marl weakly cemented, matrix of sand to cobble-size, ¾" to 3" fragments.....**-8'-0" to -11'-0"**
- **Water entered the test pit at approximately -4'-0" below existing grade.**
- **Test Pit dig terminated due to the depth limitation of the backhoe arm. Bedrock was not found.**

LOG OF TRIAL PIT #4

- 6-inches of soft top soil and Loosely compacted beige to white marl weakly cemented, matrix of sand to cobble-size, ¾" to 3" fragments.....**-0'-0" to -4'-0"**
- A inconsistent layer of peat running horizontally mixed with soft beige/white marl .....**-4'-0" to -9'-0"**
- Loosely compacted beige to white marl weakly cemented, matrix of sand to cobble-size, ¾" to 3" fragments.....**-9'-0" to -11'-0"**
- **Water entered the test pit at approximately -4'-0" below existing grade.**
- **Test Pit dig terminated due to the depth limitation of the backhoe arm. Bedrock was not found.**

RECOMMENDED FOUNDATION

Based on our soils investigation for the referenced building site, we find the upper 11 feet of the soil profile unsuitable for the use of shallow foundations (strip and/or isolated pad foundations) and we find that the proposed residential house would require deep-foundations. From inspection of proposed building area for the proposed residential house, we found mostly soft layers of marl mixed with inconsistent layers of peat throughout. From there downward, the layers of is made up of an inconsistent layer of well-compacted marl in two of the test pits but soft marl in the other two. This type of soil offers, at best, an approximate unsuitable bearing capacity of 500 psf.

In addition, within the 11 feet of test dig, we did not find the top of bedrock. Consideration may be given that bedrock could be present just beyond the 11 feet test depth; however, even if bedrock were found at 12 feet, the consideration of back-filling with properly compacted structural fill will more than likely prove more expensive than the cost of deep foundations.

BOLAS
Engineering, ltd.

It is our recommendation that a deep-foundation system such as, reinforced concrete cylindrical piles combined with reinforced concrete grade beams be considered for the proposed project. A piled foundation supported on the limestone bedrock is the most appropriate system for this site where each pile (12-inch diameter or greater) can be expected to produce a compressive load capacity of at least 60 tons per pile.

If the client would like, and for an additional fee, we can conduct a further investigation to verify the depth of bedrock and the bedrock stability (thickness/voids) by making, as a minimum, a series of three to four bore holes, spread out over the area, down to bedrock and then extract a core sample of the bedrock for each hole. This investigation would only provide a "rough-estimate" of the depth of rock which may assist the client/builder with anticipated pile costs. Please refer to our fee proposal for pricing per borehole.

CLOSURE

We trust the information in this report meets your requirements currently. We appreciate the opportunity to continue our involvement in this project. Should you have any questions, or require additional information, please do not hesitate to contact us at your convenience.

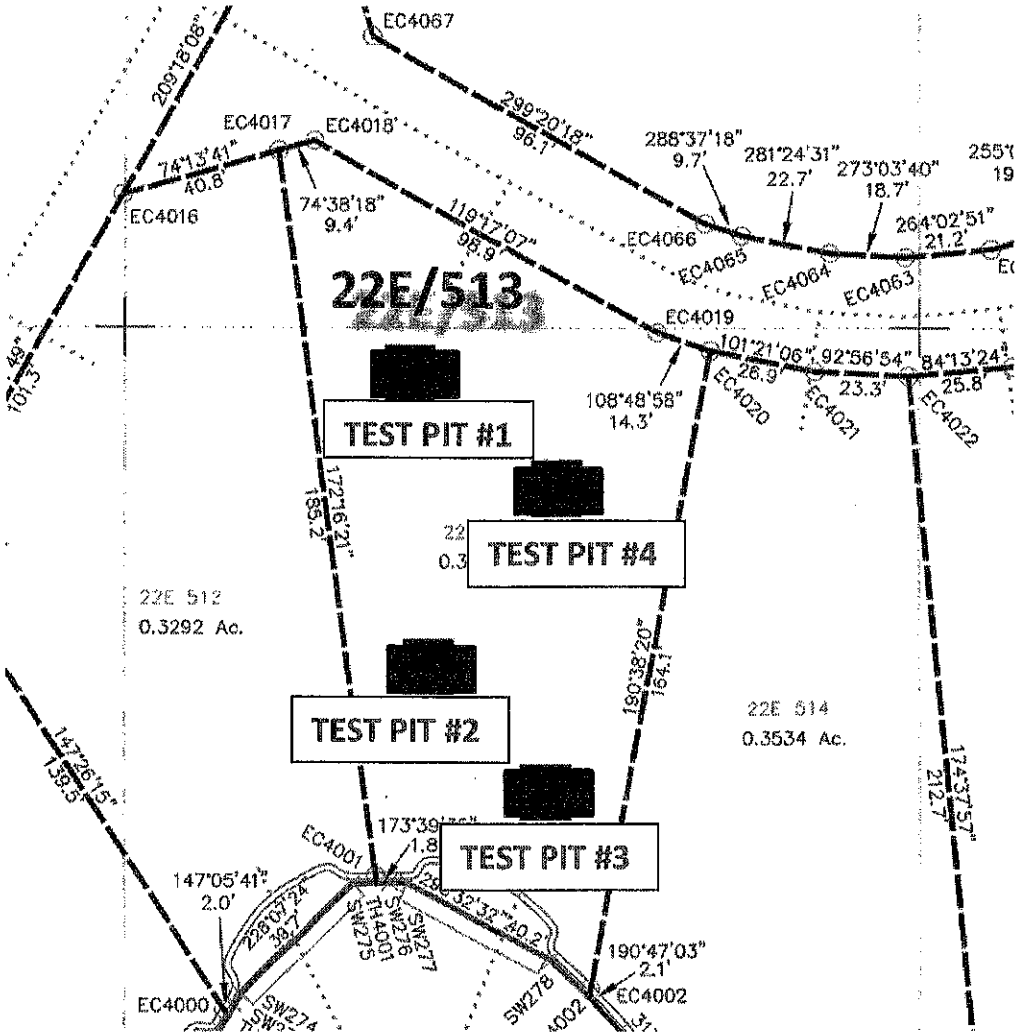
Certifying Correct,

Thomas M. Bolas
Structural Engineer, Principal
BOLAS Engineers, Ltd.

Attach: Figure 1 – Test Pit Location Plan
Photos – Test Pits 1 through 5

BOLAS Engineering, ltd.

APPENDIX A



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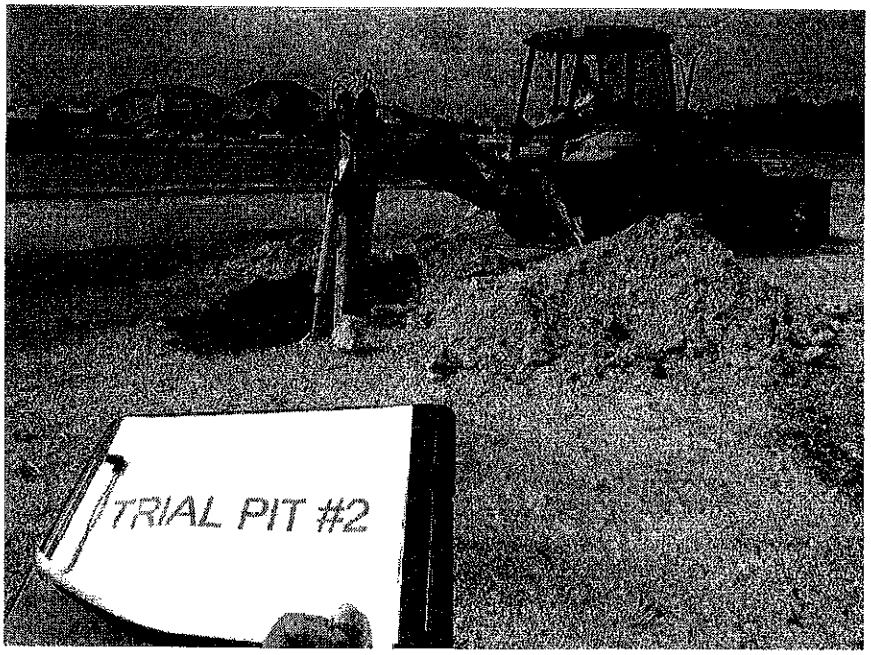
TEST PIT #1 LOCATION

TEST PIT #1

BOLAS Engineering, ltd.

TEST PIT #2 SAMPLES

TEST PIT #2 LOCATION



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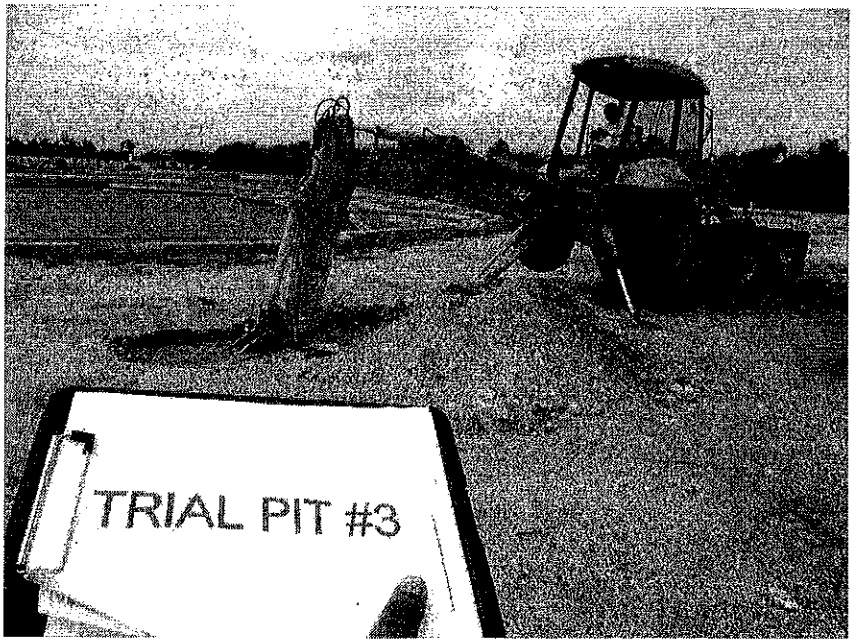
TEST PIT 3-2

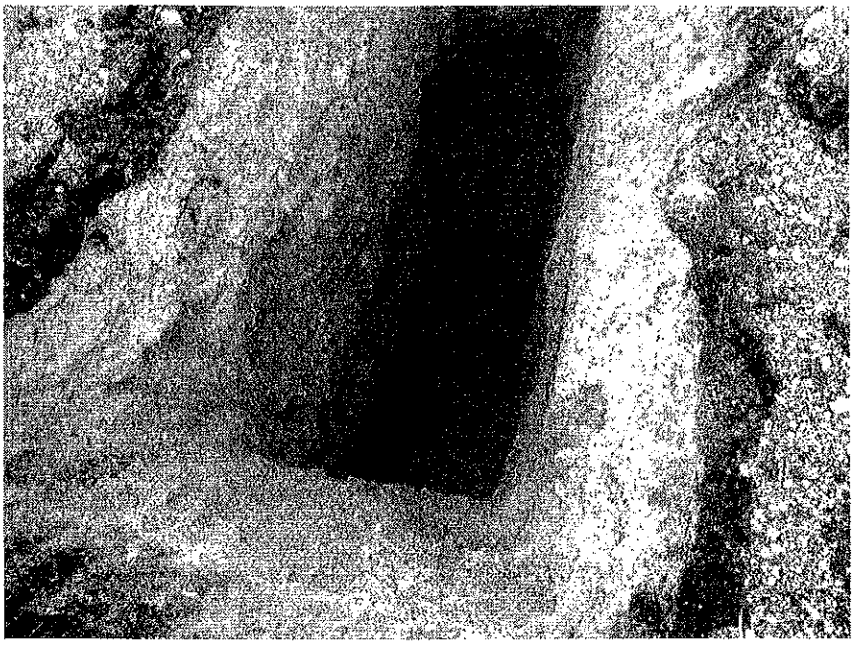
TEST PIT 3-2 SAMPLE 3

BOLAS Engineering, ltd.

TEST PIT #3 LOCATION



TEST PIT #3



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TEST PIT #3 SAMPLES

TEST PIT #4 LOCATION

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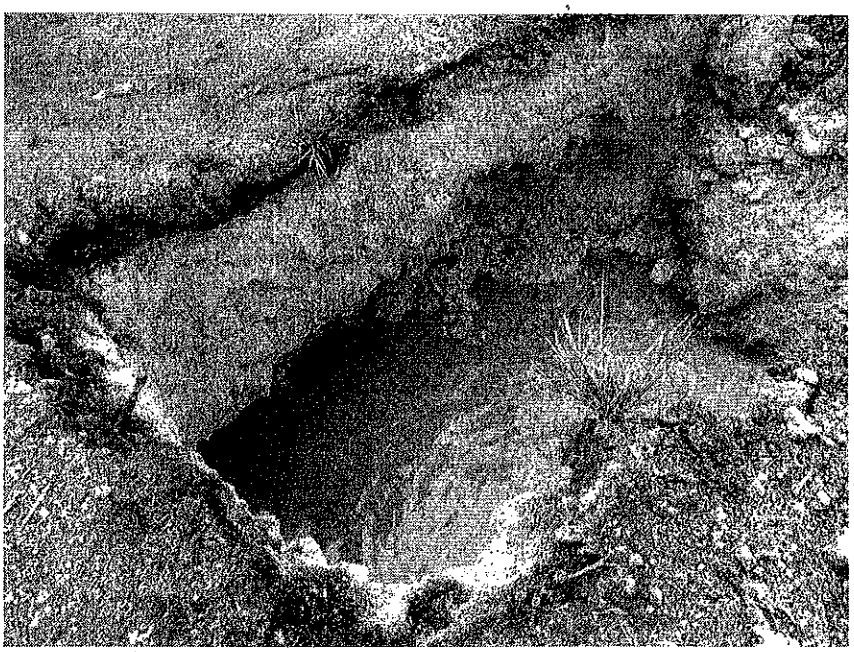
TEST PIT #1



TEST PIT #2
SAMPLES

Addendum C

APEC Consulting Engineers Ltd
PO Box 10118, Grand Cayman KY1-1001, Cayman Islands
Ph: (345) 949-5858 Fax: (345) 945-7585 E-mail: apec@apec.com.ky

Client: Jordyn Foster

Job: Block 22E / Parcel 513
Harbour Reach
Grand Harbour
Grand Cayman

Architect: Design Cayman Ltd

Date: July 30, 2021

SUBSOILS INVESTIGATION AT BLOCK 22E PARCEL 513, HARBOUR REACH, GRAND HARBOUR, GRAND CAYMAN AND RECOMMENDATIONS FOR SUITABLE FOUNDATIONS

1.0 INTRODUCTION

In accordance with our accepted proposal, APEC Consulting Engineers Ltd carried out a subsoils investigation of the above site on June 10th, 2021. Five trial pits were excavated by tracked excavator to depths of between seven (7) and thirteen (13) feet (ft) below mean sea level (MSL). The following summarizes the results of the investigation. Recommendations are provided for a suitable residential building foundation system(s).

The site is located in Harbour Reach at Grand Harbour. It is bounded by an unnamed subdivision access roadway to the north, by a canal to the south, and vacant plots to the east and west. The site is currently vacant. It has been filled by the subdivision developer to an estimated elevation of four (4) ft above MSL. A terrain map prepared using Cayman Islands Lands & Survey aerial photography forms part of the attached trial pit location plan.

2.0 SCOPE AND LIMITATIONS OF REPORT

This report comprises a description of the field investigation carried out under APEC's supervision; a geotechnical engineering appraisal of the sub-surface soil conditions and recommendations for foundation system(s) and corresponding engineering parameters for foundation design. A desktop review of the site was carried out including a review of historic aerial photography of the site and of geotechnical reports of nearby sites if present in the APEC records. The recommendations and conclusions contained in this report are based on the results of subsoil investigations made at specific locations on the site and from previous subsoils investigations conducted by APEC on nearby sites if available. These results are extrapolated to give an overall impression of the prevailing soils condition. Local deviation from the conditions predicted in this report may occur. The nature or extent of variations throughout the subsurface profile may not become evident until the time of construction. If variations become evident, it may be necessary to re-evaluate the recommendations provided in this report. The findings and recommendations given in this report are for general guidance purposes only given the very limited

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nature of this investigation. It is the building constructor's responsibility to determine the site conditions for himself and bring any pertinent deviations from the findings of this report to our immediate attention to allow APEC review and potentially revise its recommendations for the foundation systems.

APEC's liability to owner or client for any loss, claim, or damage arising from or as a result of the APEC's services provided as part of this geotechnical investigation and report, including without limitation, any loss, claim, or damage arising out of APEC's errors, omissions, ordinary negligence, or professional negligence is limited solely and exclusively to the amount of the Engineer's fee for this report actually paid between the parties to this service.

This report is intended for use by the client or his/her agents for the foundation design of the above-mentioned project only. This report may not be relied upon by a third party for any purpose without the written consent of this practice. No liability is assumed to any third party using this report for whatever reason. This report has been prepared in accordance with generally accepted local geotechnical engineering practices; no other warranty is expressed or implied. The Cayman Islands are prone to seismic activity, hurricanes and tropical storms. As well as strong winds, these storms are often accompanied by flooding and strong sea action. The magnitude of the likely damage to a property due to these environmental loads is dependent on many factors. Amongst these is the proximity to the shore line, elevation of the building in relation to mean sea level (MSL), the provision of sea defense structures and the installation of effective hurricane shelters / hurricane rated doors and windows and the type of construction.

The Cayman Islands are prone to seismic activity, hurricanes and tropical storms. As well as strong winds, these storms are often accompanied by flooding and strong sea action. The magnitude of the likely damage to a property due to these environmental loads is dependent on many factors. Amongst these is the proximity to the shore line, elevation of the building in relation to MSL, the provision of sea defense structures and barriers, and the installation of effective hurricane shelters / hurricane rated doors and windows and the type of construction.

The flood elevation in this part of Grand Cayman during Hurricane Ivan was as high as 8 feet above MSL. A previous environmental assessment report commissioned for a property fronting the North Sound predicted a maximum storm surge of +8 ft MSL (including tide and local wind set up) representing the 100-year storm, based on studies by studies by Glenn, 1977, Wickstead, 1976, Dames and Moore, 1985. This surge height would allow the generation of storm waves of 7 feet resulting in a wave crest elevation of 15 ft above MSL in a worst-case scenario, with waves breaking at the North Sound shoreline. The seafront property is protected by a narrow Mangrove buffer. Flood waters are likely to be the major cause of damage during a storm event but some wave action would also be expected. APEC recommends that all habitable areas for this canal fronting site be placed at a minimum of 10 ft above MSL in response to site and architectural design considerations. Placing the first habitable floor as close to 15 feet as possible reduces the risk of inundation.

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PO Box 10118, Grand Cayman KY1-1001, Cayman Islands
Ph: (345) 949-5858 Fax: (345) 945-7585 E-mail: apec@apec.com.ky

The minimum habitable floor elevation is based on the height of flooding which occurred in this area of Grand Cayman during Hurricane Ivan (2004) and the fact that the highest flood elevations recorded during Ivan reportedly occurred at low tide. If the flood high waters occurred at high tide the flood waters would have reached 10 ft above MSL.

Please refer to the attached base flood elevation information extracted from U.S. FEMA requirements for coastal zones. The intent of the FEMA guidelines is to keep habitable floor levels above the predicted storm wave heights and to allow floodwaters to flow through the submerged parts of the structure with minimal damage to structural elements and finishes. Please note that adherence to the FEMA guidelines is not a Cayman Islands Government requirement. The likely location of the main buildings on this site falls within the FEMA Coastal A designation.

It is important to note that the Cayman Islands Planning Department requires that the lowest (non-protected basement) finished floor level should be at least seven feet (7ft) above MSL, [i.e. four feet (4ft) above the Vidal Bench Mark] for this area of Grand Cayman. The Department does **NOT** require the (ground or habitable) floor levels to be placed at the higher levels recommended in this report. The decision on the elevation of building floors above the Planning Department's minimum of 7 ft above MSL is entirely at the Owner's discretion.

3.0 SUMMARY OF SUBSOILS ENCOUNTERED

Generally, the following subsoils conditions were encountered during the trial pit investigation:

SOIL TYPE	LAYER THICKNESS
1) Imported 'shotrock' fill with boulders/construction rubble	3 to 9 ft
2) Highly compressible organic material	1 to 4 ft
3) Native Ironshore Formation ('marl')	2 ft proven

The soil conditions did not vary significantly throughout the site. In all trial pits a layer of shot rock and 'marl' fill up to 9 ft thick overlaid a one (1) to four (4) ft layer of highly compressible organic material 'peat'. The shotrock fill layer contained large boulders which were difficult to dig around – two of the trial pits contained large pieces of precast concrete elements which were also difficult to dig past. The Ironshore Formation 'marl' was encountered under the fill material at between three (3) and five (5) ft below MSL. A deeper pocket, or 'mole hole', of highly compressible organic material was encountered in trial pit number three extending to approximately 6.5 ft below MSL.

APEC Consulting Engineers Ltd
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Borehole investigations were not carried out on site therefore the depth to rock head could not be accurately determined.

Typically, ground water in Cayman is currently found at +1 to +2.25 ft above MSL depending on local tide and rainfall conditions.

4.0 RECOMMENDATIONS

4.1 Recommendations for Appropriate Foundations

The following recommendations are based on architectural plans received by APEC from Design Cayman Ltd on May 26th for a 2-storey dwelling with swimming pool and deck areas. Given the presence of some unsuitable and inconsistent fill material combined with unsuitable organic material, a piled foundation is our recommended solution to overcome these challenges to the construction of a suitable foundation.

4.2 Cast-In-Place Continuous Flight Auger (CFA) Piles with Grade Beams

A suitable foundation system for the residence proposed for this site would be to construct reinforced concrete grade beams and suspended ground level slabs which are supported on an arrangement of 16-inch diameter cast-in-place CFA reinforced concrete piles. The piling rig employed to carry out the works must have an auger drive head with a minimum static weight of 10,000 pounds, 110 horsepower and 40,000 ft.lbs. torque. An allowable load capacity of 50 tons per pile can be assumed for the design of the foundations (subject to confirmation by a borehole investigation). The piles must be drilled into limestone bedrock to achieve a minimum of two-foot embedment into the rock layer and drilled for a minimum drilling time when reaching refusal at max torque for 15 minutes. Concrete grout for the piles should have a minimum compressive strength of 5,000 pounds per square inch (psi) at 28 days.

Attention is drawn to the boulders and construction rubble in the existing fill material. These may obstruct the auger during the pile installation process. This may require having an excavator on standby to clear ~~obstuctions~~obstructions from the proposed pile locations prior to the commencement of pile drilling. Obstructions may be encountered up to d depth of 10 feet from the surface as noted in Section 3.0.

A consideration for the piling solution is the presence of cavities in the rock which can greatly increase the amount of grout required for piling, leading to significant extra cost to the piling contract. Only piling contractors experienced in augercast piling using appropriate construction equipment and techniques should be considered for the project.

The top of rock level and the competency of the rock strata could not be determined during the trial pit excavation. Further geotechnical investigation is recommended to determine the depth to suitable rock

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head and to ensure that the pile tip is set in competent rock. This would involve advancing two (2) borehole and taking rock core samples for review.

Fill material required to achieve the selected building floor elevation should be in accordance with **Section 4.3**.

Given the presence of compressible organic material under the proposed building footprint, consideration should be given to suspending all services lines running under the ground floor slab.

4.3 Fill

Imported fill required to raise the site elevations and to support structural foundations and ground floor slabs should comply with acceptable engineering gradations and be compacted in layers (12-inch max loose) to achieve the required modified proctor in situ density (normally above 95%).

4.4 Hardstanding

A 10-ton vibrating roller should be used to proof roll areas of hard standing (30 passes minimum). Any additional fill required to raise the elevation of the site should be engineered rock fill. This fill should be placed and compacted to 95% of the maximum dry density in layers not exceeding twelve (12) inches in thickness, or as directed by the Structural Engineer. Pavement grading should be sufficient to maintain positive drainage flow in the likely event of differential settlement due to the retained underlying peat layer.

4.5 Protection of Foundation Structures

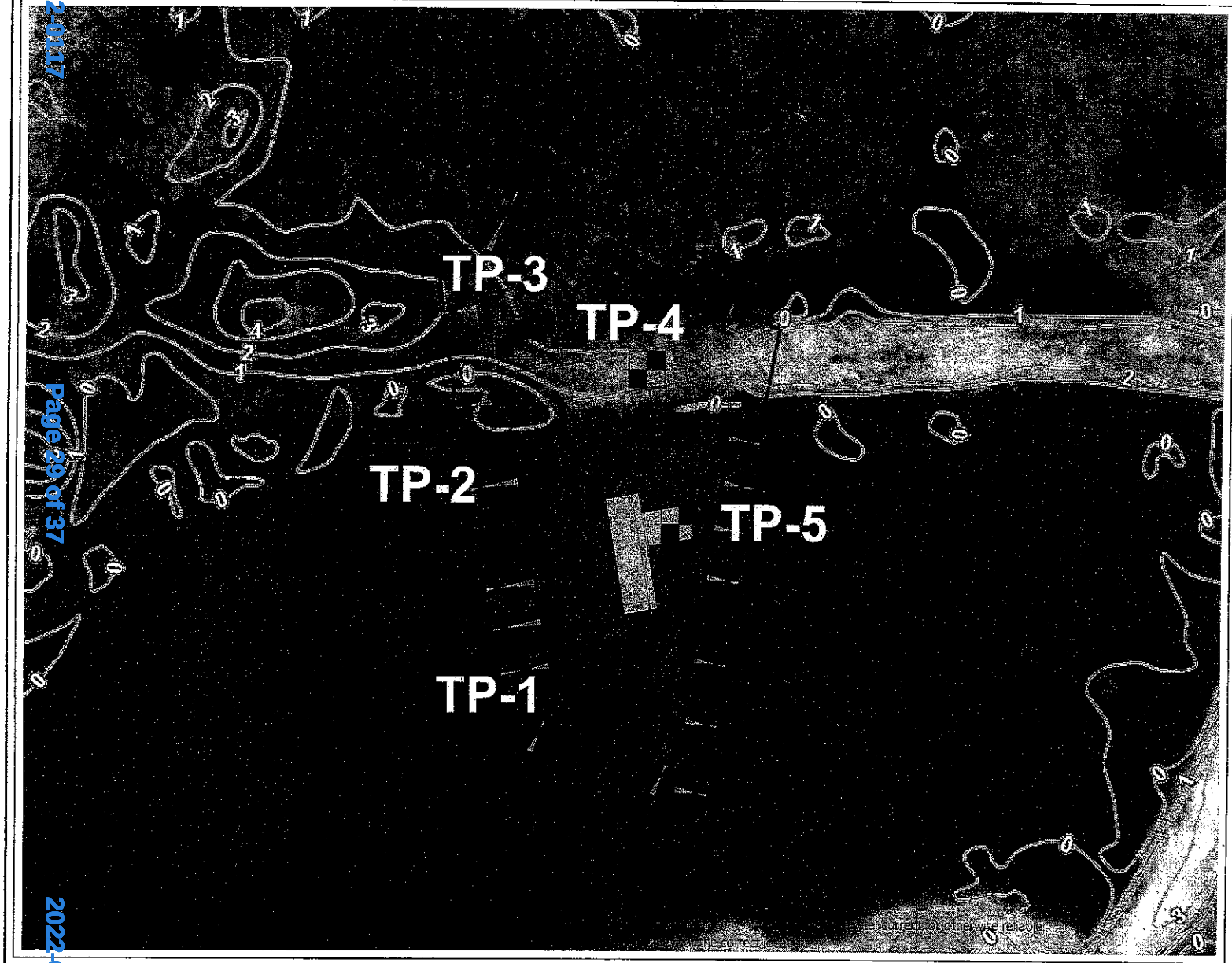
A minimum of 4,000 psi concrete is recommended for all reinforced concrete in contact with ground water. This is to ensure resistance to sulphate attack.

Attachments:

- Site aerial photograph & terrain map with trial pit locations
- Base flood elevation information

Site aerial photograph & terrain map with trial pit locations

APEC



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Notes

[Add Map Notes]

93.3 0 46.64 93.3 Feet

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CAYMAN LAND INFO

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BASE FLOOD ELEVATION, BFE

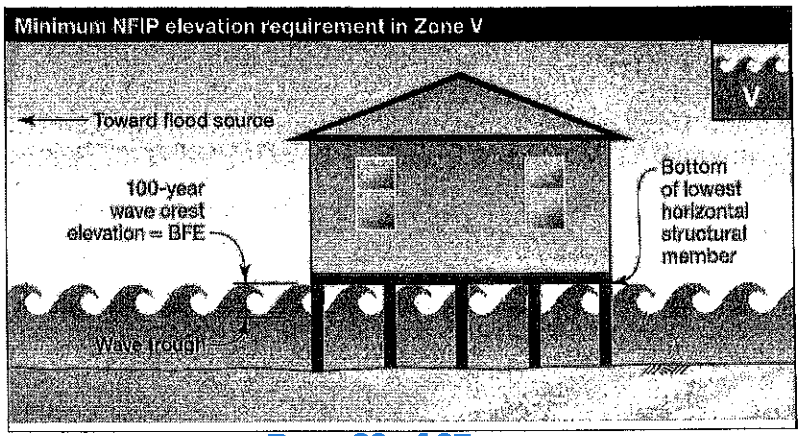
To determine BFE's for areas affected by coastal flooding, FEMA computes 100-year stillwater elevations and then determines the maximum 100-year wave heights associated with those stillwater elevations. Stillwater elevations are the elevations of the water surface resulting solely from storm surge. Wave heights are the heights above the wave trough of the crests of wind-driven waves. The BFE's shown for coastal flood hazard areas are established at the maximum elevation of the wave crest. Wave crest elevations are greater where the upland topography is gentle.
[Please note that there are no equivalent Coastal Flood Maps for the Cayman Islands.]

COASTAL V ZONE

The portion of the Special Flood Hazard Areas (SFHA) that extends from offshore to the inland limit of a primary frontal dune along an open coast, and any other area subject to high-velocity wave action from storms or seismic sources. The minimum requirements regarding construction in V zones are more stringent than those regarding A-zones construction. V-zone requirements account for the additional hazards associated with high-velocity wave action, such as the impact of waves and waterborne debris and the effects of severe scour and erosion. V-zones are generally based on wave heights (3 feet or greater) or wave run-up depths (3 feet or greater).

Requirements:

1. Buildings must be located landward of the reach of mean high tide. Manmade alterations of sand dunes or mangrove stands are prohibited if those alterations would increase potential flood damage.
2. Buildings must be elevated on pilings, posts, piers or columns so that the bottom of the lowest horizontal structural member of the lowest floor is at or above the BFE (see fig 6-3)
3. The piling or column foundations must be anchored to resist flotation collapse and lateral movement due to the effects of wind and water loads acting simultaneously on all components of the building. A registered engineer must certify that the design and methods of construction to be used are in accordance with accepted standards of practice for meeting the building elevation and foundation design standards. Erosion control structures and other structures such as bulkheads, seawalls, and retaining walls may not be attached to the building or its foundation.
4. Fill may not be used for the structural support of any building within Zone V. Fill may be used for minor landscaping and site drainage purposes.
5. The space below the BFE must either be free of obstructions or enclosed only be non-supporting breakaway walls, open wood latticework, or insect screening intended to collapse under water loads without causing collapse to the elevated portion of the building or the supporting foundation system. Additional requirements apply to the use of an enclosed area below the BFE – it may be used only for parking, building access, or storage and it must be constructed of flood-resistant material.



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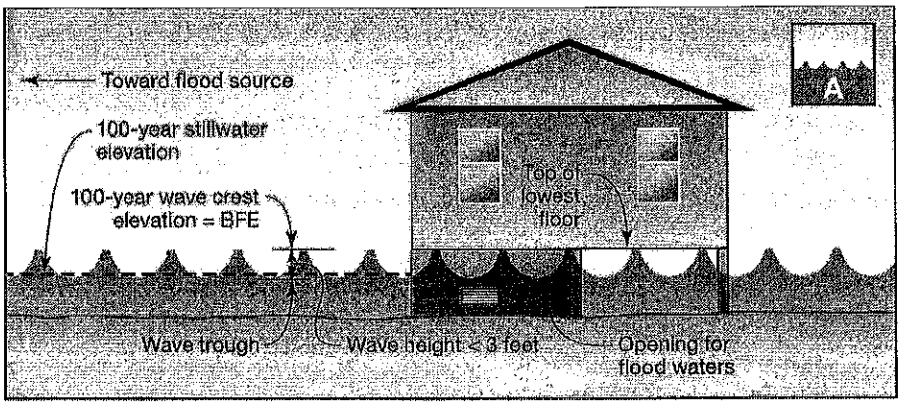
COASTAL A ZONE

The portion of the SFHA landward of a V Zone or landward of an open coast without mapped V zones in which the principle sources of flooding are astronomical tides, storm surges, seiches, or tsunamis, not riverine sources. Like the flood forces in V zones, those in coastal A zones are highly correlated with coastal winds or coastal seismic activity. Coastal A zones may therefore be subject to wave effects, velocity flows, erosion, scour, or combinations of these forces. The forces in A zones are not as severe as those in V zones but are still capable of damaging or destroying buildings on inadequate foundations. Although both A zones and V zones designate areas at risk from a flood of the same magnitude, the hazard in V zones is greater because of the presence of breaking waves with heights equal to or greater than 3 feet. Buildings in A zones may be subject to breaking waves with heights less than 3 feet and wave runup with depths less than 3 feet.

Requirements:

1. The lowest floors of buildings in A zone must be at or above the BFE.
2. Foundation walls below the BFE must be equipped with openings that allow the entry of flood waters so that interior and exterior hydrostatic pressures can equalize.
3. Regulations allow dry-floodproofing of non-residential buildings in A zones. Dry-floodproofing refers to making the portion of a building below the BFE or base flood depth watertight, with walls substantially impermeable to the passage of water and with structural components capable of resisting hydrostatic, hydrodynamic loads and the effects of buoyancy. The design, specification and construction must be certified by a registered professional engineer.



SUMMARY & CONCLUSIONS

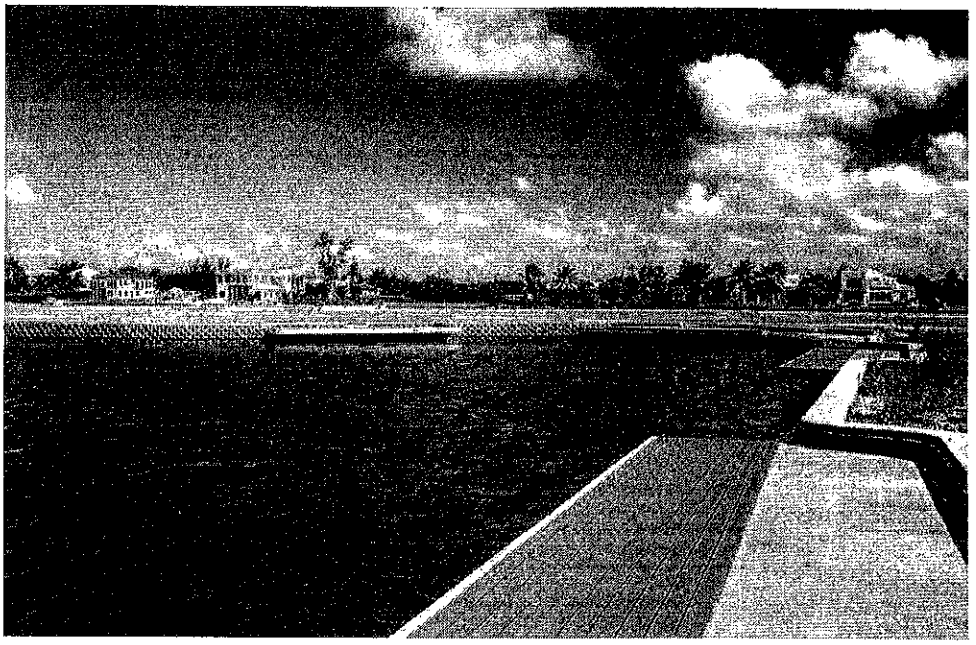
Under the FEMA classification, the site would be located within a coastal A zone. Without the benefit of an in-depth site specific study, alternate evidence must be used to determine the BFE. The stillwater elevation recorded during Hurricane Ivan, (a storm with a calculated return period of approximately 1 in 140 years) was found to be around 7ft to 9 ft above mean sea level (MSL) in adjacent areas. Wave heights are more difficult to determine in this area during the storm, but as noted in the body of the report, the available information suggests a base flood elevation (BFE) of about 10 feet above MSL for a 100 year return period. This crest elevation would occur seaward of the North Sound shoreline and reduce rapidly in elevation as the waves break as they move onshore.

The FEMA flood mitigation requirements for coastal V and A zones are not a requirement of the Cayman Islands Planning Department. The above is provided for information purposes. However, APEC recommends that consideration be given to implementing the intent of the FEMA requirements on this site to mitigate structural damage from flood waters and wave impact.

WELCOME TO HARBOUR REACH

When the Cayman Grand Harbour was first brought to the market in 2001, it was well ahead of its time in terms of canal front developments. Offering wide European freeform design canals, unrivalled sea wall and lot engineering, located in a multi-use development with a range of other amenities, Grand Harbour became the fastest selling and fastest built-out waterfront community in Cayman's history.

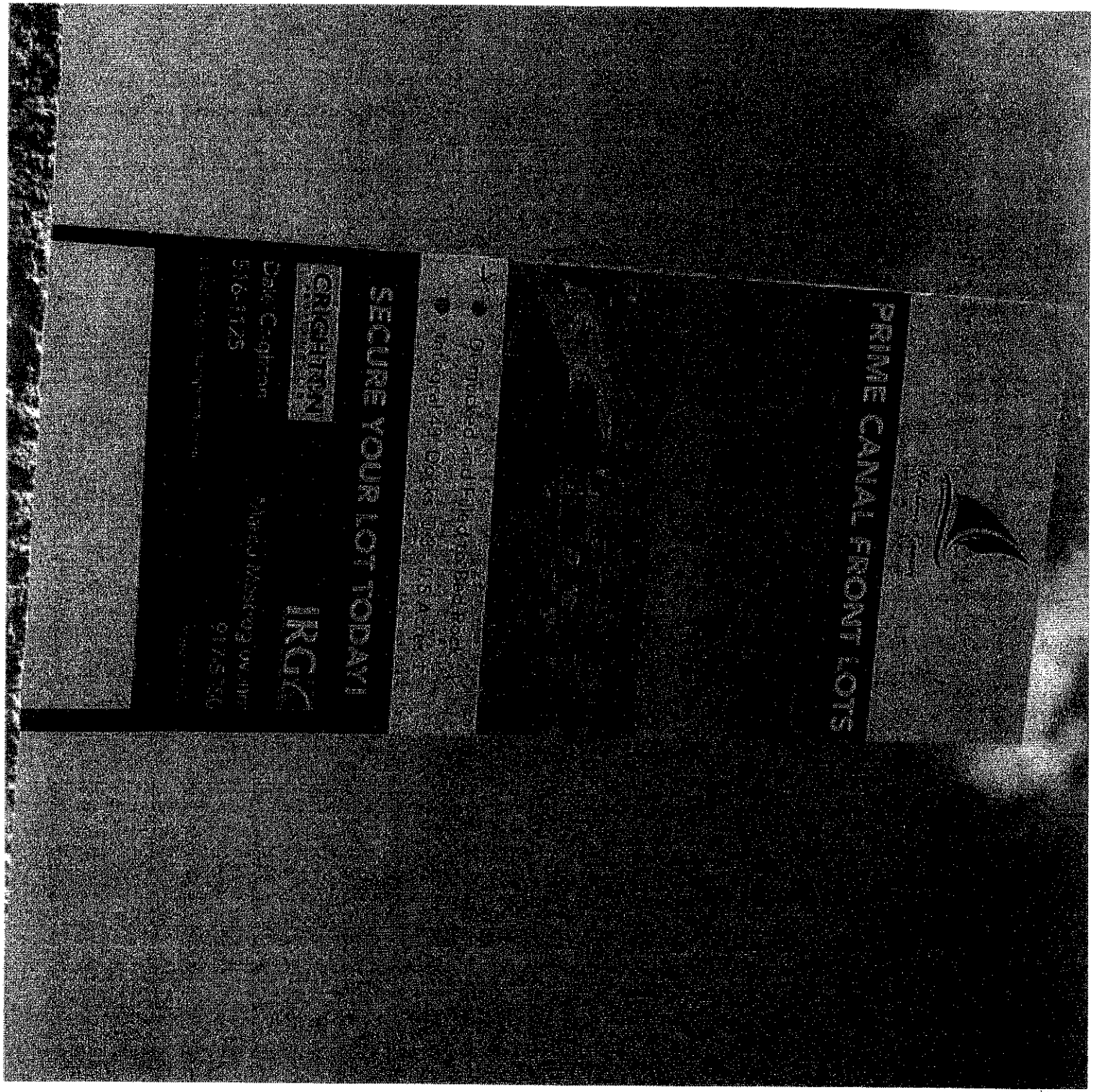
As the community's final land parcels are becoming developed with high quality projects such as Periwinkle, the planned professional/retail centre, the Village and the sister subdivision, Harbour Walk, lots here have never been such an attractive investment with so great an upside for potential future appreciation.



With its raw land, fully demucked to bedrock and filled with compacted aggregate, safely retained by Grand Harbour's signature "Keystone" sea walls, lot owners have been able to build their homes without the need for expensive piling* and benefit from other key features such as integral, cantilevered docks, well-elevated grades and some of the deepest and widest canals in the Cayman Islands.

Premium canal front lots, ranging from 0.3 – 0.5 acres±

Addendum E



DIRECTIONS FOR ACKNOWLEDGMENT OF SERVICE
OF WRIT OF SUMMONS

1. The accompanying form of Acknowledgment of Service should be completed by an Attorney acting on behalf of the Defendant or by the Defendant if acting in person.

   After completion it must be delivered or sent by post to the Law Courts, P.O. Box 495G, George Town, Grand Cayman.

2. A Defendant who states in his Acknowledgment of Service that he intends to contest the proceedings must also serve a defence on the Attorney for the Plaintiff (or on the Plaintiff if acting in person).

   If a Statement of Claim is indorsed on the Writ (i.e. the words "Statement of Claim" appear on the top of page 2), the Defence must be served within 14 days after the time for acknowledging service of the Writ, unless in the meantime a summons for judgment is served on the Defendant.

   If the Statement of Claim is not indorsed on the Writ, the Defence need not be served until 14 days after a Statement of Claim has been served on the Defendant.

   If the Defendant fails to serve his defence within the appropriate time, the Plaintiff may enter judgment against him without further notice.

3. A Stay of Execution against the Defendant's goods may be applied for where the Defendant is unable to pay the money for which any judgment is entered. If a Defendant to an action for a debt or liquidated demand (i.e. a fixed sum) who does not intend to contest the proceedings states, in answer to Question 3 in the Acknowledgment of Service, that he intends to apply for a stay, execution will be stayed for 14 days after his Acknowledgment, but he must, within that time, issue a Summons for a stay of execution, supported by an affidavit of his means. The affidavit should state any offer which the Defendant desires to make for payment of the money by instalments or otherwise.

See over for notes for guidance

Please complete overleaf

Notes for Guidance

IN THE GRAND COURT OF THE CAYMAN ISLANDS

CAUSE NO: OF 2022

BETWEEN: MELKO DOBROSLAVIC

RONALEE MURRAY-DOBROSLAVIC

PLAINTIFFS

AND: (1) GRAND HARBOUR PROPERTIES LIMITED

(2) DALE CRIGHTON, AS DEVELOPER

(3) TREVOR WATKINS

DEFENDANTS

ACKNOWLEDGMENT OF SERVICE

OF WRIT OF SUMMONS

TO: (1) Grand Harbour Properties Limited

Governor's Square, 2nd Floor,

Lime Tree Bay Avenue, Grand Cayman

P.O. Box 1597, Grand Cayman KY1-1110

(2) Dale Crighton of Crighton Properties Ltd.

260 Crew Road, Grand Cayman

P.O. Box 497, Grand Cayman KY1-1106

(3) Trevor Watkins

242 Edge Water Way, Grand Cayman

c/o Chart Limited, P.O. Box 1569, Grand Cayman KY1-1110

ACKNOWLEDGMENT OF SERVICE
OF WRIT OF SUMMONS

If you intend to instruct an Attorney to act for you, give him this form IMMEDIATELY.

Important. Read the accompanying directions and notes for guidance carefully before completing this form. If any information required is omitted or given wrongly, THIS FORM MAY HAVE TO BE RETURNED.

Delay may result in judgment being entered against a Defendant whereby he may have to pay the costs of applying to set it aside.

1. State the full name of the Defendant by whom or on whose behalf the service of the Writ is being acknowledged.

2. State whether the Defendant intends to contest the proceedings (tick appropriate box)

☐ yes ☐ no

3. If the claim against the Defendant is for a debt or liquidated demand, AND he does not intend to contest the proceedings, state if the Defendant intends to apply for a stay of execution against any judgment entered by the Plaintiff (tick box)

☐ yes ☐ no

Service of the Writ is acknowledged accordingly

(Signed).....

Attorney for

Please complete overleaf

Indorsement by plaintiff's Attorney (or by plaintiff if suing in person) of his name, address and reference, if any, in the box below.

Melko Dobroslavic

Ronalee Murray-Dobroslavic

1854 Rum Point Drive, Grand Cayman

P.O. Box 1097, Grand Cayman KY1-9006

Indorsement by defendant's Attorney (or by defendant if suing in person) of his name, address and reference, if any, in the box below.