
Valuation Report

Danaat Al Madina,
Isa Town,
Kingdom of Bahrain

2nd September 2016

Ref: DMB

Eskan Bank

Seef District, Almoayyed Tower

PO Box 5370 Manama

Kingdom of Bahrain

For the attention of Mr Ahmad Tayara

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Dear Sir,

RE: VALUATION REPORT – Danaat Al Madina, Isa Town, Kingdom of Bahrain

We wish to thank you for your instruction to revalue this property following our report of the 15th October 2015.

We are pleased to provide our valuation as of 2nd September 2016. If you require the valuation for October please let us know and we can provide an updated certificate for your records.

We trust the attached report meet your requirements of your instructions and we remain

Yours faithfully

A handwritten signature in blue ink, appearing to be "D. Bradley", with a stylized flourish at the end.

Donald M. Bradley FRICS
RICS Registered Valuer
CEO DMB International WLL

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Executive Summary

The map shows the location of the Bahraini Bank, marked with a red pin at the intersection of Al Qudh Avenue and Al Esteghal Hwy. The bank is situated in a residential area with several roads and landmarks nearby. To the east of the bank is the Isa Town - Al Qudh Avenue - Eastern Wing, and to the south is the Bahrain Polytechnic. The map also shows various other roads and landmarks in the area, including the Isa Town - Shakh Salman Avenue - Ministry of Labor and the Isa Town - Al Qudh Avenue - Eastern Wing.

Location Plan

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Address	Danaat Al Madina, Isa Town, Kingdom of Bahrain			
Use	Retail and office areas part of Danaat Al Madina complex.			
Location	The property is situated in Isa Town close to Isa Town Mall with frontages to Al Quds Avenue and return frontage to Muscat Avenue. This is a mix commercial and residential area about 5 km from Central Manama.			
Description	The Danaat Al Madina project was completed in 2015 and comprises a number of mid-rise buildings constructed to a high standard. This portfolio comprises the retail and commercial units where the developer has now completed and sold off 324 apartments on the upper floors.			
Site Details	Title No.	Current Use	Square feet	Square meters
	08019676	Mixed use development	190,095	17,669
	08019675	Mixed use development	110,117	10,230
	08021383	Office development	12,004	1,115.20
Total			312,216	29,014.20
Tenure	Assumed as virtual freehold without any undue encumbrances apart from the occupational leases.			
Tenancies and Income	Most standard leases have terms of 2 and 3 years with the payment of a 15% service charge, however there are exceptions. Please see the rental schedule.			
Occupancy	The retail space is approximately 50% occupied and leased. The office areas are approximately 70% occupied and leased.			
Current Gross Rental Income	BD 478,452 per annum – to include service charge recovery			
Current Net Rental Income	BD 325,452 per annum – after operating costs			
Estimated Gross Rental Value	BD 850,000 per annum – to include service charge recovery			
Current Service Charge Recovery	BD 38,420 per annum			
Potential Service Charge Recovery	BD 87,000 per annum			
Current Operating Costs	BD 153,000 per annum – apportioned			
Current Service Charge Shortfall	BD 114,580 per annum			
	Market Value			
Valuation Date	2 nd September 2016			
Valuation Methodology	The property is considered primarily as an investment currently part-let with further lettings to take place.			
Market Value	BD 8,650,000 EIGHT MILLION SIX HUNDRED AND FIFTY THOUSAND BAHRAIN DINARS			
Purpose of Valuation	The Valuation has been prepared for a Regulated Purpose as defined in the RICS Valuation – Professional Standards 2014 Edition (the "Red Book"). We understand that our valuation is to determine the portfolio value reported in a Prospectus (the "Prospectus") which is to be published by The Securities and Investment Company (SICO) which has been mandated by Eskin Bank B.S.c.(c) to establish a Shari'ah compliant real estate investment trust ("REIT") under the Bahrain Financial Trust Law No. (23) of 2006 (the "Trust Law") and the Central Bank of Bahrain's ("CBB") Rulebook volume 7 - Collective Investment Undertaking ("CIU").			
Strengths	<ul style="list-style-type: none"> High grade property Attractive mix use complex 		<ul style="list-style-type: none"> Residential units now sold Professional management in place 	
Weaknesses	<ul style="list-style-type: none"> Slow letting progress Significant proportion of space to lease 		<ul style="list-style-type: none"> Very high operating costs Service charge shortfall 	
Current Gross / Net Yield	5.53%		3.76%	
Potential Gross / Net Yield	9.83%		8.05%	

1. Instructions and Terms of Reference

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1.1. Instructions

1.1.1. Instructions and Basis of Valuation

You have instructed us to provide our opinions of value on the following bases:

- The Valuation will be to Market Value and will be prepared in accordance with RICS (Royal Institution of Chartered Surveyors) RICS Valuation –Professional Standards January 2014 (the Red Book).

1.1.2. General Assumptions and Conditions

All our valuations have been carried out on the basis of the General Assumptions and Conditions set out in the relevant section towards the rear of this report.

1.1.3. Date of Valuation

Our opinions of value are as at the 2nd September 2016. The importance of the date of valuation must be stressed as property values can change over a relatively short period.

1.1.4. Definitions of Market Value and Market Rent

In undertaking our valuations, we have adopted the RICS definitions of Market Value and Market Rent, as detailed below:

Valuation Standard VS 4 1.2 of the Red Book defines Market Value (MV) as:

“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.”

Valuation Standard VS 4 1.3 of the Red Book defines Market Rent (MR) as:

“The estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.”

1.1.5. Purpose of Valuations

The Valuation has been prepared for a Regulated Purpose as defined in the RICS Valuation – Professional Standards 2014 Edition (the “Red Book”). We understand that our valuation is to determine the portfolio value reported in a Prospectus (the “Prospectus”) which is to be published by The Securities and Investment Company (SICO) which has been mandated by Eskin Bank B.S.c.(c) to establish a Shari’ah compliant real estate investment trust (“REIT”) under the Bahrain Financial Trust Law No. (23) of 2006 (the “Trust Law”) and the Central Bank of Bahrain’s (“CBB”) Rulebook volume 7 - Collective Investment Undertaking (“CIU”).

1.1.6. Conflicts of Interest

We are not aware of any conflict of interest, either with the property or with the Borrower, preventing us from providing you with an independent valuation of the property in accordance with the RICS Red Book. We will be acting as External Valuers, as defined in the Red Book.

1.1.7. Valuer Details and Inspection

The due diligence enquiries referred to below were undertaken by Don Bradley FRICS. The valuations have also been reviewed by Michael Lowes MRICS. Both valuers represent DMB International WLL – Savills International Associate.

The property was inspected on the 17th August 2016 by Mr Donald Bradley FRICS. We were able to inspect most areas of the property and wish to thank the management team for their support. The weather on the date of our inspection was dry and sunny.

Furthermore, in accordance with PS 3.7, we confirm that the aforementioned individuals have sufficient current local, national and international knowledge of the particular market and the skills and understanding to undertake the valuation competently.

1.1.8. Extent of Due Diligence Enquiries and Information Sources

The extent of the due diligence enquiries we have undertaken and the sources of the information we have relied upon for the purpose of our valuation are stated in the relevant sections of our report below.

This valuation has been carried out at the client's request, based on information supplied to us.

Where reports and other information have been provided, we summarise the relevant details in this report. We do not accept responsibility for any errors or omissions in the information and documentation provided to us, nor for any consequences that may flow from such errors and omissions.

1.1.9. Liability Cap

Our confirmation of instructions at **Appendix 1** includes details of our liability cap which is set at Bahraini Dinars 100,000.

1.1.10. RICS Compliance

This report has been prepared in accordance with Royal Institution of Chartered Surveyors' ("RICS") Valuation – Professional Standards January 2014 (the "RICS Red Book") published in November 2013 and effective from 1 January 2014, in particular in accordance with the requirements of VPS 3 entitled Valuation reports and VPGA 2 Valuations secured lending, as appropriate.

Our report in accordance with those requirements is set out below.

1.1.11. Verification

This report contains many assumptions, some of a general and some of a specific nature. Our valuation is based upon certain information supplied to us by others. Some information we consider material may not have been provided to us. All of these matters are referred to in the relevant sections of this report.

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We recommend that you satisfy yourself on all these points, either by verification of individual points or by judgement of the relevance of each particular point in the context of the purpose of our valuation. Our valuation should not be relied upon pending this verification process.

1.1.12. Confidentiality and Responsibility

Finally, in accordance with the recommendations of the RICS, we would state that this report is provided solely for the purpose stated above. It is confidential to and for the use only of the party to whom it is addressed only, and no responsibility is accepted to any third party for the whole or any part of its contents. Any such parties rely upon this report at their own risk. Neither the whole nor any part of this report or any reference to it may be included now, or at any time in the future, in any published document, circular or statement, nor published, referred to or used in any way without our written approval of the form and context in which it may appear.

2. The Property, Statutory & Legal Aspects

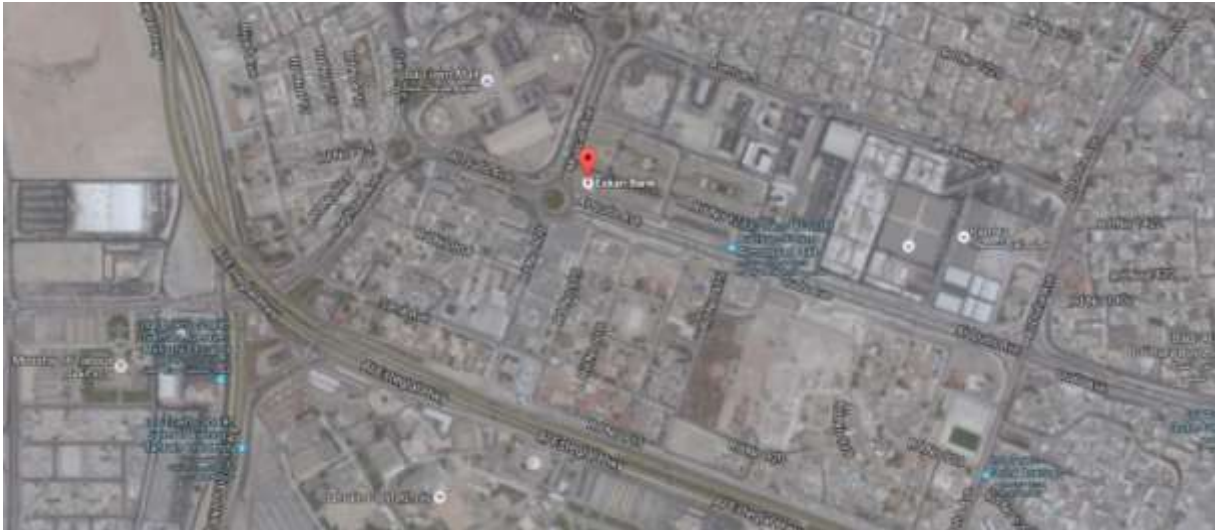
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2.1. Location Overview

The property is located in Isa Town, close to Seef Mall (Isa Town) and Al Muntaza Market. This has traditionally been a centre for retail premises and markets and the area is predominated by low to mid-income housing mainly populated by Bahrain Nationals. There is also a small hospital, petrol station and a number of motor related uses in the vicinity. Isa Town is 25 km from Bahrain International Airport and about 15 km from the King Fahad Causeway.



2.2. Situation

The property occupies a prominent site with frontage to Al Quds Avenue and a return frontage to Muscat Avenue, and lies opposite a large shopping centre. It is strategically situated close to the junction of the Shaikh Salman. Highway and the Al Estegal Highway, which are major north/south routes in the Kingdom.

2.3. Site Area

The combined property area, totalling the three adjoining plots measures 29,014.20 sqm.

We attach a copy of the three title plans in full within **Appendix B** of this report showing the property boundaries and its immediate vicinity.



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2.4. Description

The Danaat Al Madina Complex – known as the heart of Bahrain is strategically located close to centre of Isa Town at the intersection of Al Quds and Muscat Avenues.

The complex has a total of 16 buildings, 14 residential and 2 offices (Durra 1 & Durra 2)

This pioneering scheme by Eskin Bank involves high standard design and construction with the sale of the entire residential component of 324 units, which has now been completed and taken over by their owners.

The interest of the client therefore remains in the two commercial buildings and the remaining commercial space which is still being leased up and will be retained as a long-term, income producing, commercial investment.

The original design carefully combined a practical balance between the commercial elements and the residential buildings and followed a courtyard concept with attractive landscape gardens.

One of the two purpose designed office buildings – Durrah 2 has been fully leased to a single tenant and as this property has a separate land title it could readily be placed in the market for sale as an independent property.

Photographs of the property taken on the date of our inspection are provided below.



Danaat Al Madina - Dana 1 and 2



Danaat Al Madina - Durrah 1

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Danaat Al Madina - Durrah 2 carpark



Danaat Al Madina - Durrah 2



Danaat Al Madina - Gimash 1



Danaat Al Madina - Gimash 2 and 3



Danaat Al Madina - Hasbah 1, 2 and 3



Danaat Al Madina - Jiwan 1 and 2

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Danaat Al Madina - Juman 1, 2 and 3

2.5. Accommodation

The accommodation at the property has been completed relatively recently and comprises one prominently located office building with a showroom use on the ground floor, a further self-contained office building and 44 retail units of varying sizes. There are also 324 apartments in a number of buildings, which are sold and which are excluded from the valuation.

2.6. Condition

As instructed, we have not carried out a site survey. The properties have recently been completed and most are not yet fitted out. They appear to be in adequate condition, but if this is not the case then our opinion of value may change.

2.7. Highways and Access

The highways adjoining the property are made up to an adequate standard. The access points have been created and are in use and we have assumed that there are no impairments that would prevent full access to the properties.

2.8. Services

We have assumed that all mains services are connected and adequate for purpose.

2.9. Environmental Considerations

2.9.1. Informal Enquiries

As instructed, we have not carried out a soil test or an environmental audit. We understand that the site was previously developed, but we have assumed that land contamination does not exist. This comment is made without liability.

2.9.2. Assumption

As our informal enquiries have suggested that land contamination is unlikely, we have valued the property on the basis that it has not suffered any land contamination in the past, nor is it likely to become so contaminated in the foreseeable future. However, should it subsequently be established that contamination exists at the property, or on any neighbouring land, then we may wish to review our valuation advice.

2.9.3. Flooding

Much of Bahrain is constructed on land reclaimed from the sea which is low lying. It may therefore be susceptible to flooding, although we are unaware of any specific risk in respect of the subject property

2.10. Planning and Approvals

We understand that the property was constructed with the full approval of the master developer and that all consents were obtained. We have not been informed of any breaches.

2.11. Tenure

We have valued the unrestricted freehold interest in the properties as outlined in red on the title plan in Appendix B.

We have assumed that there are no restrictions as the plot appears to have direct access to the surrounding road network. From our inspection of the title deeds it appears that there are no onerous or restrictive covenants affecting the site.

We understand that the apartments that form part of the development are sold to individual owners on a strata title basis and that the remainder of the building will be retained by the REIT. The apartments and residential common areas are excluded from this valuation, but we have assumed that all transactions will be properly executed and will be professionally managed.

2.12. Occupational Leases

The managing agent, Cluttons, has provided an initial rental schedule which has been reviewed and amended by Eskin Bank and is attached in appendix.

The schedule breaks down the lettings by individual units, buildings and uses and we assume that the details is fully accurate and up to date. The schedule also includes lettable areas and projected rents for vacant units.

The schedule also makes provisions for anticipated service charges, but these reveal there will continue to be a service charge deficit.

We have been provided with a sample lease agreement and also copies of some summary sheets for the leasing offers for the retail units and offices. The lease terms are either 2, 3 or 5 years and all the units are let on a shell and core basis with the tenants responsible for the fit out costs, for which they are granted rent-free periods, which can extend to six months in duration.

In addition to the rent the tenants pay as service charge of either 10% or 15%, depending on the agreement. They also pay the Municipality tax and utilities costs.

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2.13. Current Rental Income

From the schedule provide, we have extracted and projected the following information:

	Current base rental BD	Additional base rental from vacant units BD	Current rental incl. service charge BD	Additional rental incl. service charge BD
Retail units	20,511	19,338	22,488	22,238
Office units	16,160	7,663	17,384	8,812
Total base rental	36,671	27,000	39,872	31,050
Current base rental income	440,052 pa	324,000 pa	478,462 pa	372,600 pa
Total potential base rental	764,052 pa		Total potential gross rental incl. service charge	851,062 pa

Please note the base rental is as stated in the lease agreements and does not constitute the net rental income which is the gross rental income less operating expenses.

2.14. Operating Expenditure

You have currently provided a copy of Danaat Al Madina Operating Expenses (OPEX) which includes the costs for the residential apartments which have been sold to third party buyers.

We are informed that the operating costs for the residential will be transferred to a separate vehicle and will not be the responsibility of the REIT. The net operating costs for the EBRIT portion for 2016 is estimated at BD 153,626 and is therefore assumed to be the responsibility of the REIT.

2.15. Building Management

We have been provided with a copy of a property management agreement dated 1st September 2014 between the owner and Cluttons LLP for the management of the property.

3. Market Commentary

3.1. Global Macro Economic Factors

While the major economies of the US and UK remain positive in the long term, currently international capital markets are in a state of some uncertainty as a consequence of Brexit, the decline in the price of oil and commodities and general uncertainties in the global financial markets. This uncertainty is beginning to reflect the challenges facing other major economies as output begins to show a downward trend. This uncertainty has caused knock on effects across the globe.

3.2. Regional Macro Factors

Until the oil price decline in 2014, regional GCC Governments had been committed to high levels of spending, particularly on major infrastructure projects. This was particularly true of Saudi Arabia, Kuwait and Abu Dhabi. In addition, Dubai was commencing a number of expansionary projects to support the 2020 Dubai World Expo and in Qatar there was continuing spending to meet obligations to host the 2022 FIFA World Cup Qatar.

Since 2014 and the oil price decline, GCC Governments are having to make rapid adjustments to re-align budgets with the significant drop in available revenues and limit the exposure from drawing from their long held capital reserves, even where these are significant.

3.3. Bahrain General Factors

Even with the Governments expansion of oil production to finance a budget deficit there will now be seen to be a significant and much greater imbalance. The policies for a diverse market economy with a combination of oil, service industries and tourism serving the Eastern Province of Saudi had produced an upbeat tone – but not to the point where fundamentals would not increasingly be exposed.

Nevertheless the provision of a GCC support fund of \$10 billion provided over ten years is seen as both an economic and strategic demonstration of solidarity. Part of this fund will be allocated to recommencing some of the “failed” real estate projects, which overhang the skyline, such as Villamaar and Marina West. Savills Bahrain office has been appointed by the judicial authorities on a strategy to deal with these projects and reactivate the market. The necessary tightening of Central Bank regulations to lending to the real estate development sector are a major constraint on new projects, although domestic demand has kept reasonable levels of activity for medium and small scale projects, particularly those close to existing urban areas.

The Government’s long-term strategies outlined in both its 2030 Vision and the 2030 National Land use strategy still perceive that major real estate projects could be entertained. While the land mass of Bahrain has expanded by over 15% since 1985 with ambitious large scale reclamation, the prevailing reality is that most of these projects have only attracted limited international or local investors; apart from parties connected with the Government.

The potential overhang of these projects on the market has increased supply across every sector. The result being that real estate prices remain close to nominal 20 year norms. Additionally, both institutional and private investment has been directed to the main global markets where returns are more secure and liquidity higher.

3.4. Real Estate Markets and Investor Considerations

The yield on Bahrain Government debt averages around 6.25% and regional bourses, mainly Dubai and Kuwait, list both indirect real estate debt and equity assets (such as the Dar Al Arkan Sukuk) which tend to trade at around 8%.

While direct property trading is active, the sale of investment grade real estate assets is still maturing with little distinction between classification, use, revenue profiles and risks. It remains an imprecise science, particularly the analysis of property returns which fail to accurately recognize true holding costs such as voids, collection of service charges, the full cost of obsolescence and capital replacement. The reality is that most yields are probably 1–2% below the analyzed “net” rate quoted by “professionals” as being the true yield.

Investor sentiment towards the value of local real estate often includes consideration of theoretical land prices and construction costs. These concepts of value are slowly changing. Bahrain’s long-term foreign Issuer Default Ratings (IDR) IDRs were downgraded to ‘BBB-’ from ‘BBB’. The Outlooks are reported as ‘Stable’, according to Fitch. Bahrain’s Central Informatics Organisation (CIO) registered real GDP at rising to 3.7 per cent year on year, from 2.8 per cent in the first quarter of 2015. Moody’s have projected 2.7 per cent growth for 2015 overall. The region faces a challenging economic environment with the decreased oil price being a contributing factor; however, analysts indicate that the impact will be cushioned by infrastructure investment from the GCC development fund. Also, the robust liquidity and capital safeguards of the Kingdom’s banks provides flexibility to adapt to the conditions in the medium term.

There are a few actual investment property transaction which taken places in the recent times in Bahrain and indicate a level of demand, pricing and yield. These include:-

- The 2014 sale Addax Bank Head Office in Seef to BMMI reported at BD 8.6 million
- The sale of Taib Bank Head office building in the Diplomatic Quarter to ABC Banks reported at US \$ 10 million in 2014
- The sale / retail investment units between a UAE Investment house and a Bahrain Based Investment Bank, August 2015.

The most recent transaction, which occurred in August 2015, was based on a yield of 8% for leased assets and 9% for unleased assets. It should be noted that the largest of these transactions was significantly smaller than the subject property and devaluation led to capital value ranging from only BD 400 to BD 800 per m² of GLA.

Whilst adjustments for transactions size, quality, location and other investment considerations would need to be made, the few deals and low values in the market are a reflection of actual market activity and not based on theoretical appraisal. While regional transactions are also an influence for this assets, investment market reports out of the UAE are currently deemed to be insufficiently reliable to provide a proper comparison. Those in major global markets do provide a reference and could amount to Middle Eastern Investors placing ads much as \$ 7 Billion into global real estate in 2014.

3.5. Investment Funds

While some very significant investors still consider Gulf markets have unique dynamics, the reality is that economic fundamentals are constantly effecting this viewpoint. The very widespread interest in the established core markets of prime cities such as London and New York is growing, where returns are precise, bankable and supported by legislation. Proper asset performance and management is increasing at the core of every participant’s investment rationale, while the legacy of land values remain a stubborn undercurrent of influence.

While groups of syndicated developer/investors have featured for a long time, new approved or listed real estate products are beginning to come onto the market. Unit prices start at low as US\$ 1000 per unit with lot sizes of between BD 2-10

million, which has been the range for most transactions. The performance of these funds will dictate their growth although most have not addressed the issue of long leases, which are a critical influence in global markets.

3.6. Bahrain's Commercial and Residential Market

As per figures from the Bahrain Economic Development Board, the Kingdom is gradually reducing its reliance on the hydrocarbon sector, with a growing contribution from the non-oil sector in recent quarters. Investment in large scale infrastructure projects, including the multi-bn Bahrain Airport Expansion and the expansion of government housing schemes, are at the forefront of this trend. Another major project in the spotlight is Bahrain Bay, a US\$2.5 bn waterfront district located in the Kingdom's capital Manama. Earlier this year, the development welcomed the country's first Four Seasons hotel, which will be followed by the Wyndham Grand in Q1 2016. The 5-star Wyndham will be housed in an iconic 50-storey mixed-use tower, which will also incorporate 20 floors of prime commercial office accommodation and ground floor retail. Bin Faqeeh Real Estate Investment Company has purchased three land parcels for its new residential complex project named 'Water Bay', with plans for three 10-storey residences with around 600 luxury apartments and festival retail, which is due to complete in 2017. There have been a series of new development announcements in various locations around the Kingdom, as well as increasing activity within masterplan developments, that have faced delays, including progress at Bahrain Bay, Diyar Al Muharraq and Dilmunia

Positively, there is also a renewed emphasis on resolving the situation of prominent stalled projects, including Villamar at Bahrain Financial Harbour. Yet another five star hotel development was announced during the quarter. The 220 key waterfront resort is to be managed under the Anantara brand, and upon completion in 2018 will be the first hotel at Durrat Al Bahrain. The project is being developed by Bahrain's Mumtalakat and Minor Hotel Group. The retail sector continues to gravitate towards neighborhood community centres. First Bahrain has commenced construction of the much anticipated 'Al Mercado' at Janabiya, with just under 5,000 sq m GLA (Gross Leasable Area). Further diversification is predicted with a consistent stream of announcements from the government related to large scale social and affordable housing schemes, around the Kingdom.

3.7. Bahrain's Residential Market



Although residential rents have remained stable across the popular expatriate areas, there has been an increase in demand particularly for housing in the north western areas of the country, including Sar, Budaiya and Jasra, with many compounds achieving full occupancy. Perhaps predictably, there has been a decrease in the level of Saudi Arabian oil related companies securing executive staff accommodation. However, tenants working within the non-hydrocarbon sector appear to be covering this shortfall up to this point. Reef Island, located in the heart of Manama, providing predominantly apartment accommodation

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continues to attract city workers, seeking a secure waterfront lifestyle with ease of access to the CBD and entertainment facilities. The average occupancy across Reef Island rental properties is in the region of 95 per cent. Due to open in late 2016, Reef Island Resort will provide luxury villa accommodation and facilities catering to both the short and long term markets.

On average, Juffair rental rates have not seen a significant increase across different residential classes; however, there remains strong demand for this area, supported by the American Naval Base housing requirements. Following the success of the first Fontana Towers, Kooheji Contractors are in the final stages of construction for Fontana Gardens which has reportedly been fully sold on a freehold basis. Work has also started on Fontana Suites, which has also been met with a positive response from buyers. Bahrain Bay announced its latest project: Water Bay, during Cityscape 2015. Bin Faqeeh Real Estate Investment Company has purchased three plots of land for development of a mixed use, predominantly residential complex in Bahrain Bay, which will be the first residential offering within the master planned project. Water Bay will offer three 10-storey residences with approximately 600 luxury apartments and ground floor retail. Completion is expected in 2017.



3.8. Office Market

The commercial office market has yet to see the same level of recovery as has been registered in other sectors following the economic and political challenges of recent years. The current needs of occupiers tends to be geared towards smaller units (sub 200 sq m), fitted space and cost effective turnkey solutions with flexibility in lease terms. Incentives, such as additional parking, are also being sought in what remains a tenant's market. Average rentals for leading Grade A developments remain stable, typically quoted at between BD7 – 9 per sq m. It remains unclear how much impact upcoming properties will have on the market, including the two new office properties soon to open in Bahrain Bay adding close to 40,000 sq m to the prime stock by Q1 2016

The main demand source throughout 2015 has been existing occupiers looking to consolidate or upgrade accommodation. There is still some call for larger traditional offices in a shell and core condition. However, this is limited and mainly led by government organisations and established international firms with an existing presence in the Kingdom. The Ministry of Industry and Commerce recently announced the signing of an agreement with Bahrain Financial Harbour to lease around 9,000 sq m to consolidate their operations. The Ministry is set to occupy the space in 2016. This is a relocation from existing offices, which demonstrates the trend amongst both the private and public sectors in taking advantage of ample international Grade-A supply at affordable rents.

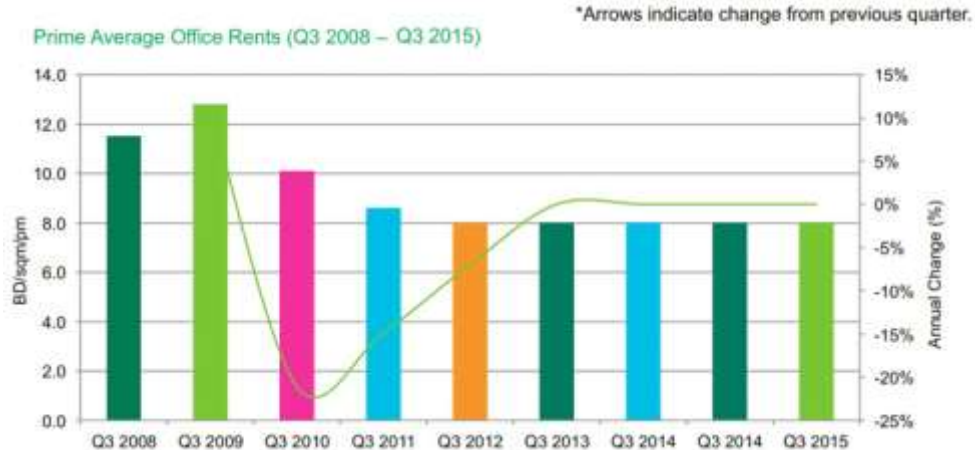
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Landlords who are flexible in their approach and diversify their offerings to meet tenants requirements, as well as providing attractive parking solutions and on-site facilities, are able to gain greater traction and achieve more favorable occupancy levels.

Capital Governorate Office Vacancy Rate and Stock (2005 – Q3 2015)



3.9. Retail Market

Development in the retail sector continues to pick up pace, with the provision of neighbourhood shopping centres and food & beverage solutions emerging as major trends. Despite Bahrain being a small country in size and population, the community retail developments currently in operation appear to be answering a need and have grown in popularity. Developments range from smaller complexes, anchored by supermarkets, which also offer retail space for services and convenience stores, to larger developments that provide a fully comprehensive mall experience to customers, such as Seef Mall Muharraq, which also houses a cinema.

The deviation from the established mindset of retail being purely Manama oriented, has firmly taken hold and opened up opportunities for developers and investors. The latest major announcement comes from First Bahrain, which commenced construction of the much anticipated 'Al Mercado' at Janabiya with just under 5,000 sq m GLA. The project is due for completion in 2016 and will serve the 'new' Janabiya area.

Galleria in Zinj, a Dadabhai project offering over 42,000 sq m of GLA, is set for completion in 2015, closely followed in 2016 by the \$6.5 mn Wadi AlSail project in Riffa. The Courtyard food and beverage development is also now completed in Seef District and is reportedly 25 per cent pre let.

3.10. Bahrain's Hospitality Sector

The hospitality sector, particularly the luxury segment, continues to see growth. An influx of 4-star and 5-star hotels have been announced during 2015. There are currently 108 hotels operating in Bahrain and this figure is set to rise with the Rotana Downtown due to complete this year, along with Wyndham Grand at Bahrain Bay in early 2016. Amongst others, the Marriott Residence Inn at Water Garden City is also expected this year. Emaar Hospitality Group will reportedly build five new hotels in the Kingdom: The Address Marassi Al Bahrain and The Address Residences Marassi Al Bahrain, Vida Hotels and Resorts along with Vida Marassi Al Bahrain and Vida Residences Marassi Al Bahrain, in association with Eagle Hills. All five projects are scheduled for completion in 2018. At this time, there is less development focus on the mid-market and budget categories, although Holiday Inn Express in Hooraa, as an example, is reportedly running at above average occupancy.

Whereas the surge in development in the hospitality sector is encouraging for the Kingdom's future, there are question marks over whether demand will be able to absorb the increase in stock. However, information released by the tourism authorities paints a positive picture with rising visitor numbers. From January to May 2015, Bahrain logged a total of 6.05 mn visitors, reflecting close to an 11 per cent increase on the total number of tourists recorded during the same period in 2014.

4. Valuation Advice

4.1. Approach to Valuation

Since our 2015 valuation and commentary a number of new influences are coming to place which would affect the market's opinion of this commercial investment portfolio.

These factors include:-

- The undoubted slowdown in the Bahrain economy caused by a reduction in global oil prices which is resulting in the Government having a substantial budget deficit;
- Similar macro-economic issues are also affecting Saudi Arabia and most of the GCC countries with budget deficits in almost every country financed by drawing on previous current account surpluses or the bond / sukkuk markets;
- Additionally, in Bahrain political issues remain and have an influence on foreign investment into the country;
- In recent days global financial markets have been thrown into further turmoil with the UK Brexit decision, extremist attacks in mainland Europe, the attempted coup in Turkey and the impending US election.
- Global investors have focused on liquid assets in the prime core markets and several real estate investment trusts have been put under pressure to liquidate holdings.
- While the US Dollar and GCC currencies have remained firm, they have escalated in comparative terms.

4.2. Principal Valuation Consideration

Several property transactions have taken place in the property market which indicates that prime yields are between 7 to 8%. There has been a compression of real estate yields in the international markets over the last 18 months with significant activity in the main core capital cities, particularly the UK, Europe and USA.

There are a few actual investment property transaction which taken places in the recent times in Bahrain and indicate a level of demand, pricing and yield. These include:-

- The 2014 sale Addax Bank Head Office in Seef to BMMI reported at BD 8.6 million
- The sale of Taib Bank Head office building in the Diplomatic Quarter to ABC Banks reported at US \$ 10 million in 2014
- The sale / retail investment units between a UAE Investment house and a Bahrain Based Investment Bank, August 2015.

The most recent transaction, which occurred in August 2015, was based on a yield of 8% for leased assets and 9% for unleased assets. It should be noted that the largest of these transactions was significantly smaller than the subject property and devaluation led to capital value ranging from only BD 400 to BD 800 per m² of GLA.

In Bahrain there are four companies listed on the Bahrain bourse which give a dividend yield of between 5 to 6% with long-term listings and trading patterns. The level of hotel development activity indicates that investors still see strong potential in the market and are prepared to commit significant capital sums to individual projects. While the general economy has softened in the last six months, the hospitality sector is being actively promoted as a means of reinvigorating the broader services sector.

Report and Valuation

Danaat Al Madina, Isa Town, Kingdom of Bahrain



Date	Name	Dividend Yield
Bahrain		
14 01 2016	National Hotels Company	3.57%
14 01 2016	Gulf Hotel Group BSC	5.13%
14 01 2016	Bahrain Tourism Company	5.36%
14 01 2016	Bahrain CarPark Company	5.56%
14 01 2016	Seef Properties	5.39%
	Average	5.00%

4.3. Background to Market Value

Danaat Al Madina is considered an unusual investment proposition and has some significant advantages combined with several issues which would be taken into account by potential investors and these include: -

- The property is well designed, constructed and located
- The property is still in the process of the initial leasing and tenant demand has been modest
- The retail space is only about 50% leased and the quoting rentals may need to be moderated to secure new lettings without abnormally long rent-free periods
- The office space is very high calibre relative to the rental rates in the market
- The proportion of recovery of service charges remains challenging
- While the management carefully distinguishes between the service charge for the commercial space there remain an obligation to organise the facilities for the apartments which could impact on the investor's interest
- Nevertheless, the property presents an opportunity to invest in high calibre space which should in due course present an attractive and diverse portfolio including two excellent office buildings which potentially have higher investment values relative to the other parts
- An investor would be reassured once the retail space is more than 70% leased and until this occurs the sale time may be extended

4.4. Opinion of Market Value

Taking all the above factors into account we place the market value of the freehold interest in the Danaat Al Madina as described herein as income producing investment building as at the 2nd September 2016 at the sum of

BD 8,650,000

EIGHT MILLION SIX HUNDRED AND FIFTY THOUSAND BAHRAINI DINARS

This value reflects a current gross yield of 5.53% and a net yield of 3.76% after the payment of the operational expenses. The reversionary yields are gross yield 9.83% and net yield 8.05%.

4.5. Market Volatility

The current political unrest and recent fall in world oil prices have introduced instability in the Bahraini property market. VPGA 9 of the RICS Valuation - Professional Standards January 2014 relates to market uncertainty and it is considered helpful for valuers to draw attention to factors likely to create significant instability and uncertainty.

The recent fall in oil prices will have a significant effect of the Bahraini budget and income and is likely to directly affect the property market.

The political instability has resulted in many companies relocating to other Gulf countries and this has resulted in an oversupply in most property sectors.

As Bahrain is heavily financially dependent on its oil exports the price instability is likely to have a significant impact on the property market and certainty is unlikely to return until there is stability in oil prices and the longer term impacts are more fully known and reflected by buyers and sellers.

4.6. Confidentiality and Disclosure

Our valuation is confidential to the addressees for the specific purpose to which our instruction refers and no responsibility is accepted to any third party for the whole or any part of its contents.

If our opinion of value is disclosed to persons other than the addressees of this report, the basis of valuation should be stated. Before the report or any part of it is reproduced, or referred to in any document, circular or statement, and before its contents or contents of any part of it are disclosed verbally to a third party, our written approval as to the form and context of such publication or disclosure must first be obtained.

4.7. Signature

For and on behalf of DMB International WLL
Savills International Associate



Donald Bradley FRICS
RICS Registered Valuer
CEO DMB International W.L.L.

5. General Assumptions & Conditions to Valuations

5.1. General Assumptions and Conditions

5.1.1. General Assumptions

1. Unless otherwise stated in this report, our valuation has been carried out on the basis of the following General Assumptions. If any of them are subsequently found not to be valid, we may wish to review our valuation, as there may be an impact on it.
2. That the property is not subject to any unusual or especially onerous restrictions, encumbrances or outgoing contained in the Freehold Title. Should there be any mortgages or charges, we have assumed that the property would be sold free of them. We have not inspected the Title Deeds.
3. That we have been supplied with all information likely to have an effect on the value of the property, and that the information supplied to us and summarised in this report is both complete and correct.
4. That the building has been constructed and is used in accordance with all statutory and municipal requirements, and that there are no breaches of planning control. Likewise, that any future construction or use will be lawful (other than those points referred to above).
5. That the property is connected, or capable of being connected without undue expense, to the public services of, electricity, water, telephones and sewerage.
6. That in the construction or alteration of the building no use was made of any deleterious or hazardous materials or techniques, such as high alumina cement, calcium chloride additives, woodwool slabs used as permanent shuttering and the like (other than those points referred to above). We have also assumed that any building cladding is incombustible and fully compliant with UK and US building codes. We have not carried out any investigations into these matters.
7. That the property does not suffer from any risk of flooding. We have not carried out any investigation into this matter.
8. That the property either complies with all regulations relating to occupation, or if there is any such non-compliance, it is not of a substantive nature.
9. That the property does not suffer from any ill effects of Radon Gas, high voltage electrical supply apparatus and other environmental detriment.
10. That there are no adverse site or soil conditions, that the property is not adversely affected by environmental or other regulations, that the ground does not contain any archaeological remains, nor that there is any other matter that would cause us to make any allowance for exceptional delay or site or construction costs in our valuation.

5.1.2. General Conditions

Our valuation has been carried out on the basis of the following general conditions:

1. We have made no allowance for any taxation liability that might arise upon a sale of the property.
2. No allowance has been made for any expenses of realisation.
3. Excluded from our valuation is any additional value attributable to goodwill, or to fixtures and fittings which are only of value in situ to the present occupier.

Additional assumptions and conditions are contained in our Terms of Business attached hereto.

Terms of Business - North Africa and Middle East Valuations

These General Terms of Business comprise a part of our Terms of Engagement. The following General Terms of Business apply to all professional assignments, valuations and appraisals undertaken by DMB International WLL, unless specifically agreed otherwise in confirming instructions and so stated within the main body of the valuation report.

1. DMB International – Savills International Associate

DMB International WLL is a Limited Liability Company registered in the Kingdom of Bahrain and the commercial registration no. 70236, '(DMB International)'.

2. Jurisdiction

Commercial law shall apply in every respect in relation to our appointment and the agreement with the client which shall be deemed to have been made in the Kingdom of Bahrain. In the event of a dispute arising, unless expressly agreed otherwise in writing by DMB International, the client, and any third party using any of our reports or correspondence of any kind, will submit to the jurisdiction of the Kingdom of Bahrain only. This will apply wherever the property or the client is located or the advice is provided.

3. Limitations on Liability

3.1 Our valuation is confidential to the party to whom it is addressed for the stated purpose and no liability is accepted to any third party for the whole or any part of its contents. Liability will not subsequently be extended to any other party save on the basis of written and agreed instructions; this may incur an additional fee. Maximum liability shall in no event exceed the fee for the professional assignment subject to end absolute maximum of BD100,000.

3.2 The client agrees not to bring any claim arising out of or in connection with this agreement against any Director, employee, 'partner' or consultant of DMB International (each called a 'DMB International Person'). Those individuals will not have a personal duty of care to the client and any such claim for losses must be brought against DMB International...

3. Nothing in these Terms of Business (or in our letter of engagement) shall exclude or limit our liability in respect of fraud or for death or personal injury caused by our negligence or for any other liability to the extent that such liability may not be excluded or limited as a matter of law.

4. Disclosure and Publication

Neither the whole or any part of our reports or correspondence nor any reference thereto may be included in any published document, circular or statement nor published in any way without our prior written approval of the form and context in which it may appear. Our report is entirely confidential to you.

5. Complaints Procedure

If you have any concerns about our service, please raise them in the first instance with the valuer concerned. If this does not result in a satisfactory resolution, please contact the relevant Head of Department. As required by RICS, we will send you a copy of our Complaints Procedure on request.

6. Our Fees

6.1 All fees and expenses are payable to DMB International W.L.L. payments are to be made by the Client within 14 days of fee account submission and failure to remit fees may result in DMB International suspending or terminating the agreement. In such case the payments set out in this agreement above will be payable in full without deduction.

Interest may be charged on unpaid fees 14 days after the date of the invoice, at a rate of 3% per annum above the base rate of Standard Chartered Bank Bahrain from the invoice date of until payment is made.

6.2 If you end this instruction at any stage, we will charge abortive fees on the basis of reasonable time and expenses incurred.

6.3 Where a valuation is for loan security purposes, and we agree to accept payment of our fee from the borrower, the fee remains due from yourselves until payment is received by us. Additionally, payment of our fee is not conditional upon the loan being drawn down or any conditions of the loan being met.

7. Assignment

You may not assign this agreement or any of your rights under it without our consent. The Services will be provided solely for the benefit of the Client and not for the benefit of and may not be relied on by any other party or person. Any arrangement for the benefit of any of our services to be passed on to any third party must be agreed with us at the time.

8. Disclosable Interests

We may offer the following services to prospective purchasers and similarly the services may be offered to them by another organisation in circumstances where we may benefit financially: financial services, property letting and management services, building construction, refurbishment and maintenance services and the sale of the prospective purchaser's property.

9. RICS Valuation Standards - "The Red Book"

Valuations and appraisals will be carried out in accordance with the RICS Valuation – Professional Standards January 2014 ("The Red Book"), by valuers who conform to its requirements and with regard to relevant statutes or regulations. Compliance with The Red Book is mandatory for Chartered Surveyors in the interests of maintaining high standards of service and for the protection of clients.

10. Monitoring

The valuation may be subject to monitoring under the RICS conduct and disciplinary regulations.

11. Valuation Basis

Valuations and appraisals are carried out on a basis appropriate to the purpose for which they are intended and in accordance with the relevant definitions, commentary and assumptions contained in The Red Book. The basis of valuation will be agreed with you in the letter covering the specific terms for the instruction.

12. Portfolios

Where requested to value a portfolio, unless specifically agreed with you otherwise, we will value the individual properties separately, upon the assumption that the properties have been marketed in an orderly manner.

13. Title and Burdens

We do not read documents of title although, where provided, we consider and take account of matters referred to in solicitor's reports or certificates of title. We would normally assume, unless specifically informed and stated otherwise, that each property has good and marketable title and that all documentation is satisfactorily drawn and that there are no unusual outgoing, planning proposals, onerous restrictions or local authority intentions which affect the property, nor any material litigation pending.

14. Disposal Costs and Liabilities

No allowance is made in our valuation for expenses of realisation or for taxation which may arise in the event of a disposal and our valuation is expressed as exclusive of any VAT that may become chargeable. Properties are valued disregarding any mortgages or other charges.

15. Sources of Information

We rely upon the information provided to us, by the sources listed, as to details of tenure and tenancies (subject to 'Leases' below), planning consents and other relevant matters, as summarised in our report. We assume that this information is complete and correct.

16. Boundaries

Plans accompanying reports are for identification purposes only and should not be relied upon to define boundaries, title or easements. The extent of the site is outlined in accordance with information given to us and/or our understanding of the boundaries.

17. Planning, Highway and Other Statutory Regulations

Written enquiries can take several weeks for response and incur charges. Where reassurance is required on planning matters, we recommend that formal written enquiries should be undertaken by the client's solicitors who should also confirm the position with regard to any legal matters referred to in our report. We assume that properties have been constructed, or are being constructed, and are occupied or used in accordance with the appropriate consents and that there are no outstanding statutory notices.

We assume that the premises comply with all relevant statutory requirements including fire and building regulations.

18. Property Insurance

Our valuation assumes that the property would, in all respects, be insurable against all usual risks including terrorism, flooding and rising water table at normal, commercially acceptable premiums.

19. Building Areas and Age

Where so instructed, areas provided from a quoted source will be relied upon. Otherwise, dimensions and areas measured on location or from plan are usually calculated in accordance with the local norm or fee current RICS Code of Measuring Practice and are quoted to a reasonable approximation, with reference to their source. Where the age of the building is estimated, this is for guidance only.

20. Structural Condition

Building, structural and ground condition surveys are detailed investigations of the building, the structure, technical services and ground and soil conditions undertaken by specialist building surveyors or engineers and fall outside the normal remit of a valuation. Since we will not have carried out any of these investigations, we are unable to report that the property is free of any structural fault, rot, infestation or defects of any other nature, including inherent weaknesses due to the use in construction of deleterious materials. We do reflect the contents of any building survey report referred to us or any defects or items of disrepair of which we are advised or which we note during the course of our valuation inspections but otherwise assume properties to be free from defect.

21. Ground Conditions / Reclamation

We assume there to be no unidentified adverse reclamation or ground or soil conditions and that the load bearing qualities of the sites of each property are sufficient to support the building constructed or to be constructed thereon.

22. Environmental Issues

Investigations into environmental matters would usually be commissioned of suitably qualified environmental specialists by most responsible purchasers of higher value properties or where there was any reason to suspect contamination or a potential future liability. Furthermore, such investigation would be pursued to the point at which any inherent risk was identified and quantified before a purchase proceeded. Anyone averse to risk is strongly recommended to have a proper environmental investigation undertaken.

We are not, however, environmental specialists and therefore we do not carry out any scientific investigations of sites or buildings to establish the existence or otherwise of any environmental contamination, nor do we undertake searches of public archives to seek evidence of past activities which might identify potential for contamination. In the absence of appropriate investigations and where there is no apparent reason to suspect potential for contamination, our valuation will be on the assumption that the property is unaffected. Where contamination is suspected or confirmed, but adequate investigation has not been carried out and made available to us, then the valuation will be qualified by reference to appropriate sections of The Red Book.

23. Leases

The client should confirm to us in writing if they require us to read leases. Where we do read leases reliance must not be placed on our interpretation of these documents without reference to solicitors particularly where purchase or lending against the security of a property is involved.

24. Covenant

We reflect our general appreciation of potential purchasers' likely perceptions of the financial status of tenants. We do not, however, carry out detailed investigations as to the financial standing of the tenants, except where specifically instructed, and assume, unless informed otherwise, that in all cases there are no significant arrears of payment and that they are capable of meeting their obligations under the terms of leases and agreements.

25. Loan Security

Where instructed to comment on the suitability of property as a loan security we are only able to comment on any inherent property risk. Determination of the degree and adequacy of capital and income cover for loans is the responsibility of the lender having regard to the terms of the loan.

26. Reinstatement Assessments

A reinstatement assessment for insurance purposes is a specialist service and we recommend that separate instructions are issued for this specific purpose. If advice is required as a check against the adequacy of existing cover this should be specified as part of the initial instruction and then any such indication given is only for guidance and should not be relied upon as the basis for insurance cover.

27. Comparable Evidence

Where comparable evidence information is included in our report, this information is often based upon our oral enquiries and its accuracy cannot always be assured, or may be subject to undertakings as to confidentiality. However, such information would only be referred to where we had reason to believe its general accuracy or where it was in accordance with expectation. In addition, we have not inspected comparable properties.

Valuation Bases

1. Market Value (MV):

Valuations based on Market Value shall adopt the definition, and the conceptual framework, settled by the International Valuation Standards Committee.

Market Value is defined as:

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 where the parties had each acted knowledgeably, prudently and without compulsion.

2. Existing Use Value (EUV)

Existing Use Value is the basis suitable for financial reporting purposes under UK accounting standards only and is defined as:

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 acted knowledgeably, prudently and without compulsion, assuming that the buyer is granted vacant possession of all parts of the asset required by the business, and disregarding potential alternative uses and any other characteristics of the asset that would cause its market value to differ from that needed to replace the remaining service potential at least cost.

3. Market Rent (MR):

Market Rent is defined as: The estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

4. Projected Market Value (PMV) of Residential Property only

Projected Market Value is designed to provide residential mortgage lenders with as simple numeric indication of the valuer's opinion of short-term market trends and is defined as:

The estimated amount for which an asset is expected to exchange at a date, after the valuation date and specified by the valuer, 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.

Regulated Purpose Valuations (RPV)

RICS has established particular requirements in circumstances where a valuation although provided for a client may also be of use to third parties, for instance, the shareholders in a company, defined by the RICS as "Regulated Purpose Valuations". Where a valuation is for a Regulated Purpose, in accordance with RICS requirements, DMB International shall state the following in its report:

- (a) The length of time the valuer has continuously been the signatory to valuations provided to the client for the same purpose as the Report, together with the length of time DMB International has continuously been carrying out the valuation instruction for the client.
- (b) The extent and duration of the relationship of DMB International with the client.
- (c) In relation to DMB International's preceding financial year the proportion of the total fees, if any, payable by the client to the total fee income of DMB International expressed as one of the following:
 - Less than 5%; or: If more than 5%, an indication of the proportion within a range of 5 percentage points.
- (d) Where, since the end of the last financial year, it is anticipated that there will be a material increase in the proportion of the fees payable, or likely to be payable, then we shall include a further statement to that effect in addition to (c) above.

When instructed in a continuing role as a Valuer it is DMB International's policy to rotate persons responsible for valuations and the signatory to the report, on a seven yearly basis, unless specifically agreed otherwise.

Appendices A

Confirmation of Instructions



4 August 2016

Mr. Donald Bradley
CEO – Northern Arabian Gulf
DMB International W.L.L. – International Associate of Savills
Suite 21, Seef Star Building
Kingdom of Bahrain

Dear Mr. Bradley,

Subject: Eskan Bank Realty Income Trust ("EBRIT") Updated Valuation

Reference is made to the executed engagement mandate dated 2 July 2015 (the "Mandate") and pertaining to the valuation of Segaya Plaza and Danaat Al Madina (the "Properties"). As stated in the Mandate, the Properties are intended to be part of the proposed EBRIT, which is currently being reviewed for approval by the Central Bank of Bahrain.

As the Properties were initially valued by Savills on 15 October 2015, we would like to commence the annual valuation update as per page 3 of the Mandate. We expect this annual update to be dated around October 2016.

Very truly yours,

Sign. H. L.

Ahmad Tayara
Bahrain Property Musharaka Trust - Investment Manager

Appendices B

Title Deeds

بسم الله الرحمن الرحيم
مملكة البحرين
دولة الكويت

13318/2014
رقم الملف

199007
رقم الوثيقة

جهاز المساحة والتسجيل العقاري
إدارة التسجيل العامة

مديرة إدارة التسجيل العقاري

رئيس جهاز المساحة والتسجيل العقاري

وجه التحدير: هذه الوثيقة هي أن ملك الإسكان، لا يملك تسجيل العقار رقم 18021383 قطعة الأرض المكتوبة في مدينة عيسى من الشامة الأولى له بموجب الوثيقة رقم 1559/06 مسقطها هذه الأمانة بتملك ملك الإسكان واستدركت هذه الوثيقة مضمونه مكتوبة لها وبطل جميع الوثائق السابقة لها وبهذا من الشامل للعقار رقم 6185 ملكه جاسم ومن الشامل للعقار رقم 1384 ملكه حكومة سلطنة البحرين ومن الشامل لغيره من العقار رقم 452 ملكه جاسم وبما أنها وجوده عليه بتأريخها المسجلة بالسفحة رقم 5 من هذه الوثيقة تعديلاً في 3/ رجب 1435 هـ الموافق 22/يونيو 2014م

الطرق ص 13

هذه الوثيقة هي السند العقاري
الوحيد لإثبات ملكية العقار
الوارد بسبها أو أي حق عيني
أخر متعلق به.

لهذه الوثيقة حجية مطلقة قبل الكافة.
يجب تقديم هذه الوثيقة إلى جهات
المساحة والتسجيل العقاري عند طلب تسجيل
أي معاملة تتعلق بالعقار الوارد بها
تغييراً أي بيان من بيانات هذه
الوثيقة من اختصاص جهاز المساحة والتسجيل
العقاري وحده، وببطل ما يضاف
ذلك ولا يعتد به فضلاً عن
وقوعه تحت طائلة التالف.

رقم الوثيقة: ١٩٦٨٠٧

رئيس جهاز المساحة والمسجل العقاري:

خريطة الموقع

الموقع العام

الشمال

مقياس الرسم: 1 : 10000

رقم القطار : 08021383

المنطقة : مدينة عيسى

نوع القطار : أرض

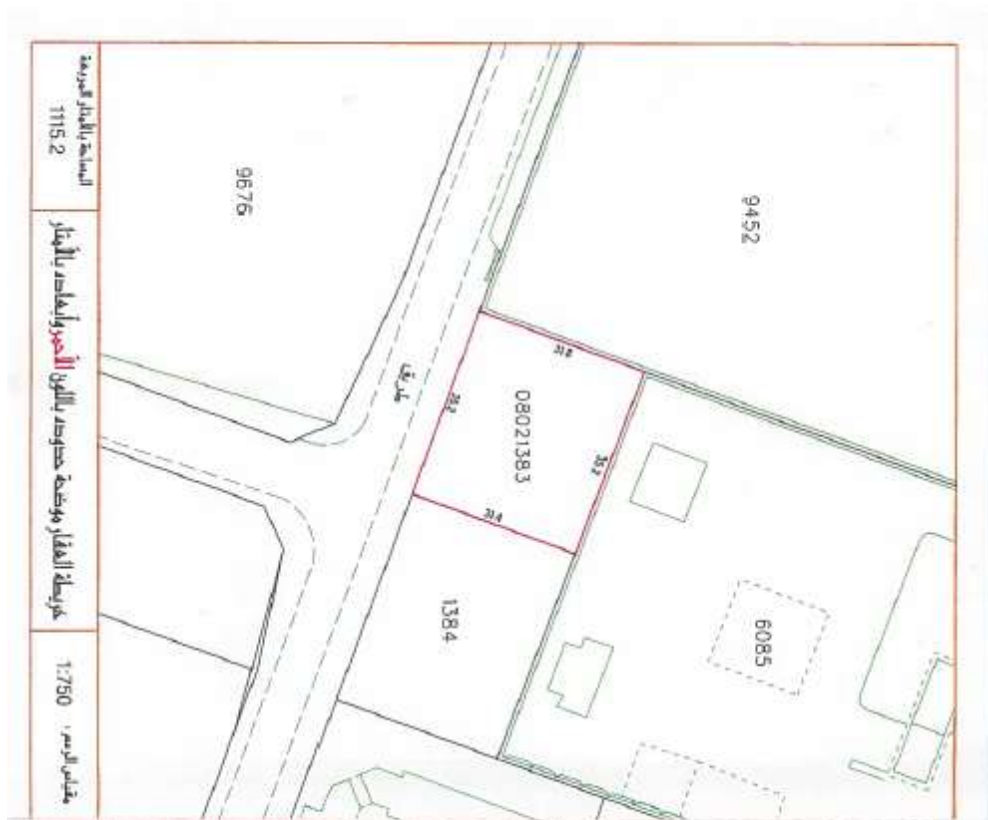
رقم المنطقة : 201413318

رقم المعاينة : 201405870

رقم الخريطة : 08532B

مدير عام المساحة

يطلب جواز المساحة والتسجيل العقاري بأن خريطة القطار المرفوعة بالمصلحة
العقارية والمستخدمة بالمرور الخاص يجب المسحقة والمستخدمة لكل جهة الزبائن.



[illegible]

بسم الله الرحمن الرحيم
مملكة البحرين
وليئحة ملكية

رقعة المضمنة ٤١٣٤/٨٠٨
رقعة الوثيقة ١٥٥٨٦٢
أداة التسجيل العامة

مديرة التسجيل الملكية

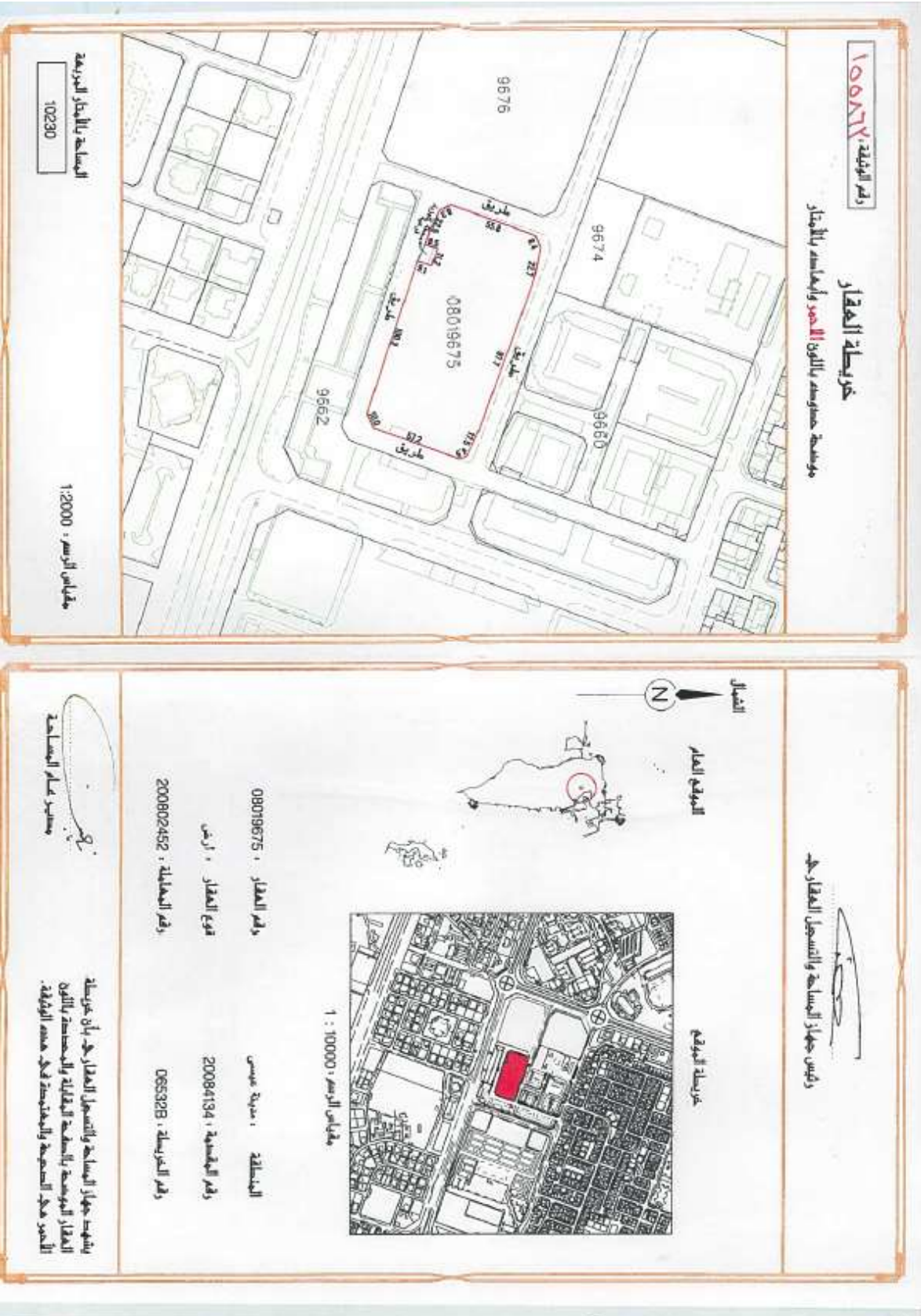
رئيس جهاز المساحة والتسجيل العقاري

وبتد ختبر هذه الوثيقة، ههناك بملك المرفق كان قد طلب تسجيل المرفق
برقم ٨٠١٦٧٥، قطعة الأرض الكائنة في مدينة عيسى من الناحية الأيالة
لوجبة المرفق برقم ٥٨٠٦٦٦، سجل هذه البرورة بأسم تلك الأرض كان
مأمورة هذه الوثيقة بملكه لرا وتطلب جميع الوثائق السابقة لرا
بعد هذا من الشك والشك والرقع طريق ومن العقب طريق ومطوق كوجار بزيده
من القرب طريق وسامعنا ومطوقها بينه فصار لمطوقها الصفة بالصفة برقم
من هذه الوثيقة بغير في ما بين المطوق ١٢٤٢٥ العرف ما عرفت ١٢٤٢٥

الملك عبد ١٢

- هذه الوثيقة هي السند القانوني
الوحيد لإثبات ملكية العقار
الوارد بها أو أي حق عيني
آخر متعلق به.

- لهذه الوثيقة حجية مطلقة قبل الكافة.
يجب تقديم هذه الوثيقة إلى جهكاز
المساحة والتسجيل العقاري عند طلب تسجيل
أي معاملة تتعلق بالعقار الوارد بها
تفسيراً بي بيكان من بيانات ههنا
الوثيقة من اختصاص جهاز المساحة والتسجيل
العقاري وحده، ويحيل ما يخالف
ذلك ولا يعست تدربه فضلاً عن
وقوعه تحت طائلة القانون.



منعجل نفسك الملهية

۱۵۰

قر المائدة

زیر مسائل)

سَدِّ تَرْجَمَاتِهِمَا الْقَبِيحَتَيْنِ إِلَى الْعَقْدَتَيْنِ الرَّيْئِيَّتَيْنِ

رئيس جهاز المساحة والتسجيلات العقارية

الحمد لله

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

قرمہ لکھلکھل)

مَدِينَةُ الرَّسْمِ وَالْمَدِينَةُ الرَّسْمِ

رئيس جهاز الاستباحة والاستخبارات العراقية

الحسين

رقم القيد

فِي مَسَاجِدَ)

وَيُزَيِّنُهَا لَكُمْ وَفِيهَا رُءُوسٌ ثَمِينٌ

رئيس جهاز المساحة والتسجيل العقاري

سُجِّلَ فَعَلٌ لِلْمَلَكَةِ

15

قَالَ الْمَدِينَةُ

فروستل (

[illegible]

سید نیر حسین امرا القسجی کل الملک ساری

رئیس جہان الماسیہ والستجیل المصطفیٰ

المؤمنين

قَرَأَ الْمُتَّقِينَ

قبرستان)

مدیر عامل سازمان اسناد و کتابخانه ملی

رَبِّهِمْ جَهَنَّمَ وَالْمَسَاجِدَ وَالْأَسْجِدَ وَالْأَسْجِدَ

٥٠

قَرَأَ الْقَدْحَةَ

قرص سلسل)

وَدُزْغَتَا وَالصَّحْبِيلِ الْعَقَّارِيَّةِ

در کیش جہان انسا حۃ و ہست چہا لقا ری

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ
مَمْلَكَةُ الْبَحْرَيْنِ
وَلِيَّتُهَا مُلْكِيَّةٌ

رقعة المقتدمة ٢٠٨/٤١٣٢

جهاز المساحة والتسجيل العقاري

رقعة الوثيقة ١٥٥٨٩٨

إدارة التسجيل والمتابعة

مدير عام التسجيل العقاري

رئيس جهاز المساحة والتسجيل العقاري

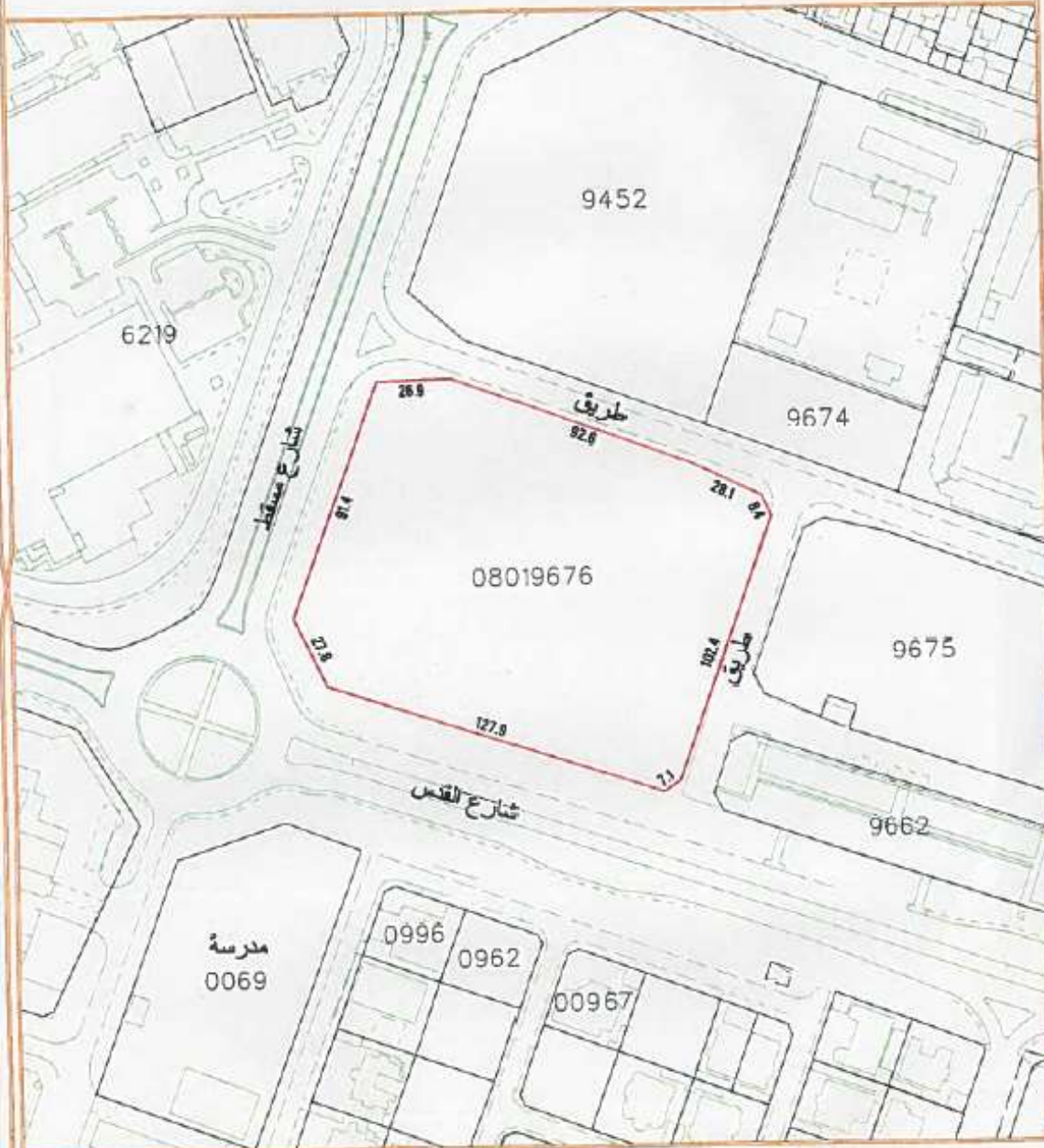
وتجّه تحرير هذه الوثيقة
لصوّان بنك الإسكان قد طلب تسجيل
العقار رقم ٠٨١٩٦٧٦ - قطعة الأرض الواقعة في مدينة عيسى من المساحة
الأكبر لمجموع الوثيقة رقم ٥٨٠٦٦ سجلتها هذه الإدارة باسم بنك
الإسكان وأصدرت هذه الوثيقة متضمنة ملكيتها لها وتبطل جميع
الوثائق السابقة لها يحدها من الشمال والشرق طريق ومن الجنوب
شارع القدس ومن الغرب شارع مسقط ومساحتها وهدودها مبينة
بخارطها الملتصقة بالصفحة رقم ٥ من هذه الوثيقة تحريراً في ١٨
ربيع الأول ١٤٣٠ هـ الموافق ١٥ مارس ٢٠٠٩ م

القطر ١٤

رقم الوثيقة ١٥٥٨٩٨

خريطة العقار

موضحة حدوده باللون الأحمر وأبعاده بالأمتار



المساحة بالأمتار المربعة

17669

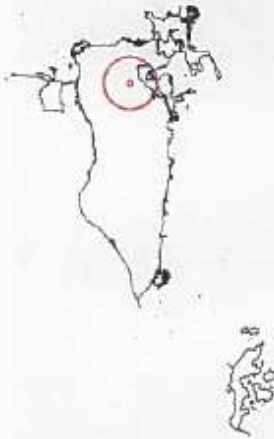
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رئيس جهاز المساحة والتسجيل العقاري

الشمال



الموقع العام



خريطة الموقع



مقياس الرسم : 1 : 10000

رقم العقار : 08019676

المنطقة : مدينة عيسى

نوع العقار : أرض

رقم المقعدة : 20084132

رقم المعاملة : 200802453

رقم الخريطة : 06532B

مدير عام المساحة

يشهد جهاز المساحة والتسجيل العقاري بأن خريطة
العقار الموضحة بالصفحة المقابلة والمحددة باللون
الأحمر هي الصحيحة والمعتمدة في هذه الوثيقة.

سُجِّلَ فِي مَكْتَبَةِ الْمَلِكِيَّةِ

رقم مسلسل (١) رقم المقدمة ٢١٦/٢٣١٥ الثمن -

بناءً على أمر صاحب الجلالة الملك محمد بن عبد العزيز آل خليفة ملك مملكة البحرين بكتاب رقم ٤٢١ / ٢٠١٥ المؤرخ في ١٤ / ديسمبر ٢٠١٥ انتقلت ملكية العقار المأبذة بهذه الوثيقة رقم ١٥٥٨٩٨ - ١٠٠٠ / شركة دانائت المدينة سن.م.ب بحري الفتي ١٠ / مار ٢٠١٦ م.

مدير عام التسجيل الكفائي

رئيس جهاز المساحة والتسجيل العقاري

الْمَنْ

رقم مسلسل () رقم المقدمة

مدير عام التسجيل العقاري

رئيس جهاز المساحة والتسجيل العقاري

الثَمَن

رقم مسلسل () رقم المقدمة

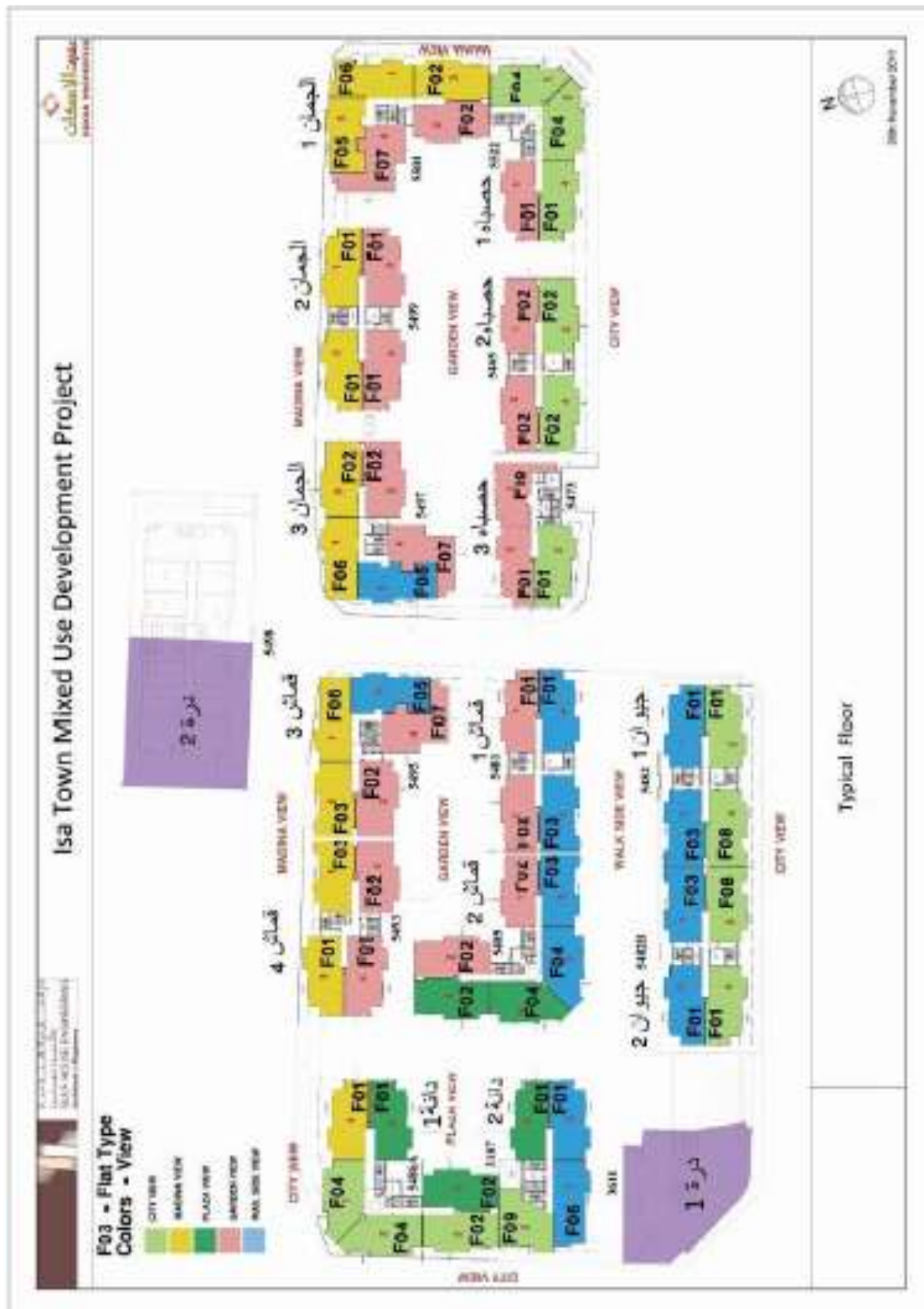
مدير عام التسجيل العقاري

رئيس جهاز المساحة والتسجيل العقاري

Appendices C

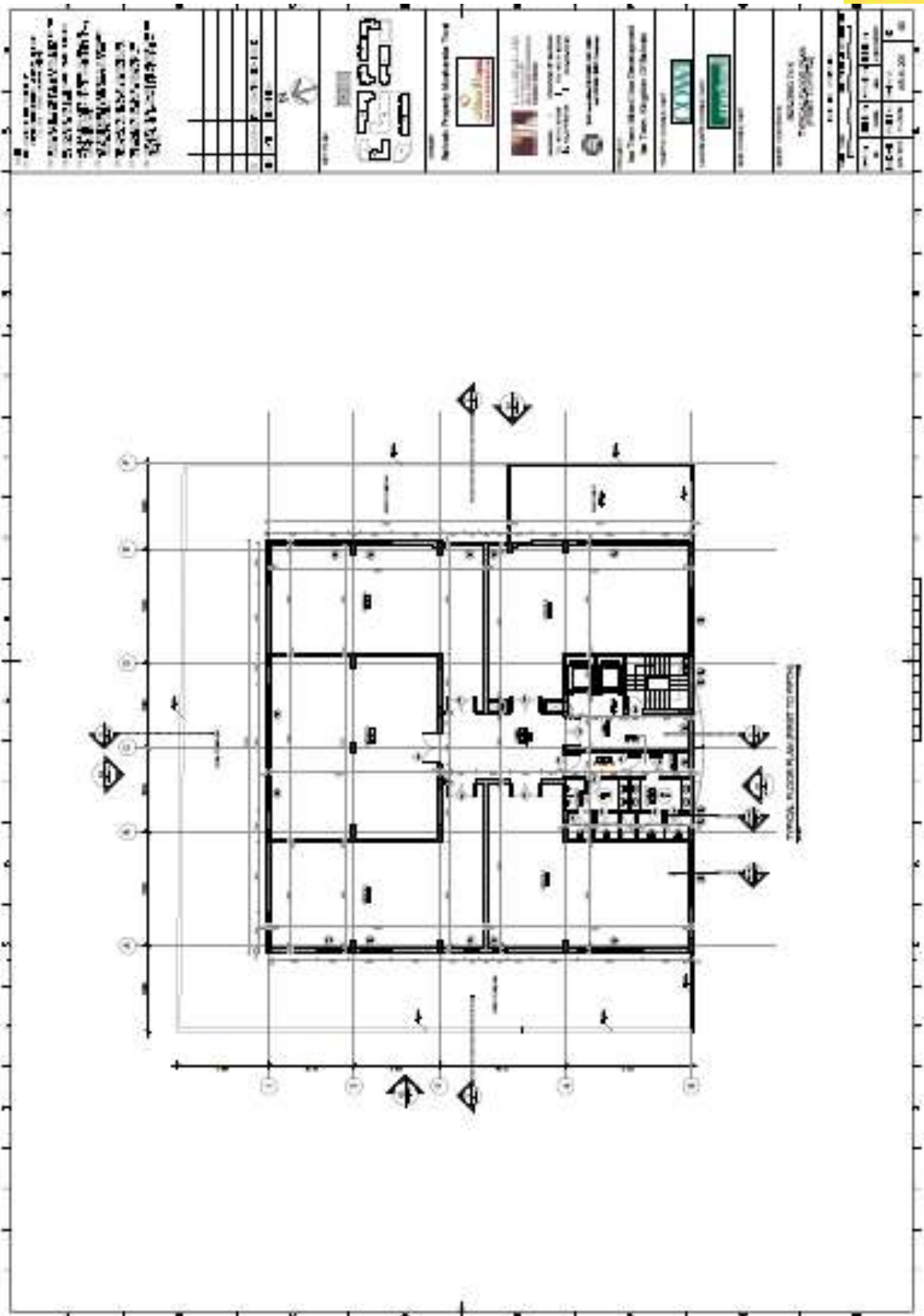
Floor Plans







GROUND FLOOR PLAN



Appendices D

Service Charge Budget

**Danaat Al Madina Operating Expenses
(OPEX)**

BHD - Cluttons Estimates (for 2015 only)			2015	2016	Allocation to EBRIT	Cost of EBRIT 2016
Management						
Management Fees						
Management Fees			58,800	66,000	31.5%	20,790
Accounting Fees						
SIC Audit Fee			0	0	31.5%	
Site Management Resources						
Staff Costs (water)			540	540	31.5%	170
Receptionists/Concierge			0	0	31.5%	
Rent			0	0	31.5%	
Municipality Tax/Rates (% of Rent)	7.5%		0		31.5%	
Office Running Costs			1,340	1,340	31.5%	422
Telephones			240	240	31.5%	76
Internet			660	300	31.5%	95
Sub Total			61,580	68,420		21,552
Utilities						
Electricity						
Electricity			24,000	72,000	31.5%	22,680
Water						
Water & Sewerage Charges			0	0	31.5%	
Sub Total			24,000	72,000		22,680
Soft Services						
Security						
Security Guarding			46,368	53,760	31.5%	16,934
Security Systems			1,800	2,200	31.5%	693
Cleaning & Environmental						
Internal Cleaning inc 1001			37,104	42,060	60.0%	25,236
External Cleaning			0	0	31.5%	
Window Cleaning inc 1001			0	0	31.5%	
Hygiene Services/Toiletries (Air Freshners)			0	4,300	70.0%	3,010
Waste Management			0	0	31.5%	
Pest Control			2,000	2,000	31.5%	630
Internal Floral Displays			0	0	31.5%	
External Landscaping			6,000	6,000	31.5%	1,890
Sub Total			93,272	110,320		48,393
Hard Services						
Mechanical & Electrical Services						
MEP Maintenance Contract			19,500	19,500	31.5%	6,143
MEP Parts			3,996	3,996	31.5%	1,259
MEP Inspections & Consultancy			1,200	1,200	31.5%	378
Life Safety Systems Maintenance			0	3,600	31.5%	1,134
Life Safety Systems Repairs			0	0	31.5%	

Life Safety Systems Insp/Consultancy			0	0	31.5%	
Remedial Works			0	0	31.5%	
Fire Alarm Maintenance			3,600	0	31.5%	
Fire Alarm connection			0	0	31.5%	
Fire Alarm- New works			0	0	31.5%	
Swimming Pool Maintenance (Fountain)			0	1,080	31.5%	340
Air Conditioning- MainUParts			6,000	6,000	31.5%	1,890
Satellite			0	0	31.5%	
Lift & Escalators						
Lift Maintenance Contract			0	2,400	100.0%	2,400
Lift Repairs			0	0	31.5%	
Lift Parts			0	600	100.0%	600
Lift Inspections & Consultancy & Maintenance			19,200	600	100.0%	600
Suspended Access Equipment						
Suspended Access Maint Contract			0	0	31.5%	
Suspended Access Repairs			0	0	31.5%	
Suspended Access Insp & Consultancy			0	0	31.5%	
Repairs & Maintenance						
Internal Maintenance			10,200	10,200	31.5%	3,213
External Repairs & Maintenance			3,421	3,421	31.5%	1,078
Painting (30 sq m max yearly)					31.5%	
Locksmiths					31.5%	
Gypsum Ceiling Maintenance and Aluminum Repairs					31.5%	
Tiles Maintenance (20 sq m max yearly)					31.5%	
Gas Pipes Maintenance					31.5%	
Decoration (frames maintenance)			500	500	31.5%	158
Furnishings			0	0	31.5%	
Sub Total			67,617	53,097		19,192
Insurance						
All Risks Insurance Cover						
Buildings Insurance (Incl loss of rent)			6,000	17,650	31.5%	5,560
Sub Total			6,000	17,650		5,560
Exceptional Expenditure						
Special Projects						
Project Works			0	0	31.5%	
Refurbishments			0	0	31.5%	
Plant Replacement			0	0	31.5%	
Major Repairs			0	0	31.5%	
Forward Funds						
Contingency Funds (% of total expenses)(inc. Petty cash)		2.0%	0	115,067	31.5%	36,246
Sub Total			0	115,067		36,246



Total Estimate for Entire Danaat (incl. Residential)			252,469	436,554		153,623
Total Estimate for EBRIT Portion of Danaat (Excl. Residential)				153,623		

Unit no.	Building Name	Unit Type	Unit Municipal no.	Floor	Unit Area (SQM)	Tenant Name	Rent per m ²	Rent per m ²	Monthly Rent	Monthly rent	Service Charge	Service charge 15%	Monthly Rent + SVC	Monthly rent + SVC	Status
1	Dana 1	Retail	5486 B	GF	187		-	8,000	-	1,496,000	0%	15%	-	1,720,400	Vacant
2	Dana 1	Retail	5486	GF	85		-	10,000	-	850,000	0%	15%	-	977,500	Vacant
3	Dana 1	Retail	5489	GF	80		-	10,000	-	800,000	0%	15%	-	920,000	Vacant
4	Dana 1	Retail	3171	GF	88	Al Ali Café - Khalid Al Ali	11,000	-	968,000	-	15%		1,113,200	-	Leased
5	Dana 1	Retail	3173	GF	64	Ebn Al Balad - Khalid Al Ali	10,500	-	672,000	-	15%		772,800	-	Leased
6	Dana 1	Retail	3175	GF	50	Juice Jar	11,000	-	550,000	-	15%		632,500	-	Leased
7	Dana 1	Retail	3177	GF	136		-	8,000	-	1,084,000	0%	15%	-	1,246,600	Vacant
8	Dana 1	Retail	3179	GF	185	505 Fashion	9,000	-	1,665,000	-	15%		1,914,750	-	Leased
9	Dana 1	Retail	3181	GF	101	JA Foods	10,000	-	1,010,000	-	15%		1,161,500	-	Leased
1	Dana 2	Retail	3183	GF	83	Febzi Beauty & Cosmetics	10,000	-	830,000	-	15%		954,500	-	Leased
2	Dana 2	Retail	3185	GF	54	Falafel Time	11,000	-	594,000	-	10%		653,400	-	Leased
3	Dana 2	Retail	5484 A	GF	65		-	10,500	-	682,500	0%	15%	-	784,875	Vacant
4	Dana 2	Retail	5484	GF	72		-	10,000	-	720,000	0%	15%	-	828,000	Vacant
1	Jiwan 2	Retail	3615	GF	422	Master Point	-	-	2,600,000	-	0%		2,600,000	-	Leased
1	Jiwan 1	Retail	3623	GF	411	Isfahani Restaurant	7,000	-	2,877,000	-	15%		3,308,550	-	Leased
2	Jiwan 1	Retail	3619	GF	700	Master Point	-	-	4,400,000	-	0%		4,400,000	-	Leased
1	Gimash 1	Retail	5476	GF	141		-	9,000	-	1,269,000	0%	15%	-	1,459,350	Vacant
2	Gimash 1	Retail	5481 A	GF	60	Tomato Restaurant	10,500	-	630,000	-	15%		724,500	-	Leased
3	Gimash 1	Retail	5481 B	GF	92		-	9,500	-	869,250	0%	15%	-	999,638	Vacant
1	Gimash 2	Retail	5485 W	GF	50	Classic Burger	11,000	-	550,000	-	15%		632,500	-	Leased
2	Gimash 2	Retail	5485 D	GF	70		-	10,000	-	700,000	0%	15%	-	805,000	Vacant
3	Gimash 2	Retail	5485 G	GF	21	Super Laundry	13,500	-	283,500	-	15%		326,025	-	Leased
4	Gimash 2	Retail	5485 B	GF	79		-	10,000	-	790,000	0%	15%	-	908,500	Vacant
5	Gimash 2	Retail	5485 A	GF	54	Finger Tips Saloon	12,000	-	648,000	-	15%		745,200	-	Leased
6	Gimash 2	Retail	5483 B	GF	44		-	11,000	-	484,000	0%	15%	-	556,600	Vacant
7	Gimash 2	Retail	5483 A	GF	60		-	10,500	-	630,000	0%	15%	-	724,500	Vacant
8	Gimash 2	Retail	5483	GF	92		-	9,500	-	869,250	0%	15%	-	999,638	Vacant
1	Al Juman 3	Retail	5475	GF	152		-	9,000	-	1,368,000	0%	15%	-	1,573,200	Vacant
1	Hasbah 1	Retail	5522 A	GF	40		-	11,000	-	440,000	0%	15%	-	506,000	Vacant
2	Hasbah 1	Retail	5522 B	GF	51		-	11,000	-	555,500	0%	15%	-	638,825	Vacant
3	Hasbah 1	Retail	5522 G	GF	54		-	11,000	-	594,000	0%	15%	-	683,109	Vacant
4	Hasbah 1	Retail	5457	GF	67		-	11,000	-	737,000	0%	15%	-	847,550	Vacant
5	Hasbah 1	Retail	5457 A	GF	38	Yogi Nails	11,000	-	418,000	-	15%		480,700	-	Leased
6	Hasbah 1	Retail	5459	GF	48		-	11,000	-	528,000	0%	15%	-	607,200	Vacant
7	Hasbah 1	Retail	5459 A	GF	51		-	11,000	-	561,000	0%	15%	-	645,150	Vacant
8	Hasbah 1	Retail	5461	GF	36	Catania Stationary	11,000	-	396,000	-	10%		435,600	-	Leased
9	Hasbah 1	Retail	5461 A	GF	37	Oxyzo Laundry	11,000	-	407,000	-	15%		468,050	-	Leased
1	Hasbah 2	Retail	5463	GF	28		-	12,000	-	336,000	0%	15%	-	386,400	Vacant
2	Hasbah 2	Retail	5463 A	GF	62		-	10,500	-	651,000	0%	15%	-	748,650	Vacant
3	Hasbah 2	Retail	5463 B	GF	60		-	10,500	-	630,000	0%	15%	-	724,500	Vacant
4	Hasbah 2	Retail	5467	GF	73		-	10,000	-	725,000	0%	15%	-	833,750	Vacant
1	Hasbah 3	Retail	5471	GF	88		-	11,000	-	968,000	0%	15%	-	1,113,200	Vacant
2	Hasbah 3	Retail	5469	GF	53	911 Market	11,000	-	583,000	-	15%		670,450	-	Leased
3	Hasbah 3	Retail	5469 A	GF	39	911 Market	11,000	-	429,000	-	15%		493,350	-	Leased
							sub-total retail		20,511	19,338			22,488	22,238	
	Durra 1	Office	1	GF	360	Motory	6,500	-	2,340,000	-	15%		2,691,000	-	Leased
	Durra 1	Office	1	GF	215	Eskan Bank	6,500	-	1,397,500	-	15%		1,607,125	-	Leased
	Durra 1	Office	11	1st Floor	125			4,000	-	500,000	0%	15%	-	575,000	Vacant
	Durra 1	Office	12	1st Floor	83	Eskan Bank	4,000	-	332,000	-	15%		381,800	-	Leased
	Durra 1	Office	13	1st Floor	135	Dr. Ali Al Fardan	4,000	-	540,000	-	15%		621,000	-	Leased
	Durra 1	Office	14	1st Floor	99	Eskan Bank	4,000	-	396,000	-	15%		455,400	-	Leased
	Durra 1	Office	15	1st Floor	131	Eskan Bank	4,000	-	524,000	-	15%		602,600	-	Leased
	Durra 1	Office	21	2nd Floor	147			4,000	-	588,000	0%	15%	-	676,200	Vacant
	Durra 1	Office	22	2nd Floor	83			4,000	-	332,000	0%	15%	-	381,800	Vacant
	Durra 1	Office	23	2nd Floor	113			4,000	-	452,000	0%	15%	-	519,800	Vacant
	Durra 1	Office	24	2nd Floor	99			4,000	-	396,000	0%	15%	-	455,400	Vacant
	Durra 1	Office	25	2nd Floor	131			4,000	-	524,000	0%	15%	-	602,600	Vacant
	Durra 1	Office	31	3rd Floor	147			4,250	-	624,750	0%	15%	-	718,463	Vacant
	Durra 1	Office	32	3rd Floor	83			4,250	-	352,750	0%	15%	-	405,663	Vacant
	Durra 1	Office	33	3rd Floor	113			4,250	-	480,250	0%	15%	-	552,288	Vacant
	Durra 1	Office	34	3rd Floor	99			4,250	-	420,750	0%	15%	-	483,863	Vacant
	Durra 1	Office	35	3rd Floor	131			4,250	-	556,750	0%	15%	-	640,263	Vacant
	Durra 1	Office	41	4th Floor	147			4,250	-	624,750	0%	15%	-	718,463	Vacant
	Durra 1	Office	42	4th Floor	83			4,250	-	352,750	0%	15%	-	405,663	Vacant
	Durra 1	Office	43	4th Floor	113			4,250	-	480,250	0%	15%	-	552,288	Vacant
	Durra 1	Office	44	4th Floor	99			4,250	-	420,750	0%	15%	-	483,863	Vacant
	Durra 1	Office	45	4th Floor	131			4,250	-	556,750	0%	15%	-	640,263	Vacant
	Durra 1	Office	51 + 53 + 55	5th Floor	418	Dr. Naser Saleh	4,250	-	1,776,500	-	15%		2,042,975	-	Leased
	Durra 1	Office	52	5th Floor	92	Dr. Jameela Bahman	4,250	-	391,000	-	15%		449,650	-	Leased
	Durra 1	Office	54	5th Floor	109	Dr. Hameed Bahman	4,250	-	463,250	-	15%		532,738	-	Leased
	Durra 2	Office	-	-	2,501	Ramez Group	-	-	8,000,000	-			8,000,000	-	Leased
							sub-total retail		20,511	19,338			22,488	22,238	

Appendices E

Property Management Agreement



PROPERTY MANAGEMENT AGREEMENT

THIS AGREEMENT is made on 1st day of September of the Gregorian calendar in the year 2014 between

(1) **BAHRAIN PROPERTY MUSHARAKA TRUST HOLDING COMPANY** (c), a Single Person Company incorporated under the laws of the Kingdom of Bahrain and duly registered at the Ministry of Industry and Commerce under Commercial Registration Number [78649-1] and whose address for the purpose of formal correspondence is Building 104, Road 383, Block 316, Manama Center, Kingdom of Bahrain

(Referred to herein as 'the Client')

And

(2) **Cluttons LLP** Company incorporated under the laws of the Kingdom of Bahrain and duly registered at the Ministry of Industry and Commerce under Commercial Registration Number [7062] and whose address for the purpose of formal correspondence is Al Manayef Tower, 28th Floor Suite 2804 Seef District, Kingdom of Bahrain P.O. Box 5856 Manama.

(Referred to herein as 'Managing Agent')

WHEREAS the Client is developing a Project described in the First Schedule hereto (hereinafter called 'Dunast Al Madina') and has appointed Facility & Property Manager as a Managing Agent for Property Management of Dunast Al Madina and to perform the services described in the Second Schedule hereto (hereinafter called 'the Services').

('the Client' and 'the Managing Agent' together to be referred to herein individually as a "Party" and collectively as the "Parties")

NOW IT IS HEREBY AGREED AND DECLARED by and between the parties herein as follows:

1. CONTRACT DOCUMENTS AND SCHEDULES

1.1 The following documents (hereinafter together called 'the Contract Documents') shall form part of and shall be read and construed in conjunction with this Agreement:

1.1.1 Tender documents issued for tender no. EB/14/1 in relation to Property Management Services

1.1.2 Letter of Intent in relation to Property Management Services Ref No MDN-0004-102-CLU-1-ZN, dated 11th August 2014.

1.2 In the event of any conflict or discrepancy between any of the Contract Documents and any of the terms of this Agreement, the terms of this Agreement shall prevail.

1.3 The following Schedules (hereinafter called 'the Schedules') shall form part of and shall be read and construed in conjunction with this Agreement:-

1.3.1 First Schedule - the Project (Dunast Al Madina)

1.3.2 Second Schedule - the Services

1.3.3 Third Schedule - the Fees



2. RESPONSIBILITIES OF THE MANAGING AGENT

The responsibility of the Managing Agent under this Agreement shall be as follows:-

- 2.1 The performance of the Services as specified in the Second Schedule;
- 2.2 The exercise of the standard of skill, care and diligence in the performance of "The Services" that would be expected of expert professionals, providers of the Services;
- 2.3 To give faithful advice to the Client in respect of any matters relating to this Agreement or to the Services and to safeguard the Client's interests in any dealings with third Parties relating to this Agreement;
- 2.4 To refrain from accepting any trade commission, discount, allowance, indirect payment or other consideration from any third parties in connection with the Services;
- 2.5 To abide by the instructions of the Client in all matters relating to the Services;
- 2.6 To refrain from:
 - * Entering into any contracts, commitments or other legal documents or arrangements in the name of, or on behalf of the Client without a written approval from the Client;
 - * Taking any act or step to bind or commit the Client in any manner, whether as a disclosed agent of the Client or otherwise; and
 - * Pretending to be a partner or joint venture with the Client in relation to any third parties.
- 2.7 To be responsible for preparing and reviewing all the documents in connection with the Services or this Agreement. Provided that neither the approval by the Client of such documents, nor its failure to discern any defect in or omission from them, shall absolve or relieve Managing Agent of responsibilities or other duties and obligations under this Agreement.
- 2.8 To report to the Client without delay any arising need for information, investigation or analysis in connection with the performance of the Services;
- 2.9 To perform the Services in close association with such personnel as the Client may nominate, and to follow all reasonable instructions issued to him by the Client in relation to the Services;
- 2.10 To refrain from having the benefits whether directly or indirectly of any royalty, gratuity or commission in respect of any patented or protected article or process used or in connection with the Services.

3. APPOINTMENT AND REPLACEMENT OF STAFF

- 3.1 The Services shall be performed by the appropriately skilled experienced and qualified members of Managing Agent staff.



- 3.2 If the Client for any reason whatsoever be of the opinion that any member of the staff appointed by Managing agent is unsatisfactory, Managing Agent will upon receipt of written instructions from the Client immediately terminate the assignment of such person from involvement with this agreement and make arrangements for a suitable replacement within Thirty (30) days without in any way interrupting the performance of the Services during this time.

4. ASSIGNMENT

Managing Agent shall not have the right to assign or transfer the benefit or duties and obligations of this Agreement or any part thereof provided that it shall be lawful for the Managing Agent at any time to take into partnership another partner or partners whereupon he or they or the survivors of them shall thenceforth automatically be deemed to be included in the expression Managing Agent for all the purposes of this Agreement.

5. FEES

In consideration of and as remuneration for the provision of the services set out in Third Schedule attached hereto.

6. CONTRACTS

6.1 Managing Agent shall prepare all the required documents which shall be presented to the Client for initial approval;

6.2 Managing Agent is not authorized to sign any Agreements or any subsequent amendments on behalf of the Client.

6.3 Any formal authorisation documents required by the Government authorities in this respect will be provided as necessary to Managing Agent by the Client;

6.4 Managing Agent shall be authorized to supervise and instruct both related and unrelated Contractors and directly appointed staff to carry out duties which are in the reasonable best interests of the property management; and

6.5 The Client shall also instruct in writing any consultant or contractor of to co-operate and handover all information, including (but not limited to) original documentation, operation and maintenance manuals, warranties and guaranties, contracts so that managing agent can assume the management with the minimum of disruption to all parties concerned.

7. LIABILITY

Managing Agent maximum liability shall be limited to any matter and limit covered by its professional indemnity insurance policy, copies of which shall be made available to the Client on request.

8. TERMINATION OF AGREEMENT

- 8.1 This Agreement may be terminated by the Client in the event that managing agent are found to be negligent in their duties and or are in substantial breach of the agreement by giving Sixty (60) days notice in writing to managing agent and in this event managing agent shall be paid for the Services performed prior to the time of termination on the basis of the remuneration specified in Clause (5) hereof according to what proportion of the Services has been wholly or partially performed by the managing agent at such time and such payment shall be accepted by the managing agent in full and final settlement of their entitlement to their remuneration. Upon receipt of such notice of termination managing agent shall take immediate steps to bring the Services to a close and to reduce expenditure to a minimum.



8.2 Managing Agent cannot terminate this Agreement unless the Client is in substantial default of its obligations hereunder in which case managing agent shall give Sixty (60) days notice in writing to the Client specifying the Client's default provided that should the Client's default be remedied within such notice period then the Agreement shall automatically remain in full force and effect.

8.3 This Agreement may be terminated by both Parties in accordance with Clause 9 mentioned hereinbelow.

9. **FORCE MAJEURE**

If either Party is unable to perform any of its obligations under this Agreement due to circumstances beyond the reasonable control of the Party, such as an act of God, fire, casualty, flood, war, strike, lock out, failure of public utilities, injunction or any act, exercise, assertion or requirement of any governmental authority, epidemic, destruction of production facilities, insurrection, inability to obtain labor, materials, equipment, transportation or energy sufficient to meet needs (a "Force Majeure Event"), the Party who has been so affected shall immediately give notice to the other party and shall do everything reasonably practicable to resume performance. Upon receipt of such notice, all obligations under this Agreement shall be immediately suspended for the period of such Force Majeure Event. If the period of nonperformance exceeds sixty (60) days from the receipt of notice of the Force Majeure Event, the party whose ability to perform has not been so affected may give written notice to terminate this Agreement.

10. **CONFIDENTIALITY**

Managing Agent shall not except in the proper performance of the Services either during or after the expiry of this Agreement disclose or suffer any employee of managing agent to disclose to any person whatsoever any information of which managing agent or any such employee has or shall hereafter become possessed by virtue of this Agreement. The managing agent shall keep with inviolable secrecy any documents supplied by the Client pursuant to this Agreement and shall not use the same except in the proper performance of the Services. Copyright in all documents prepared by the managing agent for Danaat Al Madina will pass to the Client.

11. **LAWS, PERMITS AND CHARGES**

Managing Agent shall give all notices and shall obtain all licenses and permits as may be required by Governmental, Municipal and Regulatory Authorities shall pay all appropriate charges and fees therefore, and shall observe the laws and regulations of all such bodies and shall pay all taxes as may be required to perform the Services. All taxes and permits and charges that specifically relate to Danaat Al Madina will be paid for by the Client

12. **ARBITRATION**

Any dispute, controversy or claim arising out of or in connection with this agreement (including any question regarding its existence, validity, breach or termination) shall be resolved amicably through meetings to be held by the two parties. In case the dispute continues for more than 15 days after it arises, it shall be resolved by way of negotiations through amicable settlement within 15 days. However, in case the dispute proves to be intractable and unsolvable, it shall be referred to and finally resolved by arbitration under the provision of Bahrain Chamber of dispute resolutions as follows:

- (a) The arbitration shall be governed by the laws of the Kingdom of Bahrain.
- (b) Both Parties shall appoint one arbitrator in accordance with the applicable procedures of the Bahrain Chamber for Dispute Resolution.
- (c) The arbitral proceedings shall be conducted in the English Language.
- (d) The seat of Arbitration shall be at the Kingdom of Bahrain.

A handwritten signature in blue ink, likely of a representative of the Managing Agent.



13. LAW OF AGREEMENT

This Agreement is made in Bahrain and is subject to the Laws of Bahrain. All dates and periods of time shall be construed in accordance with the Gregorian calendar.

14. NOTICES

- 13.1 Any notice to be given under the terms of this Agreement shall be properly served by sending the same by registered mail to the following respective addresses and facsimile numbers of the parties hereto:

The Client :

Ahmed Tayara
P.O Box 5370
Manama,
Kingdom of Bahrain.
Attention : The Investment Manager
Telephone : 17 567704
Facsimile No : 17 567881
Email : ahmed.tayara@eskanbank.com

Managing Agent:

Harry Goodson Wickes
P.O.Box: 5856
Manama,
Kingdom of Bahrain.
Attention : Head OF Country
Telephone : 17562860
Facsimile No. : 17587055
Email : harry.goodsonwickes@bh.cluttons.com

- 13.2 The parties hereto shall promptly notify one another of any change of address or contract numbers.

15. ENTIRE AGREEMENT AND SUBSEQUENT VARIATIONS

- 14.1 This Agreement, the Schedule hereto and the Contract Documents constitute the entire Agreement between the two parties hereto and supersedes all prior Agreements, correspondence, negotiations and discussions between the parties hereto relative to the subject matter hereof; and

- 14.2 This Agreement may be varied only by a subsequent instrument in writing duly executed by the parties hereto.

16. SEVERABILITY

If any provision of this Agreement is held to be invalid or unenforceable in whole or in part, such invalidity or unenforceability shall attach only to such provision or part thereof and the remaining part of such provision and all other provisions hereof shall continue in full force and effect.



17. **CLAUSE HEADINGS**

The clause headings set out in this Agreement are provided for the purpose of reference only.

18. **DURATION OF AGREEMENT**

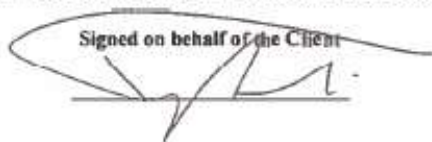
16.1 The Agreement shall remain in force for a period of two years from the date hereof unless earlier terminated in accordance with the terms hereof renewable by the mutual written consent of the parties; and

16.2 In case of the renewal of this Agreement, the Property Management fees should remain the same, and shall not be increased.

19. **EFFECTIVE DATE**

This Agreement shall be effective and in force once the property is considered fully functional and the client hand-over the property to the managing agent to manage, from 1st September 2014.

IN WITNESS WHEREOF this Agreement has been signed by the parties hereto on the day and year first above written.

Signed on behalf of the Client


Signed on behalf of Managing Agent



In the presence of







FIRST SCHEDULE

THE PROJECT

(Danaat Al Madina)

1. The location of Danaat Al Madina is
A prestigious commercial and residential building located at Isa Town Road 1243, Block 812.
2. Danaat Al Madina consists of:
 - 14 Residential Building
 - 2 Commercial Building include 36 Commercial unit
 - 4,334 m² of Retail units (38 Retail units, 2 Health Club, 3 Showrooms)



SECOND SCHEDULE

THE SERVICES

Management Services Scope of Works shall be as follows:-

It will be the duty of the managing agent during the term of this Agreement to undertake the following:

- 1 Log on the managing agent electronic property accounts package the building and the individual retails & offices.
- 2 Managing Agent is to be on property management office not less than 8 hours a day and 5 days in a week.
- 3 Security and receptionist will be available 24hours 7 days a week.
- 4 To collect, receive and account to the Client for all rents and service charge monies received in respect of Danaat Al Madina or any part thereof. Funds are held in a separate clients account held by Managing agent. In the event of any tenant falling into arrears to advise the Client expeditiously and in the event not more than sixty (60) days of any such occurrence in order that a decision may be taken as to the remedial action required.
- 5 Establish and agree an annual budget with the Landlord
- 6 Review maintenance and service contracts requirements and tender through a professional procurement process
- 7 Manage the service provider's performance to achieve excellent levels of service
- 8 Ensure the Landlord and occupiers receive value for money from the supply chain
- 9 Establish building specific and tenant management procedures, such as tenant handbook and fire evacuation routes and procedures.
- 10 Establish regular communication channels with the client and occupiers
- 11 Arrange and negotiate with suitable contractors for the maintenance of Danaat Al Madina Buildings through maintenance contracts or otherwise which contracts and arrangements must receive the prior approval of the Client. In this context, maintenance is understood to include the maintenance and repair of lifts, electrical, plumbing, drainage and air-conditioning installations, fire alarms and firefighting equipment etc, and the cleaning of common public areas, stairways and corridors, entrance lobby, mechanical floor and the immediate surroundings within the curtilage of the premises.
- 12 To maintain accurate accounting records and to submit summary financial statements detailing the income and expenditure of the building and occupancy levels on a monthly basis. Once in a year, to submit detailed financial statements to the Client and to liaise as appropriate with external auditors or consultants as maybe requested by the Client;
- 13 To carry out regular inspections of the building and advise the Client of all maintenance, repairs and decoration that may be required and to calculate and apply for the service charges if any payable under the various Leases and to prepare and submit to the Client statements.



- 14 If so instructed in writing, to advise the Client on the insurance requirements for the building.
- 15 To provide a monthly report to the client to include Income, Lettings details and enquires, Service contracts update, Insurance, Building overview and recommendations.
- 16 Any matter not covered by this agreement must be referred to the Client for his approval.
- 17 To arrange for a weekly meeting with the Client.
- 18 Property Manager to be on site to make sure that all the issues reported directly.
- 19 Below is a list of Managing Agent staffing who will be involved with Danaat AlMadina over the two years contract

Director	✓
Associate Director	✓
Property Manager	✓
Building Inspector	✓
Accountant	✓
Driver	✓



THIRD SCHEDULE

THE FEE

A. Management

From the date of 1st September 2014 appointment, the management fee will be BD 4,900/- per month payable monthly in advance.

B. PAYMENT OF FEES

The management fee shall be paid by the Client in advance of each calendar month without any deduction.

A handwritten signature in blue ink, consisting of several loops and a long horizontal stroke.

DMB International W.L.L.
Savills International Associate

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