

Fortress Caribbean Property Fund
Shareholders' Information Memorandum

August 29, 2013



This document is important and requires your immediate attention. If you are in doubt as to how to vote on the Proposal, you should consult your investment advisor, company manager, lawyer, accountant, tax consultant or other professional advisor.

FORTRESS CARIBBEAN PROPERTY FUND LIMITED

(The Company - #16921)

SHAREHOLDERS' INFORMATION MEMORANDUM CONTAINING

MANAGEMENT PROXY CIRCULAR

PROPOSAL

&

NOTICE OF SPECIAL MEETING

FOR

Conversion of the Company to

A Segregated Cell Company

(Pursuant to Section 356.25(b) of the Companies Act Cap 308)

AND

Matters Incidental Thereto

**THIS IS NOT A PUBLIC OFFERING OR A SOLICITATION
FOR THE PURCHASE OF SECURITIES**

THE BOARD OF DIRECTORS OF FORTRESS CARIBBEAN PROPERTY FUND LIMITED (i) HAS UNANIMOUSLY DETERMINED THAT THE CONVERSION OF THE COMPANY TO A SEGREGATED CELL COMPANY IS IN THE BEST INTEREST OF THE COMPANY AND ITS SHAREHOLDERS, AND (ii) UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE IN FAVOUR OF THE PROPOSAL.

NOTICE TO SHAREHOLDERS

The Proposal referred to herein includes the conversion of the Company to a segregated cell company, changing the existing Class A Common Property Fund Shares and the Class B Shares into a different number of shares of other classes and is subject to Barbados disclosure requirements which may be different from the country of your domicile. Accordingly, if your domicile is not Barbados it may be difficult for you to enforce any rights or claims you may have arising under the securities laws of your domicile. The Company is incorporated under the laws of Barbados and a majority of its Officers and Directors are also residents of Barbados. You may not be able to sue a foreign company or its officers or directors in a foreign court for any violations of the securities laws of your domicile and it may also be difficult to compel a foreign company to subject itself to the judgment of a foreign court. Shareholders should also refer to the RISK FACTORS on page 19.

THIS TRANSACTION AND THE CONTENTS OF THIS MEMORANDUM HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE FINANCIAL SERVICES COMMISSION OF BARBADOS, THE TRINIDAD & TOBAGO SECURITIES AND EXCHANGE COMMISSION, BARBADOS STOCK EXCHANGE INC, TRINIDAD & TOBAGO STOCK EXCHANGE LIMITED, OR ANY OTHER SECURITIES REGULATORY AUTHORITY, NOR HAS ANY SUCH AUTHORITY PASSED UPON THE ACCURACY OR ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.

29 August 2013

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FORTRESS CARIBBEAN PROPERTY FUND LIMITED

In this Shareholders' Information Memorandum, unless otherwise specified or the subject matter or context is inconsistent therewith, the following terms shall have the meanings set out below, and grammatical variations thereof shall have the corresponding meanings:

"\$" or **"BD\$"** means Barbados dollars;

"Act" means the Companies Act, Cap 308 as from time to time amended and every statute substituted therefor;

"Affiliate" has the meaning given to it in the Securities Act Cap 318A and the Companies Act Cap 308, as applicable;

"Articles" mean the Articles of the Company;

"Applicable Securities Laws" or **"Securities Laws"** mean the Securities Act Cap 318A of Barbados and the regulations thereunder and all other applicable securities Laws;

"Associate" has the meaning given to it in the Securities Act Cap 318A and the Companies Act Cap 308, as applicable;

"Board of Directors" or **"Board"** means the board of directors of Fortress Caribbean Property Fund Limited. **"Business day"** means any day (other than a Saturday or Sunday) on which commercial banks located in Barbados are open for the conduct of business;

"BSE" means the Barbados Stock Exchange;

"By-laws" means the by-laws of the Company;

"Cell" means a structure created by a segregated cell company for the purpose of segregating and protecting cellular assets in the manner provided by the Companies Act;

"Cellular Company" or **"Segregated Cell Company"** means a company incorporated or converted as such for the purpose of carrying on its business whereby the assets and business operations are divided into cells for the purpose of segregating and protecting the cellular assets of the company in the manner provided by the Companies Act;

"Company" means Fortress Caribbean Property Fund Limited;

"Common Shares" mean the non-cellular shares of the Cellular Company;

"Development Fund" means the Fortress Caribbean Property Fund Limited, SCC - Development Fund of the Cellular Company and **"Development Fund Shares"** mean the cellular shares of the **"Development Fund"**.

"FSC" means the Financial Services Commission of Barbados;

"Fund" means, unless the context otherwise requires, the mutual fund known as Fortress Caribbean Property Fund Limited;

"Management" means the Fund Manager and Officers of the Company;

"NAV" means net asset value;

"Officers" mean unless the context otherwise requires, officers of Fortress Caribbean Property Fund Limited;

"Options" means any outstanding options to acquire shares granted pursuant to any Stock Option Plan or Share Incentive Plan of the Company;

"Proposal" means this document together with the attachments thereto;

"Redemption Price" means the price at which the Cellular Company may redeem the Development Fund shares;

"Shareholders" mean the holders of Shares in the capital of the Company;

"Split" or **"Share Split"** means or refers to the conversion of the company to a segregated cell company and the issue of Value Fund Shares and Development Fund Shares of the Company in substitution for the existing Class **"A"** common property fund shares held by shareholders of Fortress Caribbean Property Fund Limited;

"Value Fund" means the Fortress Caribbean Property Value Fund of the Company and **"Value Fund Shares"** mean the cellular shares of the **"Value Fund"**.

Words importing the singular include the plural and vice versa and words importing any gender include all genders. Unless otherwise indicated, all dollar amounts shown in this document are in Barbados dollars.

CAUTIONARY STATEMENT ON FORWARD LOOKING INFORMATION

Certain statements in this Shareholders' Information Memorandum may constitute forward looking information within the meaning of applicable Securities Laws. These statements can usually be identified by expressions of belief, expectation or intention, as well as those statements that are not historical fact. In some cases, forward looking information can be identified by the use of terms such as "may", "will", "should", "project", "expect", "believe", "plan", "scheduled", "intend", "estimate", "forecast", "predict", "potential", "continue", "anticipate", "if" or other similar expressions concerning matters that are not historical facts. Forward looking information may relate to management's future outlook and anticipated events or results, and may include statements or information regarding the future plans or prospects of the Company.

Forward looking information is based on certain risks, uncertainties and assumptions. While the Company considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect and there can be no assurance that such developments can be completed as anticipated or at all.

Several factors could cause actual results to differ materially from those expressed in the forward looking statements, including, but not limited to: actions taken by the Company; actions taken by shareholders of the Company; and factors external to the Company arising from the general economic environment.

Forward looking statements are given only as at the date of this document. You should not place undue importance on forward looking information and should not rely upon this information as of any other date. While the Company may elect to, it is under no obligation and does not undertake to update this information at any particular time, except as required by law.

SEE ALSO RISK FACTORS ON PAGE 19

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MANAGEMENT PROXY CIRCULAR

Management is required by the Companies Act to send forms of proxy with the notice convening any meeting of shareholders. By complying with the Act, Management is deemed to be soliciting proxies and is required to issue a Management Proxy Circular.

The information contained in this Management Proxy Circular must be read in conjunction with the Proposal and the Notice of the meeting of shareholders to be held **on Thursday 26th September 2013** and is furnished in connection with the solicitation of proxies by management of the Company for use at the meeting or at any adjournments thereof. The solicitation will primarily be by mail and electronic communication. The cost of the solicitation will be borne by the Company.

A form of proxy is enclosed. If it is not your intention to be present at the meeting, you are kindly asked to complete, sign, date and return the proxy. **Please note that proxies to be used at the meeting must be deposited not later than 4.00 PM on Tuesday 24th September 2013.**

Any shareholder having given a proxy has the right to revoke it by depositing an instrument in writing, signed by the shareholder or his/her attorney in writing, or if the shareholder is a body corporate, partnership, trust or association, by any officer or attorney thereof duly authorized, at any time up to and including the last business day preceding the day of the meeting, or any adjournment thereof, with the Corporate Secretary of the Company at the address given for the deposit of proxies.

The persons named in the enclosed form of proxy are Directors of the Company. If you wish to appoint some other person to represent you at the meeting, you may do so by inserting the name of that person, who need not be a shareholder, in the blank space provided on the proxy form.

The Directors of the Company have not fixed a record date for determining the Shareholders entitled to receive notice of the meeting. Consequently, pursuant to Section 107 of the Companies Act, the record date for determining the Shareholders entitled to receive notice of the meeting is the close of business on 3rd September 2013, being the date immediately preceding the date of the notice of meeting.

The matters on which shareholders are required to vote are embedded in the resolutions set forth in Appendix "A" to the notice convening the meeting, namely:

- (i) By ordinary resolution to repeal the existing by-laws and confirm the adoption of the revised by-laws; and
- (ii) By special resolution to:
 - (a) Approve an amendment to the Company's Articles of Incorporation to convert the Company to a segregated cell company;
 - (b) Create new classes of cellular shares with the rights, privileges and restrictions contained in the text of the special resolution;
 - (c) Authorize the Directors to partition the assets and the liabilities of the Company into two segregated Cells by the creation of a Value Fund and a Development Fund in accordance with the terms specified in the special resolution;
 - (d) Cancel all issued and outstanding shares in the capital of the Company and to issue in lieu thereof Value Fund Shares and Development Fund Shares and Common Shares in accordance with the terms of the Proposal and special resolution;
 - (e) To delist the existing Class A Common Property Fund Shares on the Barbados and Trinidad & Tobago stock exchanges and to list thereon the Value Fund Shares and the Development Fund Shares of the converted company.

Splitting the Fund

There are two primary objectives for splitting the Fund into essentially two funds:

1. to enhance shareholder value; and
2. to reduce the discount at which the Fund's shares are currently trading relative to the Fund's net asset value.

Management expects that this will be achieved because the income being generated from the Fund's income producing properties will be segregated from the portfolio of properties held for development and resale. This means that such income will be spread over a smaller asset base which will result in higher returns on equity and higher dividends for the income producing fund. In short, the sum of the parts is expected to be greater than the whole.

The proposed split will be achieved by converting the Company into a segregated cell company and dividing the Fund's assets into two (2) new segregated funds. The Value Fund will comprise of the Fund's income producing assets and the Development Fund will comprise of the properties held for development and resale.

On the basis of the audited financial statements for the year ended 30th September 2012, total Fund net assets were \$78.1 million. If the split had been made at that time, it would have resulted in an asset allocation of NAV of \$43.7 million to the Value Fund and \$34.4 million to the Development Fund.

The Fund's current NAV is \$1.40 per share while the Fund Shares are trading at \$0.53 per share on the BSE. This represents a 62% discount to the Fund's net asset value (NAV).

The Fund currently has 55,652,768 Class "A" Common Property Fund shares outstanding. Those shares will be cancelled and will be replaced by an allotment of 55,652,768 Value Fund Shares and 55,652,768 Development Fund Shares. As shown **Table 1**, the NAV of the Value Fund after the split is computed at \$0.79 per share and the NAV of the Development Fund at \$0.61 per share.

After the split each Class "A" Common Property Fund shareholder will receive one (1) Value Fund share and one (1)

Table 1

Fortress Caribbean Property Fund					
Value of 1,000 Shares Before and After Share Split					
	No. of Shares	NAV	Share Price	Investment Value Based on NAV	Investment Value Based on Share Price
<u>Before Share Split</u>					
Property Fund	1,000	\$1.40	\$0.53	\$1,400.00	\$530.00
<u>After Share Split</u>					
Value Fund	1,000	\$0.79	\$0.30	\$790.00	\$300.00
Development Fund	1,000	\$0.61	\$0.23	\$610.00	\$230.00
Total After Split		\$1.40	\$0.53	\$1,400.00	\$530.00

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Development Fund share for each Class "A" Common Property Fund share presently held.

Each Shareholder will therefore have exactly the same value of fund assets immediately after the split as before the split. Very simply, there was one (1) share before the split having a net asset value of \$1.40 per share and immediately after the split there will be two (2) separate shares with an aggregate net asset value of \$1.40 in total (Value Fund Share= \$0.79 + Development Fund Share= \$0.61=\$1.40).

One of the objectives of the split is to achieve a smaller discount in the trading value of the Shareholders' investment on the Barbados Stock Exchange. While there can be no guarantee that this will occur, Management believes that the discount on the Value Fund shares should narrow significantly because of the projected enhanced earnings and dividends on the Value Fund shares. It is felt that the market has already discounted the assets that comprise the Development Fund and while there may be some widening of the discount, it is felt that the expected increase in the Value Fund shares should more than offset any widening of the discount of the Development Fund shares.

Table 2 below, which is given by way of demonstration rather than as a projection, shows the financial impact on the value of a shareholder's investment using three possible scenarios of how the new Value Fund shares and Development Fund shares could trade. Scenario 2 for example, shows that if the Value Fund shares rise to a 20% discount to NAV and the Development Fund shares fall to a 70% discount to NAV, the Shareholder should have a 53% net increase in the quoted value of their investment from the current level of \$0.53 share if both funds are retained. If this should happen, and Management believes that it can, the exercise to split the Fund's shares would have met both of Management's key objectives stated above.

Table 2

Fortress Caribbean Property Fund Summary of Impact of Potential Impact on Shareholder Value After Fund Split				
	Share Split 1st Day Of Trading After Share Split	Scenario 1 Discounts Remain Same	Scenario 2 Value Fund - Disc Narrows to 20 % Dev Fund - Disc Widens to 70 %	Scenario 3 Value Fund - Disc Narrows to 10 % Dev Fund - Disc Widens to 80 %
Value Fund NAV	\$0.79	\$0.79	\$0.79	\$0.79
Share Price	\$0.30	\$0.30	\$0.63	\$0.71
Discount	62%	62%	20%	10%
Development Fund NAV	\$0.61	\$0.61	\$0.61	\$0.61
Share Price	\$0.23	\$0.23	\$0.18	\$0.12
Discount	62%	62%	70%	80%
Total Fund NAV	\$1.40	\$1.40	\$1.40	\$1.40
Share Price	\$0.53	\$0.53	\$0.81	\$0.83
Discount	62%	62%	42%	41%
Change in Total Shareholder Value	-	0%	53%	57%

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Table 3 highlights the NAV and earnings projections for the Value Fund shares. This is based on the income expected from the current leases of the properties that the Fund currently owns which will constitute the key assets of the Value Fund. These projections are for demonstration purposes only as property vacancies could increase, or the Fund may sell or purchase other assets and actual results could vary significantly from these projections.

Table 3 shows that the Value Fund is expected to produce an attractive earnings yield through the year 2016. In 2017, the earnings yield may drop significantly due to the potential loss in rental income from the LIME Wildey property as that lease comes to an end in 2016.

Table 3

Value Fund - NAV, Income & Earnings Yield Projections					
Financial Years Ending September 30th	No of Shares	Projected Net Assets	NAV Per Share	Projected Net Income	Projected Earnings Yield
Actual 2012	55,652,778	\$43,699,108	\$0.79	\$3,943,595	9.0%
2013	55,652,778	\$46,594,977	\$0.84	\$5,252,768	11.3%
2014	55,652,778	\$49,397,517	\$0.89	\$5,374,568	10.9%
2015	55,652,778	\$52,313,903	\$0.94	\$5,713,273	10.9%
2016	55,652,778	\$54,598,871	\$0.98	\$5,513,156	10.1%
2017	55,652,778	\$55,858,016	\$1.00	\$2,294,776	4.1%

The projections for the Value Fund anticipate growth in the NAV from \$0.79 per share to \$1.00 per share in 2017 after the expected payment of dividends each year. A significant percentage of the Value Fund's earnings are expected to be cash earnings which will allow, at the discretion of the Board of Directors, for the payment of annual dividends. **Table 4** shows that using a projected dividend payout ratio of 75% of the projected distributable profits, the dividend yields are expected to be in the 6% range based on a 10% discount of the fund's trading price to its NAV. It is partly on the basis of these projected dividend yields that Management believes that the Value Fund's trading price could increase from the current levels to a level much closer to the fund's NAV.

Table 4

Value Fund - Dividend & Dividend Yield Projections							
Financial Years Ending September 30th	No of Shares	Projected Distributable Profit	Dividend % Pay-out Ratio	Potential Dividend	Dividend Per Share	Potential Dividend Yield Based On NAV	Potential Dividend Yield Based On Share Price 10 % Discount To NAV
Actual 2012	55,652,778	\$2,675,000	75.00%	\$2,006,250	\$0.04	4.6%	6.5%
2013	55,652,778	\$3,142,533	75.00%	\$2,356,900	\$0.04	5.1%	6.7%
2014	55,652,778	\$3,429,383	75.00%	\$2,572,037	\$0.05	5.2%	6.5%
2015	55,652,778	\$3,729,183	75.00%	\$2,796,887	\$0.05	5.3%	6.3%
2016	55,652,778	\$4,304,251	75.00%	\$3,228,188	\$0.06	5.9%	6.7%
2017	55,652,778	\$1,380,841	75.00%	\$1,035,631	\$0.02	1.9%	2.1%

However, Shareholders should note that the Value Fund shares are not without risks as the fund's portfolio is very concentrated and a loss of any of the properties or defaults from one or more of the significant tenants could have a material impact on the projections.

Development Fund Shares

The properties which will comprise the Development Fund consist of land awaiting resale and/or development e.g. Apes Hill, Rockley, Lion Castle, Lower Estate, Canouan and Villas on the Green and a number of finished units awaiting sale, including Apes Hill Polo Villa, Limegrove Hillside Villas, Villas on the Green & Canmore.

The appraised valuations of many of these properties have continued to decline in recent years due to the recession and the fall in Caribbean real estate prices. The impact of this has been continuous appraisal losses in the annual accounts for the Fund, most of which have been non-cash charges.

There are ongoing costs associated with the holding of real estate, including property taxes, insurance, maintenance and management. Many of these properties generate little or no annual income so when the annual holding costs are combined with the annual revaluation losses, the negative impact on the earnings of the Fund as a whole in recent years has been significant.

Against this background, the holders of Development Fund shares will naturally be concerned about that fund's strategy for the realization of returns and the expected timing of cash flows and ultimately the recovery of their investment in that fund.

Current economic conditions in Barbados, where most of the assets are located, are not favourable and the immediate outlook does not support a forecast of rising real estate prices. With a few exceptions, the prospects for gains in the near term on the properties that will constitute the portfolio of the Development Fund *are not promising*.

In addition, the transaction costs on property investments are very high (approximately 8% of sales) which include agents' commissions, property transfer taxes, stamp duties and legal fees. In summary, when flat or declining property prices are combined with annual holding costs, limited income and high selling costs, the immediate prospects do not support a very positive outlook for near term returns or gains in the Development Fund's NAV. It is for these reasons that we caution that the discount on the trading price of the Development Fund share may be wider than projected levels.

While the above statements are not encouraging, there are a number of positive factors to be considered. Many of this fund's properties have already been written-down significantly and the current trading price of these assets at 62% below those written down values would suggest there is a measure of value which may be realized when the properties are sold. However, if the Fund's Shareholders continue to offer to sell their shares in weak and depressed market conditions, there is every likelihood that the share price of the Development Fund will decline more than Management anticipates and thereby further erode shareholder value.

The Development Fund's assets were acquired with a long time horizon in mind. In this regard, Management believes that it is not in the Shareholders' long term interest for these assets to be sold through 'fire-sales' in extremely depressed market conditions. The Development Fund will seek to realize value as swiftly as possible, but not at the expense of medium and long term value. Consideration will also be given to the method of returning capital to Shareholders as properties are sold, bearing in mind the potential advantages of repurchasing shares if they are trading at a significant discount.

Example of the NAV impact following a re-purchase of Development Fund Shares at a discount to NAV

The example shown in **Table 5** below shows the positive effect that buying back shares at a discount on the open market can have on the fund's NAV and the share price. The inclusion of this example is not intended to suggest or commit the Company to the adoption or implementation of such policy. It is given **by way of information and example only**, on the impact which

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such policy, if implemented, could have on the Development Fund shares.

The example assumes that 10% of the Development Fund assets are sold at a 20% loss to the carrying value. The net proceeds of approximately \$2.75 million could then be used to buy-back 11.97 million shares on the BSE at an assumed trading price of \$0.23 per share which is 62% discount to NAV.

The result of such an exercise is estimated to result in an increase in the NAV by approximately 16% and a share price increase tending towards 17%, assuming the discount remains the same at 62%.

The overall impact of such a transaction would be to give Shareholders wanting to exit, the opportunity to sell their shares at market value (albeit at a large discount to their book value) and to enable the continuing Shareholders to benefit from a potential increase in the value of their investment.

Table 5

<u>Development Shares - Impact of Share Buy-backs at Discount to NAV</u>						
	Development Fund After Split	Sale of 10 % of Portfolio	Book Value of Assets Sold	Loss On Sale	Net Proceeds Used to Buy Back Shares	Development Fund After Buy-back of Shares
Fund Assets	\$34,424,794	-10%	-\$3,442,479	-20%	(\$2,753,983)	\$30,982,315
No. of Shares	55,652,778				(11,973,840)	43,678,938
NAV	\$0.61					\$0.71
Share Price	\$0.23				\$0.23	\$0.27
Discount	62%					62%
				% Change in NAV		<u>16%</u>
				(=\$0.71/\$0.61)		
				% Change in Share Price		<u>17%</u>
				(=\$0.27/\$0.23)		

The Board is therefore committed to a policy to endeavor to, carefully, selectively and purposefully realize value from the properties in the Development Fund and to return the proceeds to investors through dividends, special distributions, redemptions at NAV and/or share buy-backs when it is appropriate so to do. Note that a buyback of greater than 10% of the Fund's shares would require additional regulatory steps that might affect the Fund's ability to purchase shares at the assumed discount.

Modification of Fees for Development Fund

To more closely align the interests of the Fund Manager and Investment Advisor with Shareholders of the Development Fund, the annual charge payable by the Development Fund to such persons has been reduced by 50% to 0.375% each. However, a onetime charge on the sale or other disposal of Development Fund assets is being implemented. (See By-law No 2 (clause 8.2.1)). This adjustment ameliorates the impact on the Fund's modest cash flow while recognizing that the ongoing management of these assets is at least as demanding as for income generating assets.

The onetime charge is in the nature of a progress fee which is payable to the Fund Manager and Investment Advisor at the rate of 2% of the net proceeds of any property sold at fair market value. The directors believe that the revised fee structure will encourage a more focused emphasis by management on the sale/development of the property held for development or resale while constraining management to a policy of sales at fair market values.

The current level of Fund Manager's and Investment Advisor's annual fee is a combined total of 1.5% of the net asset value of the Fund. This current fee structure is being replaced by one which comprises a reduced annual fee and a one-time progress fee. The annual fee is being reduced by 50%. The one-time fee will be a 2% charge computed on the value of assets sold.

If in the very unlikely event the entire portfolio of the Development Fund was sold in less than 2 2/3 years a net benefit would accrue to the Fund Manager and Investment Advisor. If, however, as anticipated, realization of the portfolio will extend beyond 2 2/3 years a net annual benefit of 0.75% on the net asset value of the Fund would accrue to the Development Fund shareholders for every year in excess of the first 2 2/3 years.

In summary, therefore, if the entire portfolio was sold in less than 2 2/3 years the revised fee structure would result in additional fees being earned by the Fund Manager and Investment Advisor but if that target was not achieved the revised fee structure would constitute a permanent reduction in fees earned by the Fund Manager and Investment Advisor.

While the negotiated reduction of the annual fee was predicated on reducing the annual costs to the Fund, the 2% progress fee on sales was adopted as an incentive to the Fund Manager and Investment Advisor to pursue a more vigorous approach aimed at the realization of value from the assets in the Development Fund.

Fees on the Value Fund will not change.

Voting on This Proposal

At the Special Meeting of Shareholders to be held on **Thursday, 26th September, 2013**, voting will be conducted by a show of hands, where each shareholder present will have one vote. If a ballot is called for, voting will be on the basis of one vote for each share held.

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to the matters identified in the Notice of the Meeting, or other matters that may properly come before the meeting.

Management of the Company knows of no matter to come before the meeting other than the matters referred to in the Notice of the Meeting. If any other matters which are not now known to Management should properly come before the meeting, the persons named in the accompanying form of proxy will vote on such matters in accordance with their best reasoning.

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The contents of this Management Proxy Circular, and the sending thereof to the Shareholders, have been approved by the Directors of the Company.

29 August 2013

Hanna M. Christensen.

Corporate Secretary

THE PROPOSAL

Background

In the Directors' Report to Shareholders for the 2012 financial year, the Chairman observed that the Company had experienced another challenging year, albeit recording a reduced loss of \$16,000 compared to a loss of \$2.9 million in 2011. He said that the Fund's net assets had decreased to \$78.1 million from \$79.4 million in the previous year and that the NAV had also decreased to \$1.40.

The Chairman pointed out that the Fund's loss was primarily due to two main factors; namely, revaluation losses on the Fund's investment properties of \$0.9 million and impairment losses of \$1.9 million on the Fund's portfolio of real estate available for resale. Together those non-cash items resulted in a charge of \$2.8 million to the Fund's net income.

Concluding his report, the Chairman noted that overall market conditions in Barbados, the Caribbean and the developed countries continued to worsen during the period under review and that excessive money printing and the zero interest rate policies followed by central banks in Japan, UK, Europe and the USA had until then been unsuccessful in reviving the world economy to normalized levels of growth.

The Fund was then currently trading at \$0.84 per share, a 40% discount to the Fund's NAV. As at 31st May 2013 the price of the Fund's shares had declined to \$0.77 per share and to \$0.53 as at 31st July 2013.

Reason for Proposal

The following are the four (4) key reasons behind this proposal:

1. Decline in the Fund's share price from \$1.00 in December 2011 to \$0.53 at the end of July 2013 which represented a discount of 62% to its NAV;
2. Negative impact which the non-income generating investments are having upon the Fund's ability to pay competitive dividends;
3. Lack of growth in Shareholder value caused by market conditions and the current share price; and
4. Investment divergence between shareholders wishing to maximize their income and those whose primary aim is to hold investments for their capital appreciation potential.

Management, noting the report of the investment advisors and having conducted a careful evaluation of the Fund's corporate structure, formed the opinion that a corporate and capital restructuring of the Fund offers the best option of building and unlocking Shareholder value within the constraints of the current economic environment.

The present structure creates a significant drag on the Company's ability to meet the needs of Shareholders who wish to maximize their income. Section 52(2) of the Companies Act stipulates that "*A company shall not pay a dividend out of unrealized profits.*" The accounting rules mandate that impairment losses, such as those referred to by the Chairman, must pass through the Company's income statement which, in turn determines the level of profits that may be available for distribution to shareholders.

In 2012 the total impairment and fair value loss charged to the income statement was \$2.8 million of which almost \$2 million related to the Fund's portfolio of real estate assets currently held for resale.

In 2001 the Companies Act was amended to facilitate the creation of segregated cell companies. In a segregated cell company the capital of the company will be separated and distinct cellular shares will be issued. Such shares will have an interest in the assets and stated capital of the specific cell to which they relate. It also means that liabilities too will be

FORTRESS CARIBBEAN PROPERTY FUND LIMITED

separated. *In other words, a cell within a company has the effect of segregating and protecting certain cellular assets substantially in the same manner as if the company had become two legal entities.*

One of the significant benefits of a segregated cell company is found in Section 356.30 of the Companies Act. Sub-section (4) provides *"Cellular dividends may be paid in respect of cell shares by reference only to the cellular assets and liabilities attributable to the cell in respect of which the cell shares were issued"* and sub-section (5) states *"In determining the cellular dividend payments no account needs to be taken of:*

- (a) the profits or losses or the assets and liabilities attributable to any other cell of the company; or*
- (b) non-cellular profits and losses or assets and liabilities"*

As shown in the audited financial statements of the Company as at 30th September 2012, the net assets of the Company attributable to fund shareholders totaled \$78,123,902.

Management strongly believes that partitioning the assets and liabilities of the Company and segregating them into two separate cells, represented by two different funds will be beneficial to Shareholders. The separated cells would be a Value Fund cell and a Development Fund cell and there would be (a) an allocation of the income generating performing assets and associated liabilities of the Fund to the Value Fund and (b) an allocation of the non-income generating assets and associated liabilities of the Fund (*as represented primarily by the real estate investments held for development and/or resale*) to the Development Fund.

Such corporate reorganization could facilitate the payment of enhanced dividends on shares of the Value Fund while segregating the non-income generating real estate assets held for development and/or resale into a separate fund. These assets may be held for its long term capital appreciation potential or offered for sale by fund Shareholders whose objective may be in search of attractive real estate opportunities currently trading at significantly discounted prices.

Table 6 broadly reflects Management's expected allocation of the Fund's properties and the projected NAVs (*based on 30th September 2012 audited financial statements*) of the proposed Value and Development Funds.

Existing Class A Shareholders will be entitled to and will receive all of the shares of both the Value Fund and the Development Fund which will be allocated rateably to such Shareholders in the ratio of one (1) Value Fund Share and one (1) Development Fund Share for every one (1) Class "A" Common Property Fund share held.

Both shares of the Value Fund and the Development Fund will be quoted on the stock exchanges on which the Company's shares are presently listed - thereby preserving the fairness between the Company and its shareholders and among shareholders themselves.

The division should allow the market to more accurately assess the potential of the income producing portfolio of the Company, as represented by the Value Fund, especially having regard to the likely increase in dividends; while those persons whose interest is primarily that of investing for capital appreciation potential may find the deep discount on the properties held for development and/or resale, as represented in the Development Fund shares, to be of particular interest.

By segregating the assets and liabilities into two funds, Shareholders will be given the opportunity to better cater to their investment needs by either holding both funds or exit from one in accordance with their individual investment objectives and personal circumstances. In essence, the proposed structure should promote a clearer evaluation of the Company's investment portfolio by the market and facilitate the building and unlocking of shareholder value.

FORTRESS CARIBBEAN PROPERTY FUND LIMITED

**Table 6
PRO-FORMA PARTITIONING OF ASSETS AND LIABILITIES
AS AT 30TH SEPTEMBER 2012 INTO SEGREGATED CELLS ***

Description of Property & Values as at 30/9/2012	Value Fund \$	Development Fund \$
The CWBET Building	34,900,000	
The CS&C Joint Venture Buildings	15,060,000	
Carlisle House	12,000,000	
No. 24 Broad Street	8,500,000	
Holdings Cottage		2,250,000
The Chattel Village	1,760,000	
Alanridge Canmore Villa		1,741,672
The Sunset Mall	2,256,000	
Lioncastle Land		1,000,000
Apes Hill Land		1,100,000
Apes Hill Polo Villa		1,707,899
Villas on the Green Villas		6,756,169
Villas on the Green Lands		3,485,075
Wotton Lands		6,792,578
Rockley-Cane Garden Lands		2,530,000
Rockley-Central Area Lands		1,445,714
Low Estate Lands		2,000,372
Limegrove Hillside Villa		1,345,780
Canouan		2,999,625
Property Investments Totals	74,476,000	35,154,884
Other Assets:		
Other Investments	581,090	
Accounts Receivables & Prepaid Expenses	850,231	
Cash & Cash Equivalents	908,538	1,500,000
Total Assets	76,815,859	36,654,884
Liabilities:		
Loans Payable	15,320,841	2,230,090
Accounts Payable & Accrued Expenses	1,293,836	
Security & Advance Deposits	1,267,708	
Total Liabilities	17,882,385	2,230,090
Non-Controlling Interests	15,234,366	
Total Assets Less Liabilities & Minority Interests	43,699,108	34,424,794
NET ASSET VALUE PER SHARE	\$0.79	\$0.61

** The portfolio of properties is professionally appraised from time to time. The partitioning of the assets and liabilities into segregated cells will be computed on the basis of the Company's financial statements as at 30th September 2013. Pro-Forma partitioning shown above is intended to demonstrate to Shareholders the composition of the cellular funds had the partitioning taken effect on 30th September 2012.*

FORTRESS CARIBBEAN PROPERTY FUND LIMITED

SUMMARY OF PROPOSAL

By way of summary, Shareholders are required to approve the amendment to the Company's Articles of Incorporation to facilitate the conversion of the Company to a segregated cell company. Reference should therefore be made to the document annexed hereto titled "**Articles of Amendment**" together with the Schedules annexed thereto. That document defines the structure of the proposed cellular company, the types of shares that it may issue together with the authority to Directors to establish two segregated Cells of the Company which shall be known as the Value Fund and the Development Fund.

The Articles of Amendment restricts but also defines the business that the Company may carry on. This is detailed in **Schedule 1A**.

Schedules 1B, 1C and 1D delineate the rights, privileges and restrictions that will be attached to the shares of the segregated cell company.

Schedule 2 restricts the transfer of the Common Shares but makes no such restriction on the cellular shares constituting the Value Fund and the Development Fund.

Schedule 3 contains other miscellaneous provisions and in particular provides, as permitted by the Act, for an arm's length transfer of property between cells at the fair market value.

The reorganization process requires a cancellation of all existing shares at conversion and the issue of new cellular shares and non-cellular common shares. It requires Shareholders' sanction and that sanction is included as part of the special resolution that Shareholders are requested to adopt. (Please see the bottom of Appendix "A" on page 38).

By-laws regulate the internal governance of a Company. The segregated cell structure will introduce fundamental changes in the management of the Company in that, for example, cellular assets will be required to be kept separately and separately identifiable. The Directors have therefore adopted revised by-laws with intent that these should come into force on the date of issue of the Certificate of Amendment. On that date the existing by-laws will be repealed. In accordance with the requirements of the Act, these revised by-laws require the confirmation of Shareholders, and a resolution to that effect is also included in **Appendix "A"**. (Please see first page of Appendix "A" page 29).

As Shareholders hold their shares by book entry no share certificates will be recalled for cancellation. However shareholders will receive a statement from the Company within 30 days from the date of the issue of a Certificate of Amendment showing the shares previously held and details of the new cellular shares allotted to them by the Company.

It is anticipated that the Stock Exchanges on which the Company's shares are listed will be requested to suspend trading in the existing Class "A" Property Fund shares on the day next following the approval of this Proposal by the Shareholders. It is expected however that trading will commence in the new Cell shares approximately seven (7) days after the Company has mailed the Shareholders' statement referred to in the preceding paragraph.

Caution

The strict terms of the Proposal are embodied in the text of the resolutions which Shareholders are required to adopt. Those resolutions are contained in the document marked Appendix "A" which is annexed to this Shareholders' Information Memorandum and should be read in full for a complete understanding of the matters on which Shareholders are required to vote.

FORTRESS CARIBBEAN PROPERTY FUND LIMITED

INVESTMENT OBJECTIVES AND DIVIDEND POLICY OF THE VALUE FUND

The investment objective of the Value Fund is to produce annual income and long term capital gains from a diversified portfolio of income producing properties in the Caribbean. It is expected that the Value Fund will target payouts of 75% of distributable profits of the Value Fund.

INVESTMENT OBJECTIVES AND DIVIDEND POLICY OF THE DEVELOPMENT FUND

The investment objective of the Development Fund is to realize value in the medium term on its portfolio of development properties in the Caribbean. It is not expected that the fund will pay a regular dividend. It is anticipated however, that when properties are sold, and all accrued and accumulated expenses have been paid, the remaining proceeds may be used to facilitate market buy-back of shares and/or distributed to Development Fund shareholders either by way of special dividends, share redemptions or distributions in specie of reinvested proceeds or a combination of any of the foregoing.

RECOMMENDATION OF THE BOARD OF DIRECTORS

Having considered the terms of the Proposal, the recommendation of Management, the advice of legal, corporate, investment and financial consultants and such other matters as the board considered necessary, the Board of Directors (i) unanimously determined that the conversion of the Company to a segregated cell company is in the best interest of the Company and its shareholders (ii) are unanimous in their view that the transaction is fair and equitable to the Shareholders and (iii) unanimously recommend that Shareholders vote to approve the Proposal by adopting the resolutions accompanying the Notice of Meeting.

DIRECTORS' AND OFFICERS' OWNERSHIP OF SHARES OF THE COMPANY

The names of each of the directors and officers of the Company and the respective numbers of Shares of the Company owned or over which control or direction is exercised, as at the date hereof, by each such director and officer and, to their knowledge, after reasonable inquiry, by their respective associates or affiliates and persons who beneficially own or exercise control over shares of the Company carrying more than 10% of the votes attached to the Shares of the Company are as follows:

Name	Position	Shares held
Mr. Geoffrey Cave	Chairman	32,000
Mr. Paul Altman	Director	659,920
Mr. Anthony Audain	Director	26,000
Dr. Trevor Carmichael	Director	26,333
Ms. Maureen Davis	Director	21,506
Mr. Terry Hanton	Director	7,200
Mr. John Williams	Director	17,000
Mr. Algernon Leacock	Director	0
Total		<u>789,959</u>

FORTRESS CARIBBEAN PROPERTY FUND LIMITED

TRADING BY DIRECTORS AND OFFICERS AND OTHER INSIDERS OF THE COMPANY

None of the directors, officers or other insiders of the Company or, to the knowledge of the directors and officers of the Company, after reasonable enquiry, any of their respective associates or affiliates, (other than Fortress Caribbean Growth Fund), or any person or company holding more than 10% of the outstanding shares or any person or company acting jointly or in concert with the Company, has traded in any shares of the Company during the six month period preceding the date of this Memorandum.

ISSUE OF SECURITIES OF FORTRESS CARIBBEAN PROPERTY FUND LIMITED TO DIRECTORS AND OFFICERS AND OTHER INSIDERS

No Shares, or securities convertible into Shares, have been issued by the Company to the Directors, Officers and other insiders of the Company during the two-year period preceding the date of this Memorandum other than as part of a public offering of such shares or securities.

REQUIRED DECLARATION OF TRADE

A shareholder who owns 10% or more of the shares of a listed company is required to declare every trade of those shares to the BSE within one week of each such trade.

TRADING AND PRICE RANGE OF THE COMPANY'S SHARES

The volume of trading and price range of the shares of the Company on the BSE from 1st February 2013 to 31st July 2013, being the six month period preceding the date of this Memorandum, as supplied by the BSE, are as follows:

Trading Price Range of the Company's Shares

Month	Volume	Low Price \$	High Price \$	Closing Price \$	Volume Weighted Average Price \$
February 2013	75,000	0.80	0.80	0.80	0.80
March 2013	22,500	0.79	0.80	0.80	0.79
April 2013	22,152	0.77	0.77	0.77	0.77
May 2013	0	0.77	0.77	0.77	0.77
June 2013	14,476	0.65	0.70	0.65	0.65
July 2013	66,000	0.50	0.53	0.53	0.53

ACCOUNTING PRINCIPLES & SELECTED FINANCIAL INFORMATION

The Company prepares its financial statements in accordance with International Financial Reporting Standards, or IFRS. Calculations of percentage amounts or amounts per share set forth in this Memorandum are based on the number of shares outstanding at the relevant time.

The selected financial data is extracted from the audited financial statements of the Company for the five financial years ended 30 September 2012.

The unaudited financial statements of the Company for the nine months ended 30th June 2013 which forms part of this Memorandum is attached as Appendix 1 (please see page 24).

FORTRESS CARIBBEAN PROPERTY FUND LIMITED

The following is a summary of selected financial data for each of the five financial years ended 30th September.

Summary of Selected Financial Data

	2012	2011	2010	2009	2008
	BD\$	BD\$	BD\$	BD\$	BD\$
Earnings per share	0.00	-0.05	0.04	0.01	0.08
Dividends per share	0.02	0.02	0.03	0.00	0.06
Net Asset Value per share	1.40	1.42	1.51	1.46	1.45

RISKS

General: This document is not a solicitation to the public to purchase shares. It is a restricted memorandum to existing Shareholders whose shares would have been acquired on the basis of a previously published prospectus and other financial information. Notwithstanding, the directors consider that it is important to outline some key risk factors associated with splitting the Fund. However, the following does not purport to be a comprehensive summary of all of the risks associated with an investment in the Funds. Rather, the following are only certain risks to which the Funds are subject and that the directors wish to encourage shareholders to discuss in detail with their professional advisors in evaluating the merits of the Proposal. **Shareholders should give careful consideration to the Cautionary Statement on Forward Looking Information (see page 4), the elements of risks highlighted throughout the memorandum and the following risk factors in evaluating the merits and suitability of the proposed cellular Funds to their needs.** In so doing they should note however that much of the attendant risks already exist in the shares currently held by them.

The higher returns generally anticipated from real estate investments are due to the inherent risks in the investment itself. The primary risk is that of reduced liquidity due to the size of the transactions where a transaction can take months or even years to be executed. If the market in which the real estate assets trade is not well established and defined, there are often few participants and limited information. In addition, the valuation of properties is often subjective where appraisals are based on several assumptions, including estimates of replacement costs, similar market values, future rental incomes and costs, and future discount rates, all of which may embody elements of uncertainty.

Economic and Business Conditions: General economic and business conditions may affect the cellular Funds' activities. Interest rates, the prices of shares and participation by other investors in the financial markets may affect the value of securities purchased by the cellular Funds. Unexpected volatility or liquidity in the markets in which the cellular Funds directly or indirectly hold positions, could impair the cellular Funds' ability to carry out their business and could cause them to incur losses.

Market Risk: In the opinion of the directors the real estate sector is currently in disequilibrium: there are far more sellers than there are buyers, and many properties remain on the market for years without finding a buyer at any price. The directors have recently seen a number of distressed properties brought to market as a result of bank foreclosures, receiverships and administration, and few of these have found buyers even at prices well below depreciated replacement costs. The market price is not being set by equal market forces of demand and supply; hence the market is in disequilibrium. In such a market a seller would normally wait until market conditions improve.

There is a danger in this situation for the assets which will be allocated to the portfolio of the Development Fund. If the cellular Fund seeks to dispose of these properties under current market conditions the price achieved may be very low, in some cases below their valuation, resulting in write downs which will further erode shareholder value. In addition the Fund may be successful in selling the more sought after properties, leaving the least desirable ones on the books for some

considerable period of time. There is also a risk that the price of assets held by the cellular Funds could fall due to changing economic, currency exchange rates, interest rates, political or market conditions or by disappointing operating results.

Country Risk: Many Caribbean economies are in recession and are suffering from very high debt and escalating fiscal deficits. Some countries, such as St Kitts and Grenada, have failed to service their debt and others have been downgraded by international rating agencies. The combination of these factors makes economic recovery more challenging, borrowing more difficult and expensive, and discourages potential investors and buyers from extra regional territories. As a consequence, sales lead times may lengthen and buyers may be scarce.

The country risk associated with poor economic performance and poor investment climate may also extend to the region's equity markets. As a consequence, both the property markets and the equity markets may become illiquid and this may depress share prices thereby impacting shareholder value.

Foreign Markets Risk: Investing in foreign assets involves risks relating to political, social or economic developments abroad as well as risks resulting from the differences between the regulations to which the issuers and the markets are subject.

Concentration of Investments: A significant portion of the cellular Funds' assets may have exposure to a particular industry, market or country. Should such industry, market or country become subject to adverse financial conditions, the cellular Funds' capital will not be afforded the protection otherwise available through greater diversification of its investments.

Value Fund: The largest investment of the proposed Value Fund is the LIME CVBET building. The building is being leased to a single tenant. The lease comes to an end in 2016. If the tenant should sell its business and leave the island or fails to renew or extend the lease, such an event could prove costly as the building is currently configured for their use. Although the building could be reconfigured for another tenant or even for multiple uses, additional expenses will be incurred as a result and in the interim the income of the Value Fund could be adversely affected.

Development Fund: With respect to the proposed Development Fund, the depressed real estate market suggests that returns from these investments can only be realized over extended periods of time and hence this asset class is most suitable for long term investors. The Development Fund's investment policies may be considered somewhat speculative, as there can be no assurance that the Manager's assessments of the short-term or long-term prospects of investments will generate the desired profit. In view of the fact that the Fund may not pay dividends, the Fund is not suitable for investors seeking current income.

Call Risk: The Development Fund shares may be redeemed at NAV by the company as a means of returning capital to shareholders. This means that it is unlikely that the shares will ever trade sustainably at a premium to NAV.

POTENTIAL CONFLICTS OF INTEREST

The fund manager, investment advisor and custodian and their respective affiliates, which shall be deemed to include, in each case, their respective officers, directors, employees and entities owned by any of the aforementioned parties (the "Related Parties") may face certain conflicts of interests in relation to the cellular Funds.

The Related Parties may engage for their own accounts, or for the accounts of others, in other business ventures of any nature, and the Funds have no right to participate in or benefit from the other management activities described above and the Related Parties shall not be obliged to account to the Funds for any profits or benefits made or derived therefrom, nor shall they have any obligation to disclose or refer to the Funds any of the investment or service opportunities obtained through such activities. Related Parties may own Shares in the Funds, deal as principals with the Funds in the sale or purchase of investments of the Funds or act as brokers, whether to the Funds or to third parties in the purchase or sale of the Funds' investments and shall be entitled to retain any profits or customary commissions resulting from such dealings.

The Related Parties and each of its affiliates and the Directors may engage in other business activities and manage the accounts of clients other than the Funds including those of other collective investment vehicles. The investment strategy for such other clients may vary from that of the Funds.

The Related Parties, each of its affiliates and the Directors are not required to refrain from any other activity, nor must they disgorge any profits from any such activity, including acting as director, general partner, manager or managing agent for investment vehicles with objectives similar to those of the Funds. In addition, the Funds may, from time to time, invest its assets in other funds managed by one or more of the Related Parties or its Directors.

The funds' manager and investment advisor believe that they will continue to have sufficient staff, personnel and resources to perform all of their duties with respect to the Funds. However, because some of the officers of the fund manager and investment advisor may have duties in connection with other investment funds and other matters, such officers may have conflicts of interest in the allocation of responsibilities, services and functions among the Funds and other entities similar to the Fund.

MATERIAL CHANGES IN THE AFFAIRS OF THE COMPANY

Other than disclosed, the directors and officers of the Company are not aware of any information that indicates any material change in the affairs of the Company since 30th June 2013, the date of the Fund's last published quarterly report.

OTHER MATERIAL INFORMATION

There is no information not disclosed in this Memorandum, but known to the Board of Directors, that would reasonably be expected to influence the decision of the Company's Shareholders to approve or not approve the Proposal.

COMPANY DISCLOSURES

Except as otherwise stated or referred to in the 2012 Annual Report and/or the latest quarterly report dated 30th June 2013 and/or herein, the Company has not entered into any transaction, directors' resolution, agreement in principle, or signed any contract in response to any transaction outside the ordinary course of business nor are there any negotiations underway in response to any matter which relate to or would result in:

FORTRESS CARIBBEAN PROPERTY FUND LIMITED

(i) an extraordinary transaction such as a merger or reorganization involving the Company or a subsidiary of the Company; (ii) the purchase, sale or transfer of a material amount of assets by the Company or a subsidiary of the Company; (iii) a bid by the Company for its own securities or for those of another issuer; or (iv) any material change in the present capitalization or dividend policy of the Company.

Without limiting the generality of the foregoing:

- Except for service contracts with the fund manager and investment advisors and employment contracts in the ordinary course of business, there are no other contracts with Directors and Officers of the Company or any of its Affiliates.
- There are no agreements, commitments or understandings made or proposed to be made between the Company and any of its directors or officers pursuant to which a payment or other benefit is proposed to be made or given by way of compensation for loss of office or as to their remaining in or retiring from office if the Proposal is approved.
- No Director or Officer of the Company intends to purchase Shares of the Company between the date hereof and the date of allotment of the new cellular shares if the Proposal is approved or knows of the existence of any such intention on the part of any person.

The costs associated with the conversion of the Company to a segregated cell company and matters incidental thereto are estimated not to exceed \$140,000 exclusive of VAT. This cost includes the following estimates: Professional fees \$85,000; Regulatory, listing and filing fees \$30,000; Printing & Postage \$15,000; Contingencies \$10,000 and will be paid by the Company. This amount is equal to approximately 0.2% of the Company's NAV.

FORTRESS CARIBBEAN PROPERTY FUND LIMITED


DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection by shareholders during 9:00 A.M. and 12:00 Noon at the Registered Office of the Company on any business day from the date hereof until the date of the meeting of shareholders hereinbefore referred to.

- The Company's Articles of Incorporation
- The Company's by-laws
- The Company's audited financial statements for each of the five years ended 2012

APPROVAL OF INFORMATION MEMORANDUM

The Directors have approved the contents of this Shareholders' Information Memorandum and authorized its delivery to the Shareholders of Fortress Caribbean Property Fund Limited.



.....
Company Secretary

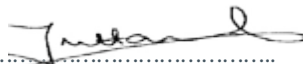
CERTIFICATE

To the best of the Board's knowledge, information and belief, this document contains no known untrue statement of a material fact and does not omit to state a known material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

On Behalf of the Board of Directors
of
Fortress Caribbean Property Fund Limited

Dated the 29th day of August 2013

(Signed) 
.....
Chairman

(Signed) 
.....
Director

FORTRESS CARIBBEAN PROPERTY FUND LIMITED

APPENDIX 1

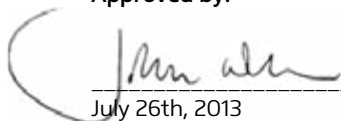
Unaudited Consolidated Statement Of Financial Position of Fortress Caribbean Property Fund Limited as at 30th June 2013

Unaudited Consolidated Statement of Financial Position
As at June 30, 2013
(expressed in Barbados dollars)

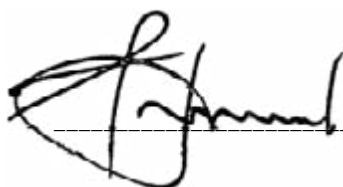


	<u>Unaudited</u> June 30th, 2013 \$	<u>Unaudited</u> June 30th, 2012 \$	<u>Audited</u> September 30th, 2012 \$
Assets			
Investment properties	81,937,874	82,856,825	82,275,571
Real estate available for re-sale	23,857,990	26,307,556	24,355,688
Investment in associated company	2,999,625	2,999,625	2,999,625
Cash & cash equivalents	2,957,511	1,469,996	2,359,338
Short term deposits	49,200	174,067	49,200
Financial assets	632,111	554,776	581,090
Accounts receivable and prepaid expenses	982,829	1,369,729	850,231
Total assets	113,417,140	115,732,574	113,470,743
Liabilities			
Security and advanced deposits	1,269,683	1,262,590	1,267,708
Accounts payable and accrued expenses	1,955,581	1,491,566	1,293,836
Loans payable	15,697,845	17,326,425	17,550,931
Total liabilities	18,923,109	20,080,581	20,112,475
Total assets less liabilities	94,494,031	95,651,993	93,358,268
Equity			
Share Capital	66,522,072	66,598,970	66,522,072
Retained Earnings	12,110,083	13,256,021	11,601,830
Total shareholders' funds	78,632,155	79,854,991	78,123,902
Non-controlling interests	15,861,876	15,797,002	15,234,366
	94,494,031	95,651,993	93,358,268

Approved by:


July 26th, 2013

Director



Director

FORTRESS CARIBBEAN PROPERTY FUND LIMITED

Fortress Caribbean Property Fund
 Unaudited Consolidated Statement of Comprehensive Income
 For the nine month period ended June 30, 2013
 (expressed in Barbados dollars)



	<u>Unaudited</u> <u>Nine months to</u> <u>June 30th, 2013</u> \$	<u>Unaudited</u> <u>Nine months to</u> <u>June 30th, 2012</u> \$	<u>Audited</u> <u>Twelve months to</u> <u>September 30th, 2012</u> \$
REVENUES			
Net rental income	6,023,351	6,158,317	8,195,495
Interest income	26,463	23,254	28,859
Net gain on financial assets at fair value through profit or loss	51,020	50,451	76,765
Other income	1,506	3,967	3,967
Dividend income	124	198	261
Fair value losses on investment property	(385,000)	(644,919)	(857,479)
Total investment income	5,717,464	5,591,268	7,447,868
EXPENSES			
Interest expense	897,239	967,316	1,288,353
Fund management fees	440,808	440,194	595,465
Investment advisor fees	440,808	440,194	595,465
Audit, listing and other professional fees	401,305	183,323	295,686
Net carrying costs on real estate available for re-sale	314,157	332,748	484,365
Net loss on sale of real estate available for re-sale	36,122	-	-
Office and administrative expenses	707	21,647	16,362
Directors fees	34,500	12,000	46,000
Impairment loss on real estate available for re-sale	-	-	1,954,368
Lease premium expense	-	-	400,000
Operating expenditure	2,565,646	2,397,422	5,676,064
Total comprehensive income for the period	3,151,818	3,193,846	1,771,804
Attributable to:			
Class 'A' common property fund shareholders	1,621,308	1,660,294	(16,112)
Non-controlling interests	1,530,510	1,533,552	1,787,916
Total comprehensive income for the period	3,151,818	3,193,846	1,771,804
Per Share Data			
Net Asset Value per share	\$1.41	\$1.43	\$1.40
Earning per share	\$0.03	\$0.03	\$0.00

FORTRESS CARIBBEAN PROPERTY FUND LIMITED

Fortress Caribbean Property Fund
 Unaudited Consolidated Statement of Cashflows
 For the nine month period ended June 30, 2013
 (expressed in Barbados dollars)



	<u>Unaudited</u> Nine months to June 30th, 2013 \$	<u>Unaudited</u> Nine months to June 30th, 2012 \$	<u>Audited</u> Twelve months to September 30th, 2012 \$
Cash flows from operating activities			
Total comprehensive income for the period	3,151,818	3,193,846	1,771,804
Adjustment for:			
Fair value losses on investment property	385,000	644,919	857,479
Net loss on sale of real estate available for re-sale	36,122	-	-
Impairment loss on real estate available for re-sale	-	-	1,954,368
Net gain on financial assets at fair value through profit or loss	(51,020)	(50,451)	(76,765)
Dividend income	(124)	(198)	(261)
Interest income	(26,463)	(23,254)	(28,859)
Interest expense	897,239	967,316	1,288,353
Operating income before working capital changes	4,392,572	4,732,178	5,766,119
Net increase in accounts receivable and prepaid expenses	(129,155)	(854,025)	(336,600)
Net increase/(decrease) in accounts payable and accrued expenses	291,052	(497,483)	(661,137)
Net increase/ (decrease) in security deposits	1,975	(20,362)	(15,244)
Purchases/additions to investment properties	(47,303)	(529,016)	(160,323)
Purchases/additions to real estate available for re-sale	-	(15,198)	(17,698)
Net proceeds from sale of real estate available for resale	461,576	-	-
Proceeds on sale of available-for-sale securities	-	1,150,515	1,150,516
Cash generated from operations	4,970,717	3,966,609	5,725,633
Interest received	23,020	22,779	30,457
Interest paid	(808,288)	(1,262,260)	(1,335,632)
Dividend income	124	198	261
Net cash generated from operating activities	4,185,573	2,727,326	4,420,719
Cash flows from investing activities			
Increase in short term deposits	-	67,133	192,000
Net cash used in investing activities	-	67,133	192,000
Cash flows from financing activities			
Distributions to non-controlling interests	(903,000)	(1,182,500)	(1,999,500)
Loan advances paid	-	-	144,000
Repayment of loans	(1,571,345)	(1,547,295)	(1,748,530)
Dividends paid	(1,113,055)	(1,116,342)	(1,116,342)
Repurchase of shares	-	(90,000)	(144,683)
Net cash used in financing activities	(3,587,400)	(3,936,137)	(4,865,055)
Net increase/ (decrease) in cash and cash equivalents	598,173	(1,141,678)	(252,336)
Cash and cash equivalents at beginning of the period	2,359,338	2,611,674	2,611,674
Cash and cash equivalents at end of the period	2,957,511	1,469,996	2,359,338

FORTRESS CARIBBEAN PROPERTY FUND LIMITED

Fortress Caribbean Property Fund
 Unaudited Consolidated Statement of Changes in Equity
 For the nine month period ended June 30, 2013
 (expressed in Barbados dollars)



	Attributable to Fund shareholders			Total \$
	Share capital \$	Retained earnings \$	Non-controlling interests \$	
Balance- September 30, 2010	66,718,500	17,305,322	14,755,061	98,778,883
Distributions to non- controlling interests	-	-	(924,500)	(924,500)
Dividends paid	-	(1,674,513)	-	(1,674,513)
Net income for the period	-	(2,948,270)	1,615,389	(1,332,881)
Balance- September 30, 2011	66,718,500	12,682,539	15,445,950	94,846,989
Distributions to non- controlling interests	-	-	(1,182,500)	(1,182,500)
Repurchase of shares	(119,530)	29,530	-	(90,000)
Dividends paid	-	(1,116,342)	-	(1,116,342)
Net income for the period	-	1,660,294	1,533,552	3,193,846
Balance- June 30, 2012	66,598,970	13,256,021	15,797,002	95,651,993
	-	-	-	-
Balance- September 30, 2011	66,718,500	12,682,539	15,445,950	94,846,989
Distributions to non- controlling interests	-	-	(1,999,500)	(1,999,500)
Repurchase of shares	(196,428)	51,745	-	(144,683)
Dividends paid	-	(1,116,342)	-	(1,116,342)
Net income for the period	-	(16,112)	1,787,916	1,771,804
Balance- September 30, 2012	66,522,072	11,601,830	15,234,366	93,358,268
Distributions to non- controlling interests	-	-	(903,000)	(903,000)
Dividends paid	-	(1,113,055)	-	(1,113,055)
Net income for the period	-	1,621,308	1,530,510	3,151,818
Balance- June 30, 2013	66,522,072	12,110,083	15,861,876	94,494,031

FORTRESS CARIBBEAN PROPERTY FUND LIMITED

Fortress Caribbean Property Fund Limited NOTICE OF SPECIAL MEETING

Notice is hereby given that a Special Meeting of the Class A Common Property Fund Shareholders and the Class B Shareholders of Fortress Caribbean Property Fund Limited will be held at The Hilton Hotel, Needhams Point, St. Michael, Barbados at 5:00 P.M.* in the afternoon on Thursday the 26th day of September 2013 to transact the following business:

To consider and if thought fit;

- 1 To approve in the manner required for the passing of an ordinary resolution, the enactment of the Revised By-laws in substitution for the existing by-laws of the Company as more specifically delineated and set forth in Resolution 1 of Appendix "A" annexed to this notice which is incorporated herein by reference.
and
- 2 To adopt in the manner required for the passing of a special resolution, the resolution providing for the amendment to the Articles of the Company and matters incidental thereto as more specifically delineated and set forth in Resolution 2 of Appendix "A" annexed to this notice which is incorporated herein by reference.
and
- 3 To approve in the manner required for the passing of an ordinary resolution that:
 - (i) the directors and proper officers of Fortress Caribbean Property Fund Limited are hereby authorized, acting for, in the name of and on behalf of Fortress Caribbean Property Fund Limited, to execute, under the seal of Fortress Caribbean Property Fund Limited or otherwise and to deliver or cause to be delivered Articles of Amendment and such other documents as are necessary or desirable under the Act for sending to the Registrar of Companies under the Act, and to make such amendments thereto as may be required by the Registrar, and
 - (ii) the directors and proper officers of Fortress Caribbean Property Fund Limited are hereby authorized, acting for, in the name of and on behalf of Fortress Caribbean Property Fund Limited, to execute, under the seal of Fortress Caribbean Property Fund Limited or otherwise and to deliver or cause to be delivered all such documents, agreements and instruments and to do or cause to be done all such other acts and things, as such director or officer determines to be necessary or desirable in order to carry out the intent of the foregoing paragraph of this resolution and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing, and
 - (iii) the directors and proper officers of Fortress Caribbean Property Fund Limited are hereby authorized to take all such other steps, as they deem necessary or desirable in connection with the conversion of the Company to a segregated cell company and without limiting the generality of the foregoing, to delist the existing Class A Common Property Fund Shares on the Barbados and Trinidad & Tobago stock exchanges and to list thereon the Value Fund Shares and the Development Fund Shares of the converted company.

By Order of the Board of Directors

Ms. Hanna Chrysostom
Corporate Secretary

4th September, 2013

**By agreement, the meeting of the Class B Shareholders will be convened 15 minutes after the close of the meeting of the Class A Common Property Fund Shareholders at the said place and on the said date.*

FORTRESS CARIBBEAN PROPERTY FUND LIMITED

Appendix "A" To the Notice of Special Meeting of Shareholders of Fortress Caribbean Property Fund Limited

Whereas the directors consider it advisable and desirable in the best interest of the Company and of its shareholders to restructure the capital of the Company;

And **whereas** to facilitate such restructuring it has been recommended that the Company be converted to a segregated cell company pursuant to Section 356.25 of the Companies Act – Cap 308 of the laws of Barbados;

And **whereas** to achieve the foregoing and give effect to the recommendation of the directors it is necessary to amend the Articles of the Company and to partition the assets, liabilities, stated capital accounts and reserves of the Company and allocate such into segregated cells;

And **whereas** it is expedient that new By-laws of the Company should also be enacted;

And **whereas** the directors have furnished the shareholders with copies of the proposed Articles of Amendment, Revised By-laws enacted on 29th August 2013, the text of the Special Resolution requiring their adoption together with the Notice Convening the Special Meeting of Shareholders to consider and if thought fit, by ordinary resolution to confirm the enactment of the said Revised By-laws, and by special resolution to approve the amendment to the Articles and other matters incidental thereto.

Now therefore be it resolved by ordinary resolution:

1 "That the enactment of the Revised By-laws (namely By-law No. 1 and By-law No. 2) in substitution for the existing by-laws of the Company, which repeal and enactment shall become effective on the date of issue of the Certificate of Amendment to the Articles, be and is hereby confirmed"

And

Be it further resolved by special resolution that:

2 "The Articles of the Company be and are hereby amended as hereinafter stipulated:

Pursuant to Section 356.25 (b) of the Companies Act to convert the company to a segregated cell company for the purposes of conducting business activity.

Pursuant to Section 356.27 of the Companies Act to create one or more cells for the purpose of segregating and protecting cellular assets in the manner permitted by the Act.

Pursuant to Section 356.28 (1) to divide the assets of the Company into cellular assets or a combination of both cellular and non-cellular assets.

Pursuant to Sections 197 (1) (a) and 356.26 (1) of the Companies Act to change the name of the Company from Fortress Caribbean Property Fund Limited to Fortress Caribbean Property Fund Limited SCC.

Pursuant to Section 197 (1) (b) of the Companies Act to add or more clearly define the business that the Company may carry on as set out in the annexed Schedule 1A which is incorporated in this resolution.

FORTRESS CARIBBEAN PROPERTY FUND LIMITED

Pursuant to Sections 197 (1) (d) and 356.30 (1) of the Companies Act to create and issue new classes of cell shares and common shares with the rights, privileges and restrictions as set out in the annexed Schedules 1B, 1C and 1D which are incorporated in this resolution.

Pursuant to Section 197 (1) (e) of the Companies Act to change the designation of the Class B Shares into Common Shares and to delineate the rights, privileges and restrictions of the COMMON SHARES as set out in the annexed Schedule 1D which is incorporated in this resolution.

Pursuant to Section 197 (1) (f) of the Companies Act to change the existing Class A Common Property Fund Shares of the Company into a number of FORTRESS CARIBBEAN PROPERTY VALUE FUND SHARES and FORTRESS CARIBBEAN PROPERTY DEVELOPMENT FUND SHARES in such ratios as the Class A Common Property Fund shareholders have by special resolution approved, and also to change the existing Class B Shares of the Company into such number of FORTRESS CARIBBEAN PROPERTY FUND COMMON SHARES as the Class B shareholders have by special resolution also approved; in each case to accord with the terms and provisions of the special resolution of shareholders, a copy of which shall be annexed to the Articles of Amendment as Appendix "A".

And be it further resolved that with respect to:

The Restriction, if any, on business the company may carry on:

The provisions of Schedule 1A are incorporated herein and form part of this resolution.

And

The classes and any maximum number of shares that the company is therefore authorized to issue are:

COMMON SHARES

The Company is authorized to issue 100 Common Shares with the rights, privileges and restrictions set forth in the annexed Schedule of Common-Shareholder Rights (being SCHEDULE 1D) which is incorporated in this resolution.

CELLULAR SHARES

The Company is also authorized to issue an unlimited number of Cellular Shares divided into two (2) cellular classes and designated as "FORTRESS CARIBBEAN PROPERTY VALUE FUND SHARES" (the **Value Fund Shares**) and "FORTRESS CARIBBEAN PROPERTY DEVELOPMENT FUND SHARES" (the **Development Fund Shares**) with the rights, privileges and restrictions set forth respectively in the annexed Schedules of Value Fund-Shareholder Rights (being SCHEDULE 1B) and Development Fund-Shareholders Rights (being SCHEDULE 1C) which are incorporated in this resolution.

And

Restriction, if any, on Share Transfers:

Pursuant to Section 197 (1) (l) of the Companies Act, the restrictions on the transfer of shares which are set forth in the annexed SCHEDULE 2 and incorporated in this resolution, shall henceforth apply to all issued non-cellular Common Shares and Cellular Shares comprising the capital of the Company.

And

Other provisions, if any:

The Company shall partition and keep separate the assets and liabilities, and the stated capital account and reserves which (immediately before the conversion of the Company to a segregated cell company) are attributable to the Class A Common Property Fund Shares, and apportion such partitioned assets and liabilities and stated capital account and reserves between

FORTRESS CARIBBEAN PROPERTY FUND LIMITED

two (2) segregated cells of the Company which shall be established and be known as the "FORTRESS CARIBBEAN PROPERTY VALUE FUND" (the **Value Fund**) and the "FORTRESS CARIBBEAN PROPERTY DEVELOPMENT FUND" (the **Development Fund**) - respectively. The initial allocation and apportionment between the two (2) cells shall be in such ratios and in such manner as the directors may deem fair and reasonable; and

Immediately upon the creation of the two (2) segregated cells all issued and outstanding Class A Common Property Fund Shares (the Class A Shares) shall be cancelled without repayment of capital but the holders thereof shall be entitled to and shall receive in lieu cellular shares in the ratio of one (1) VALUE FUND SHARE and one (1) DEVELOPMENT FUND SHARE for each Class A Common Property Fund Share held; and

Pursuant to Section 197 (1) (m) to replace the other provisions contained in Schedules 1 and 2 of the pre-amended Articles with the provisions now set forth in the annexed SCHEDULE 3 which is incorporated in this resolution.

All shares issued by the Company pursuant to its conversion to a cell company shall be credited as fully paid. The Company shall not hereafter issue a share until it is fully paid.

SCHEDULE 1A

A Schedule to more clearly define the business that the Company may carry on

1. The Company shall be converted and continue as a Mutual Fund Segregated Cell Company for the benefits and purposes of the Mutual Fund Act and Division G of Part III of the Companies Act, Cap 308 of the laws of Barbados.
2. The business of the Company is restricted to that of a Closed-Ended Mutual Fund Company in Barbados in that it shall carry on the business of investing the consideration it receives for the shares it issues. In pursuance of the foregoing the Company may:
 - (1) a) Acquire and hold either in the name of the Company or in that of any nominee cash, property, equity and derivative instruments, including *without limitation* futures and/or forwards on any security, commodity and/or derivative instrument, commercial interest rate, currency, real estate, stock or indices ('Investments').
 - b) Exercise and enforce all rights and powers conferred by or incidental to the ownership of any such Investments, including *without prejudice to the generality of the foregoing*, all such powers of veto or control as may be conferred, by virtue of the holdings of the Company of some special proportion of the issued or nominal amount thereof;
- (2) Acquire such Investments by original subscription, syndicate participation, tender, purchase, exchange or otherwise, and to guarantee the subscription thereof; and to exercise and enforce all rights and powers conferred by or incidental to the ownership thereof;
- (3) Deposit money in any currency with such persons and on such terms as may seem expedient and to discount, buy and sell bills, notes, coupons and other negotiable or transferable securities or documents;
- (4) Employ or otherwise engage experts for the purpose of all or any of the objects of the Company and, without limiting the generality of the foregoing, to investigate and examine into the condition, prospects, value, character, and circumstances of any business concern or undertaking, or of any assets, properties or rights;
- (5) Subject to Section 356 (33) of the Companies Act, borrow or raise money for the account of the Company in any class or cell and to secure or discharge any debt or obligation of or binding on the Company or in any class or cell in such manner as may be thought fit; and without limiting the generality of the foregoing issue and deposit any

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shares or securities which the Company may issue by way of charge, hypothecation, pledge or mortgage, to secure any sum by way of security for the performance of any obligations or liabilities of the Company;

- (6) Accumulate in any class or cell for any of the purposes of that class or cell, and to appropriate any of the assets of any class or cell to specific purposes, either conditionally or unconditionally, and to admit any of those who have dealings with any class or cell to any share in the profits thereof, or to any other special rights, privileges, advantages or benefits;
- (7) Pay commission to any individual, body corporate, association or company in consideration of the subscription or any agreement to subscribe, whether absolutely or conditionally, for any shares in the Company or any other company in which this Company may be, or may be about to be, interested or in consideration of the procuring of an agreement to procure subscriptions, whether absolute or conditional, for any shares in this Company or in any such other company as aforesaid;
- (8) Purchase or acquire for any estate or interest and hold, use, deal or trade in, whether with a view to profit or not, and, by any means, property and rights of all kinds, real or personal, movable or immovable, legal or equitable, and to hold any such property and rights in the name of the Company or segregated into any class or cell or its nominees, and to exercise and enforce all rights and powers as owners and to develop any such property rights;
- (9) Prepare any property of the Company for building or other purposes and to construct, alter, demolish and improve buildings and lands and to enter into contracts and arrangements of any kind with any person and to undertake the management of property buildings and lands whether belonging to the Company or otherwise;
- (10) Borrow or raise money in any manner and to secure the repayment of any money borrowed raised or owing by assignment, charge, hypothecation, pledge or mortgage on all or any of the property or rights of the company present future vested or contingent including uncalled capital;
- (11) Guarantee, assure or become liable for or to indemnify against, any loss, damage or obligation of any person whether or not connected or associated in any manner with the Company (including without limitation any holding or subsidiary company of the Company and any subsidiary of any such holding company); and whether for direct or indirect consideration benefit or advantage and in connection with or support of such arrangements to assign, charge, hypothecate, mortgage or pledge all or any of the undertakings and property of the Company and to enter into any contracts or other transactions in relation to any such arrangements;
- (12) Accept payment for any property, right or undertaking sold or disposed of or dealt with by the Company either in cash or in shares or other securities whether with or without deferred or preferred rights or in debenture, securities or mortgages or in any other manner;
- (13) Accumulate capital for any of the purposes of the Company and to appropriate any property or rights for specific purposes conditionally or unconditionally and to allow any person having dealings with the Company to share in the Company's profits or any other advantages or benefits;
- (14) Pay all or any expenses incurred in connection with the formation, conversion and promotion of the Company, or to contract with any other person, to pay the same and to pay commissions to brokers and others for underwriting, placing, selling or guaranteeing the subscription of any shares or securities of the Company or any other entity promoted by the Company;
- (15) Enter into arrangements with any state, government or authority, national, local or otherwise and to obtain therefrom all rights, concessions or privileges conducive to the Company's objects and to oppose the grant to any

other person or similar rights concessions and privileges;

- (16) Subject to the prior approval of shareholders in general meeting, subscribe or guarantee money for charitable or benevolent objects and to aid in the establishment and support of associations for the benefit of persons at any time employed by or having dealings with the Company or the dependants or families of such persons; and to establish and support associations, institutions, funds and trusts to benefit employees and their respective dependants and families at any time; and to grant pensions and allowances and to make payments towards insurances for the purpose of indemnifying the Company in respect of claims for any risks or accidents to any officers or employees of the Company whether in the course of their respective employment or not and to pay premiums on any such insurances including against illness, accident or death or for any other purpose;
- (17) Draw, make, accept, endorse, issue, discount and execute deeds, agreements, arrangements, cheques, promissory notes, bills of exchange, and all other negotiable and transferable instruments or transactions whatsoever;
- (18) Enter into any joint ventures or arrangements or agreements for sharing profits with any persons;
- (19) Distribute in specie among the Members, by way of dividend or bonus or on a return of capital, any property or rights of the Company or any proceeds of sale;
- (20) Effect insurances and re-insurances against risks of every description for the business of the Company;
- (21) Amalgamate with any other company, whose objects are or are similar to those of the Company, whether by sale, purchase, partnership or any arrangement in the nature of partnership or in any other manner;
- (22) Procure the Company to be recognised or registered anywhere and to carry on all or any part of the Company's business anywhere, whether or not the Company has established an office or is so recognised or registered and as principals, agents, constructors, trustees, nominees or otherwise and by or through such persons and either alone or in conjunction with others.
- (23) To do all such other things as the Company may think incidental to or connected with any of the above objects or conducive to their attainment or otherwise likely in any respect to be advantageous to the Company.

FORTRESS CARIBBEAN PROPERTY FUND LIMITED

And it is hereby declared that the word 'person' in this Schedule (except in reference to the Company) shall include any individual, partnership or other body of persons whether incorporated or not and any government state or authority and further that the objects and/or powers specified in each paragraph shall be treated as independent and accordingly in no way limited or restricted by reference to or inference from any other paragraph or from the name of the Company and may be carried out as fully and construed as widely as permitted by law.

SCHEDULE 1B

Schedule of Value Fund-Shareholder Rights

The following are the rights, privileges and restrictions attached to the cellular
"FORTRESS CARIBBEAN PROPERTY VALUE FUND SHARES"

1.1 The Company is authorized to issue an unlimited number of Value Fund Shares. The holders from time to time of the Value Fund Shares shall collectively and exclusively constitute and be referred to as the "Fortress Caribbean Property Value Fund Shareholders".

1.2 The Value Fund Shares shall NOT be redeemable by the Value Fund Shareholders, but shall be traded on the Barbados Stock Exchange and/or such other stock exchange as the directors may determine.

1.3 The right and privileges of the Value Fund Shareholder are equal in all respects and include the right:

1.3.1 To receive notice of and attend all meetings of shareholders of the Company but not to vote at any such meeting except on the matters particularly set out hereinafter:

- i. The liquidation of the Value Fund;
- ii. The winding up of the Company;
- iii. The reconstruction of the Company, and/or the amalgamation of the Company and/or the Value Fund with any other company or mutual fund;
- iv. In circumstances where the Companies Act specifically confers upon shareholders the right to vote whether or not the share held by them otherwise carry the right to vote.

1.3.2 To receive cellular dividends when declared by the directors. A holder of any fractional Value Fund Share is entitled to receive dividends in respect of that share to the extent of such fraction.

1.3.3 Upon liquidation, dissolution or winding up of the Company or other distribution of the assets of the Company, for the purpose of winding up its affairs, the Value Fund Shareholders shall be entitled to receive, after payment of all liabilities of the Company attributable to the Value Fund, the assets represented by the stated capital and reserves, attributable or held within or for the account of the segregated cell known as the Value Fund. For the avoidance of doubt, reserves include retained earnings, capital reserves, revaluation surpluses and contributed surpluses.

1.4 Subject to applicable securities laws, the Company may in its sole discretion, upon resolution of the directors in any year, and from time to time, purchase on the Barbados Stock Exchange or upon such other exchange on which the shares are traded, such number of Value Fund Shares as the directors in their opinion think fit.

1.5 The subscription price of Value Fund Shares on any issue made after the initial issue shall be such amount as may

be determined by the directors which is not less than the per share net asset value of the assets, which constitute the investment portfolio of the Value Fund cell of the Company, at the most recent valuation date, plus a sales or commission charge of not more than 2% of the subscription price.

SCHEDULE 1C

Schedule of Development Fund-Shareholder Rights

The following are the rights, privileges and restrictions attached to the cellular
"FORTRESS CARIBBEAN PROPERTY DEVELOPMENT FUND SHARES"

1.1 The Company is authorized to issue an unlimited number of Development Fund Shares. The holders from time to time of the Development Fund Shares shall collectively and exclusively constitute and be referred to as the "Fortress Caribbean Property Development Fund Shareholders".

1.2 The Development Fund Shares shall NOT be redeemable by the Development Fund Shareholders but may, at the sole option of the Company, be redeemed by the Company in whole or in part from time to time by one or more tranches at the Redemption Price. The Development Fund Shares shall be traded on the Barbados Stock Exchange and/or such other stock exchange as the directors may determine.

1.2.1 The Redemption Price shall be the net asset value per Development Fund Share.

1.2.2 The Net Asset Value per Development Fund Share shall be the net asset value of the Development Fund divided by the outstanding number of Development Fund Shares.

1.2.3 Subject to the Companies Act, the Company may at any time, and from time to time, make a capital distribution to Development Fund Shareholders by way of reduction of cellular share capital and reserves of the Development Fund.

1.3 The rights and privileges of the Development Fund Shareholders are equal in all respects and include the right:

1.3.1 To receive notice of and attend all meetings of shareholders of the Company but not to vote at any such meeting except on the matters particularly set out hereinafter:

- i) the liquidation of the Development Fund; or
- ii) the winding up of the Company.
- iii) the reconstruction of the Company, and/or the amalgamation of the Company and/or the Development Fund with any other company or mutual fund.
- iv) in circumstances where the Companies Act specifically confers upon shareholders the right to vote whether or not the shares held by them otherwise carry the right to vote.

1.3.2 To receive cellular capital distributions when so authorised and cellular dividends if and when declared by the directors. A holder of any fractional Development Fund Share is entitled to receive dividends in respect of that share to the extent of such fraction.

1.3.3 Upon liquidation, dissolution or winding up of the Company or other distribution of the assets of the Company for the purpose of winding up its affairs, the Development Fund Shareholders shall be entitled to receive, after payment of all liabilities of the Company attributable to the Development Fund, the assets represented by the stated capital and reserves attributable or held within or for the account of the segregated cell known as the

Development Fund. For the avoidance of doubt, reserves include retained earnings, capital reserves, revaluation surpluses, and contributed surpluses.

1.4 Subject to applicable securities laws, the Company may in its sole discretion, upon resolution of the directors in any year and from time to time, purchase on the Barbados Stock Exchange or upon such other exchange on which the shares are traded, such number of Development Fund Shares as the directors in their opinion think fit. *(For the avoidance of doubt such purchase shall not constitute a 'redemption' under clause 1.2, 1.2.1 and 1.2.2 of this schedule).*

1.5 The subscription price of Development Fund Shares on any issue made after the initial issue, shall be such amount as may be determined by the directors, which is not less than the per share net asset value of the assets which constitute the investment portfolio of the Development Fund cell of the Company at the most recent valuation date, plus a sales or commission charge of not more than 2% of the subscription price.

SCHEDULE 1D

Schedule of Common-Shareholder Rights

The following are the rights, privileges and restrictions attached to the non-cellular "**Common Shares**" of the Company

The Company is authorized to issue a maximum of 100 Common Shares. The rights of the holders of each Common Share are equal in all respects, and include:

- (a) The right to receive notice of and attend all meetings of shareholders of the Company;
- (b) The right to vote at any meeting of shareholders in accordance with the provisions of Section 124 of the Companies Act;
- (c) The holders of the Common Shares are NOT entitled to receive any dividends from the Company.
- (d) The Common Shares may NOT be redeemed or repurchased by the Company.
- (e) On a liquidation or dissolution of the Company, or other distribution of the assets of the Company for the purpose of winding up its affairs, the holders of the Common Shares shall only be entitled, after payment of all liabilities of the Company, to receive the stated capital attributable to their shares; and
- (f) The Common Shares shall only be held by such person or persons as may from time to time be acting as the investment advisor or manager of one or more funds of the Company.

SCHEDULE 2

RESTRICTIONS ON SHARE TRANSFERS

Common Shares:

No Common Share shall be transferred to any person other than an investment advisor or fund manager and only if the intended transferee has obtained such licenses as may be required.

Cellular Shares:

Value Fund Shares

Development Fund Shares

Save and except as may be stipulated by any regulatory authority there are no restrictions on the transfer of the Value Fund or the Development Fund cellular shares of the Company.

SCHEDULE 3

OTHER PROVISIONS

- (a) The company was incorporated with the intention that it shall be a public company.
- (b) The net asset value of each Value Fund Share shall be the net asset value of the underlying cellular assets of the Company's segregated cell known as the Value Fund, divided by the outstanding number of Value Fund shares.
- (c) The net asset value of each Development Fund Share shall be the net asset value of the underlying cellular assets of the Company's segregated cell known as the Development Fund, divided by the outstanding number of Development Fund shares.
- (d) The net asset value per cellular share will usually be calculated monthly at the close of business on the selected valuation days.
- (e) The right to trade may at any time, with the consent of the Barbados Stock Exchange or other applicable regulatory authority, be suspended for a period not exceeding three (3) months, during any period, while calculating the net asset value of the Funds and the cellular shares, or for any other special purpose, if the Company is of the opinion that there is good and sufficient reason to do so having regard to the interests of the Value Fund Shareholders and/or the Development Fund Shareholders.
- (f) The Directors may value unlisted assets and/or adjust the prices of quoted securities in circumstances where they believe that the latest quoted prices do not fairly reflect the prices at which securities can be traded.
- (g) The Directors may develop and offer to shareholders a dividend re-investment plan

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- (h) Any non-income generating property forming part of the Development Fund may be developed by the Company to become an income generating asset; and upon becoming an income generating asset such asset may be: (a) transferred to the Value Fund at the fair market value for consideration in the form of cash, Value Fund Shares or such other securities as the directors may deem fit and proper, (b) sold or leased or tenanted for fair market consideration and the proceeds thereof used to develop and enhance other non-income generating properties of the Development Fund or reinvested in the Development Fund or invested at fair market value in shares of the Value Fund. Any Value Fund Shares received as consideration for any such transactions may be retained by the Development Fund or distributed rateably to the Development Fund Shareholders.
- (i) An invitation to the public to subscribe for shares or debentures of the Company is permitted.

And be it further resolved that:

Upon receipt of the Certificate of Amendment to the Articles providing for the conversion of the Company to a segregated cell company the directors of the Company shall be and are hereby authorized and directed:

- (a) to cancel all issued and outstanding Class A Common Property Fund Shares in the capital of the Company without repayment of capital to the holders thereof; and to issue in lieu to each such Class A Common Property Fund Shareholder one (1) new Value Fund Share and one (1) new Development Fund Share, credited as fully paid, in the respective stated cellular capital accounts of the Company for every one (1) Class A Common Property Fund Share held, and
- (b) to cancel all issued and outstanding Class B Shares in the capital of the Company without repayment of capital to the holders thereof and to issue in lieu to each such Class B Shareholder two (2) Common Shares, credited as fully paid, for every one (1) Class B Share held”.

APPENDICES

ARTICLES OF AMENDMENT

BY-LAW #1

BY-LAW #2



COMPANIES ACT OF BARBADOS
(Section 33 and 203)

ARTICLES OF AMENDMENT

1. **Name of Company** **FORTRESS CARIBBEAN PROPERTY FUND LIMITED SCC**
Company Number **16921**

2. **The articles of the above named company are amended as follows:**

Pursuant to Section 356.25 (b) of the Companies Act to convert the company to a segregated cell company for the purposes of conducting business activity.

Pursuant to Section 356.27 of the Companies Act to create one or more cells for the purpose of segregating and protecting cellular assets in the manner permitted by the Act.

Pursuant to Section 356.28 (1) to divide the assets of the Company into cellular assets or a combination of both cellular and non-cellular assets.

Pursuant to Sections 197 (1) (a) and 356.26 (1) of the Companies Act to change the name of the Company from Fortress Caribbean Property Fund Limited to Fortress Caribbean Property Fund Limited SCC.

Pursuant to Section 197 (1) (b) of the Companies Act to add or more clearly define the business that the Company may carry on as set out in the annexed Schedule 1A which is incorporated in this form.

Pursuant to Sections 197 (1) (d) and 356.30 (1) of the Companies Act to create and issue new classes of cell shares and common shares with the rights, privileges and restrictions as set out in the annexed Schedules 1B, 1C and 1D which are incorporated in this form.

Pursuant to Section 197 (1) (e) of the Companies Act to change the designation of the Class B Shares into Common Shares and to delineate the rights, privileges and restrictions of the COMMON SHARES as set out in the annexed Schedule 1D which is incorporated in this form.

Pursuant to Section 197 (1) (f) of the Companies Act to change the existing Class A Common Property Fund Shares into a number of Value Fund Shares and Development Fund Shares in such ratios as the Class A shareholders have by special resolution approved, and also to change the existing Class B Shares into such number of Common Shares as the Class B shareholders have by special resolution also approved; in each case to accord with the terms and provisions of such special resolutions of shareholders, copy of which is annexed as Appendix "A".

Date:	2013	Signature:	Geoffrey Cave	Title:	Director
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Company Number:

Filed:

ARTICLES OF AMENDMENT -continued

Name of Company	Company No.
FORTRESS CARIBBEAN PROPERTY FUND LIMITED SCC	16921

3. Restriction, if any, on business the company may carry on:

The annexed Schedule 1A is incorporated herein and forms part of this Form

4. The classes and any maximum number of shares that the company is therefore authorized to issue are:

COMMON SHARES

The Company is authorized to issue 100 Common Shares with the rights, privileges and restrictions set forth in the annexed Schedule of Common-Shareholder Rights (being SCHEDULE 1D) which is incorporated in this form.

CELLULAR SHARES

The Company is also authorized to the issue an unlimited number of Cellular Shares divided into two (2) classes and designated as "VALUE FUND SHARES" and "DEVELOPMENT FUND SHARES" respectively with the rights, privileges and restrictions set forth in the annexed Schedules of Value Fund-Shareholder Rights (being SCHEDULE 1B) and Development Fund-Shareholders Rights (being SCHEDULE 1C) which are incorporated in this form.

5. Restriction, if any, on Share Transfers:

Pursuant to Section 197 (1) (l) of the Companies Act, the restrictions on the transfer of shares which are set forth in the annexed SCHEDULE 2 and incorporated in this form, shall henceforth apply to all issued Common Shares and Cellular Shares comprising the capital of the Company.

6. Other provisions, if any:

The Company shall partition and keep separate the assets and liabilities, and the stated capital account and reserves which (*immediately before the conversion of the Company to a cell company*) are attributable to the Class A Common Property Fund Shares, and apportion such partitioned assets and liabilities and stated capital account and reserves between two (2) segregated cells of the Company which shall be established and be known as the "VALUE FUND" and the "DEVELOPMENT FUND" respectively. The initial allocation and apportionment between the two (2) cells shall be in such ratios and in such manner as the directors may deem fair and reasonable.

Immediately upon the creation of the two (2) segregated cells all issued and outstanding Class A Common Property Fund Shares (the Class A Shares) shall be cancelled without repayment of capital but the holders thereof shall be entitled to and shall receive in lieu cellular shares in the ratio of one (1) VALUE FUND SHARE and one (1) DEVELOPMENT FUND SHARE for each Class A Share held.

Pursuant to Section 197 (1) (m) to replace the other provisions contained in the pre-conversion Schedules 1 and 2 with the provisions now set forth in the annexed SCHEDULE 3 which is incorporated in this form.

All shares issued by the Company pursuant to its conversion to a cell company shall be credited as fully paid. The Company shall not hereafter issue a share until it is fully paid.

Date:	2013	Signature:	Geoffrey Cave	Title:	Director
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SCHEDULES TO ARTICLES OF AMENDMENT

Name of Company

Company No.

FORTRESS CARIBBEAN PROPERTY FUND LIMITED SCC

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SCHEDULE 1A

A Schedule to more clearly define the business that the Company may carry on

1. The Company shall be converted and continue as a Mutual Fund Segregated Cell Company for the benefits and purposes of the Mutual Fund Act and Division G of Part III of the Companies Act, Cap 308 of the laws of Barbados.
2. The business of the Company is restricted to that of a Closed-Ended Mutual Company of Barbados in that it shall carry on the business of investing the consideration it receives for the shares it issues. In pursuance of the foregoing the Company may:
 - (1) a) Acquire and hold either in the name of the Company or in that of any nominee cash, property, equity and derivative instruments, including *without limitation* futures and/or forwards on any security, commodity and/or derivative instrument, commercial interest rate, currency, real estate, stock or indices ('Investments').
 - b) Exercise and enforce all rights and powers conferred by or incidental to the ownership of any such Investments including *without prejudice to the generality of the foregoing* all such powers of veto or control as may be conferred by virtue of the holdings of the Company of some special proportion of the issued or nominal amount thereof.
 - (2) Acquire such Investments by original subscription, syndicate participation, tender, purchase, exchange or otherwise, and to guarantee the subscription thereof; and to exercise and enforce all rights and powers conferred by or incidental to the ownership thereof.
 - (3) Deposit money in any currency with such persons and on such terms as may seem expedient and to discount, buy and sell bills, notes, coupons and other negotiable or transferable securities or documents.
 - (4) Employ or otherwise engage experts for the purpose of all or any of the objects of the Company and *without limiting the generality of the foregoing* to investigate and examine into the condition, prospects, value, character, and circumstances of any business concern or undertaking, or of any assets, properties or rights.
 - (5) Subject to Section 356(33) of the Companies Act borrow or raise money for the account of the Company in any class or cell and to secure or discharge any debt or obligation of or binding on the Company or in any class or cell in such manner as may be thought fit and *without limiting the generality of the foregoing* issue and deposit any shares or securities which the Company may issue by way of charge, hypothecation, pledge or mortgage to secure any sum by way of security for the performance of any obligations or liabilities of the Company.
 - (6) Accumulate in any class or cell for any of the purposes of that class or cell, and to appropriate any of the assets of any class or cell to specific purposes, either conditionally or unconditionally, and to admit any of those who have dealings with any class or cell to any share in the profits thereof, or to any other special rights, privileges, advantages or benefits.

Date:	2013	Signature:	Geoffrey Cave	Title:	Director
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SCHEDULES TO ARTICLES OF AMENDMENT

Name of Company

Company No.

FORTRESS CARIBBEAN PROPERTY FUND LIMITED SCC

16921

SCHEDULE 1A – continued

A Schedule to more clearly define the business that the Company may carry on

- (7) Pay commission to any individual, body corporate, association or company in consideration of the subscription or any agreement to subscribe, whether absolutely or conditionally, for any shares in this Company or any other company in which this Company may be, or may about to be interested or in consideration of the procuring of an agreement to procure subscriptions, whether absolute or conditional, for any shares in this Company or in any such other company as aforesaid.
- (8) Purchase or acquire for any estate or interest and hold, use, deal or trade in whether with a view to profit or not and by any means property and rights of all kinds real or personal movable or immovable legal or equitable; and to hold any such property and rights in the name of the Company or segregated into any class or cell or its nominees and to exercise and enforce all rights and powers as owners and to develop any such property rights.
- (9) Prepare any property of the Company for building or other purposes and to construct, alter, demolish and improve buildings and lands and to enter into contracts and arrangements of any kind with any person and to undertake the management of property buildings and lands whether belonging to the Company or otherwise.
- (10) Borrow or raise money in any manner and to secure the repayment of any money borrowed, raised or owing by assignment, charge, hypothecation, pledge or mortgage on all or any of the property or rights of the company, present, future, vested or contingent including uncalled capital.
- (11) Guarantee, assure or become liable for or to indemnify against any loss damage or obligation of any person whether or not connected or associated in any manner with the Company (including without limitation any holding or subsidiary company of the Company and any subsidiary of any such holding company) and whether for direct or indirect consideration benefit or advantage and in connection with or support of such arrangements to assign, charge, hypothecate, mortgage or pledge all or any of the undertakings and property of the Company and to enter into any contracts or other transactions in relation to any such arrangements.
- (12) Accept payment for any property right or undertaking sold or disposed of or dealt with by the company either in cash or in shares or other securities whether with or without deferred or preferred rights or in debenture securities or mortgages or in any other manner.

Date:	2013	Signature:	Geoffrey Cave	Title:	Director
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Company Number:

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SCHEDULES TO ARTICLES OF AMENDMENT

Name of Company

Company No.

FORTRESS CARIBBEAN PROPERTY FUND LIMITED SCC

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SCHEDULE 1A – continued

A Schedule to more clearly define the business that the Company may carry on

- (13) Accumulate capital for any of the purposes of the Company and to appropriate any property or rights for specific purposes conditionally or unconditionally and to allow any person having dealings with the Company to share in the Company's profits or any other advantages or benefits.
- (14) Pay all or any expenses incurred in connection with formation, conversion and promotion of the Company or to contract with any other person to pay the same and to pay commissions to brokers and others for underwriting, placing, selling or guaranteeing the subscription of any shares or securities of the Company or any other entity promoted by the Company.
- (15) Enter into arrangements with any state government or authority national local or otherwise and to obtain therefrom all rights, concessions or privileges conducive to the Company's objects and to oppose the grant to any other person or similar rights, concessions and privileges.
- (16) Subject to the prior approval of shareholders in general meeting, subscribe or guarantee money for charitable or benevolent objects and to aid in the establishment and support of association for the benefit of persons at any time employed by or having dealings with the Company or the dependants or families of such persons and to establish and support associations, institutions, funds and trusts to benefit employees and their respective dependants and families at any time and to grant pensions and allowances and to make payments towards insurances for the purpose of indemnifying the Company in respect of claims for any risks or accidents to any officers or employees of the Company whether in the course of their respective employment or not and to pay premiums on any such insurances including against illness, accident or death or for any other purpose.
- (17) Draw, make, accept, endorse, issue, discount and execute deeds, agreements, arrangements, cheques, promissory notes, bills of exchange, and all other negotiable and transferable instruments or transactions whatsoever.
- (18) Enter into any joint ventures or arrangements or agreements for sharing profits with any persons.
- (19) Distribute in specie among the Members by way of dividend or bonus or on a return of capital any property or rights of the Company or any proceeds of sale.
- (20) Effect insurances and re-insurances against risks of every description for the business of the Company.

Date:	2013	Signature:	Geoffrey Cave	Title:	Director
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SCHEDULES TO ARTICLES OF AMENDMENT

Name of Company

Company No.

FORTRESS CARIBBEAN PROPERTY FUND LIMITED SCC

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SCHEDULE 1A – continued

A Schedule to more clearly define the business that the Company may carry on

- (21) Amalgamate with any other company whose objects are or include similar to those of the Company whether by sale or by purchase or partnership or any arrangement in the nature of partnership or in any other manner.

- (22) Procure the Company to be recognised or registered anywhere and to carry on all or any part of the Company's business anywhere whether or not the Company has established an office or is so recognised or registered and as principals, agents, constructors, trustees, nominees or otherwise and by or through such persons and either alone or in conjunction with others.

- (23) To do all such other things as the Company may think incidental to or connected with any of the above objects or conducive to their attainment or otherwise likely in any respect to be advantageous to the Company.

And it is hereby declared that the word 'person' in this Schedule (except in reference to the Company) shall include any individual partnership or other body of persons whether incorporated or not and any government state or authority and further that the objects and/or powers specified in each paragraph shall be treated as independent and accordingly in no way limited or restricted by reference to or inference from any other paragraph or from the name of the Company and may be carried out as fully and construed as widely as permitted by law.

Date:	2013	Signature:	Geoffrey Cave	Title:	Director
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Company Number:

Filed:

SCHEDULES TO ARTICLES OF AMENDMENT

Name of Company

Company No.

FORTRESS CARIBBEAN PROPERTY FUND LIMITED SCC

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SCHEDULE 1B

Schedule of Value Fund-Shareholder Rights

The following are the rights, privileges and restrictions attached to the cellular
“VALUE FUND SHARES”

- 1.1 The Company is authorized to issue an unlimited number of Value Fund Shares. The holders from time to time of the Value Fund Shares shall collectively and exclusively constitute and be referred to as the “Value Fund Shareholders”.
- 1.2 The Value Fund Shares shall NOT be redeemable by the Value Fund Shareholders, but shall be traded on the Barbados Stock Exchange and/or such other stock exchange as the directors may determine.
- 1.3 The rights and privileges of the Value Fund Shareholders are equal in all respects and include the right:
 - 1.3.1 To receive notice of and attend all meetings of shareholders of the Company but not to vote at any such meeting except on the matters particularly set out hereinafter:
 - i. the liquidation of the Value Fund;
 - ii. the winding up of the Company;
 - iii. the reconstruction of the Company, and/or the amalgamation of the Company and/or the Value Fund with any other company or mutual fund; or
 - iv. in circumstances where the Companies Act specifically confers upon shareholders the right to vote whether or not the shares held by them otherwise carry the right to vote.
 - 1.3.2 To receive cellular dividends when declared by the directors. A holder of any fractional Value Fund Share is entitled to receive dividends in respect of that share to the extent of such fraction.
 - 1.3.3 Upon liquidation, dissolution or winding up of the Company or other distribution of the assets of the Company for the purpose of winding up its affairs, the Value Fund Shareholders shall be entitled to receive, after payment of all liabilities of the Company attributable to the Value Fund, the assets represented by the stated capital and reserves attributable or held within or for the account of the segregated cell known as the Value Fund. For the avoidance of doubt, reserves include retained earnings, capital reserves, revaluation surpluses, and contributed surpluses.
- 1.4 Subject to applicable securities laws, the Company may in its sole discretion, upon resolution of the directors in any year and from time to time, purchase on the Barbados Stock Exchange or upon such other exchange on which the shares are traded, such number of Value Fund Shares as the directors in their opinion think fit.
- 1.5 The subscription price of Value Fund Shares on any issue made after the initial issue shall be such amount as may be determined by the directors which is not less than the per share net asset value of the assets which constitute the investment portfolio of the Value Fund cell of the Company at the most recent valuation date, plus a sales or commission charge of not more than 2% of the subscription price.

Date:	2013	Signature:	Geoffrey Cave	Title:	Director
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Filed:

SCHEDULES TO ARTICLES OF AMENDMENT

Name of Company

Company No.

FORTRESS CARIBBEAN PROPERTY FUND LIMITED SCC

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SCHEDULE 1C

Schedule of Development Fund-Shareholder Rights

The following are the rights, privileges and restrictions attached to the cellular
"DEVELOPMENT FUND SHARES"

- 1.1 The Company is authorized to issue an unlimited number of Development Fund Shares. The holders from time to time of the Development Fund Shares shall collectively and exclusively constitute and be referred to as the "Development Fund Shareholders".
- 1.2 The Development Fund Shares shall NOT be redeemable by the Development Fund Shareholders but may, at the sole option of the Company, be redeemed by the Company in whole or in part from time to time by one or more tranches at the Redemption Price. The Development Fund Shares shall be traded on the Barbados Stock Exchange and/or such other stock exchange as the directors may determine.
- 1.2.1 The Redemption Price shall be the net asset value per Development Fund Share.
- 1.2.2 The Net Asset Value per Development Fund Share shall be the net asset value of the Development Fund divided by the outstanding number of Development Fund Shares.
- 1.2.3 Subject to the Companies Act, the Company may at any time and from time to time make a capital distribution to Development Fund Shareholders by way of reduction of cellular share capital and reserves of the Development Fund.
- 1.3 The rights and privileges of the Development Fund Shareholders are equal in all respects and include the right:
- 1.3.1 To receive notice of and attend all meetings of shareholders of the Company but not to vote at any such meeting except on the matters particularly set out hereinafter:
- i. the liquidation of the Development Fund; or
 - ii. the winding up of the Company.
 - iii. the reconstruction of the Company, and/or the amalgamation of the Company and/or the Development Fund with any other company or mutual fund.
 - iv. in circumstances where the Companies Act specifically confers upon shareholders the right to vote whether or not the shares held by them otherwise carry the right to vote.
- 1.3.2 To receive cellular capital distributions when so authorised and cellular dividends if and when declared by the directors. A holder of any fractional Development Fund Share is entitled to receive dividends in respect of that share to the extent of such fraction.

Date:	2013	Signature:	Geoffrey Cave	Title:	Director
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SCHEDULES TO ARTICLES OF AMENDMENT

Name of Company

Company No.

FORTRESS CARIBBEAN PROPERTY FUND LIMITED SCC

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SCHEDULE 1C - continued

Schedule of Development Fund-Shareholder Rights

- 1.3.3 Upon liquidation, dissolution or winding up of the Company or other distribution of the assets of the Company for the purpose of winding up its affairs, the Development Fund Shareholders shall be entitled to receive, after payment of all liabilities of the Company attributable to the Development Fund, the assets represented by the stated capital and reserves attributable or held within or for the account of the segregated cell known as the Development Fund. For the avoidance of doubt, reserves include retained earnings, capital reserves, revaluation surpluses, and contributed surpluses.
- 1.4 Subject to applicable securities laws, the Company may in its sole discretion, upon resolution of the directors in any year and from time to time, purchase on the Barbados Stock Exchange or upon such other exchange on which the shares are traded, such number of Development Fund Shares as the directors in their opinion think fit.
- 1.5 The subscription price of Development Fund Shares on any issue made after the initial issue shall be such amount as may be determined by the directors which is not less than the per share net asset value of the assets which constitute the investment portfolio of the Development Fund cell of the Company at the most recent valuation date, plus a sales or commission charge of not more than 2% of the subscription price.

Date:	2013	Signature:	Geoffrey Cave	Title:	Director
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SCHEDULES TO ARTICLES OF AMENDMENT

Name of Company

Company No.

FORTRESS CARIBBEAN PROPERTY FUND LIMITED SCC

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SCHEDULE 1D

Schedule of Common-Shareholder Rights

The following are the rights, privileges and restrictions attached to the
"Common Shares"

The Company is authorised to issue a maximum of 100 Common Shares. The rights of the holders of each Common Share are equal in all respects, and include:

- (a) The right to receive notice of and attend all meetings of shareholders of the Company.
- (b) The right to vote at any meeting of shareholders in accordance with the provisions of Section 124 of the Companies Act.
- (c) The holders of the Common Shares are NOT entitled to receive any dividends from the Company.
- (d) The Common Shares may NOT be redeemed or repurchased by the Company.
- (e) On a liquidation or dissolution of the Company, or other distribution of the assets of the Company for the purpose of winding up its affairs, the holders of the Common Shares shall only be entitled, after payment of all liabilities of the Company, to receive the stated capital attributable to their shares.
- (f) The Common Shares shall only be held by such person or persons as may from time to time be acting as the investment advisor or manager of one or more funds of the Company.

Date:	2013	Signature:	Geoffrey Cave	Title:	Director
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SCHEDULES TO ARTICLES OF AMENDMENT

Name of Company

Company No.

FORTRESS CARIBBEAN PROPERTY FUND LIMITED SCC

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SCHEDULE 2

RESTRICTIONS ON SHARE TRANSFERS

Common Shares:

No Common Share shall be transferred to any person other than an investment advisor or fund manager and only if the intended transferee has obtained such licenses as may be required.

Cellular Shares:

Value Fund Shares
Development Fund Shares

Save and except as may be stipulated by any regulatory authority, there are no restrictions on the transfer of the Value Fund or the Development Fund cellular shares of the Company.

Date:	2013	Signature:	Geoffrey Cave	Title:	Director
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SCHEDULES TO ARTICLES OF AMENDMENT

Name of Company

Company No.

FORTRESS CARIBBEAN PROPERTY FUND LIMITED SCC

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SCHEDULE 3

OTHER PROVISIONS

- a) The Company was incorporated with the intention that it shall be a public company.
- b) The net asset value of each Value Fund Share shall be the net asset value of the underlying cellular assets of the Company's segregated cell known as the Value Fund, divided by the outstanding number of Value Fund shares.
- c) The net asset value of each Development Fund Share shall be the net asset value of the underlying cellular assets of the Company's segregated cell known as the Development Fund, divided by the outstanding number of Development Fund shares.
- d) The net asset value per cellular share will usually be calculated monthly at the close of business on the selected valuation days.
- e) The right to trade may at any time, with the consent of the Barbados Stock Exchange or other applicable regulatory authority, be suspended for a period not exceeding three (3) months, during any period while calculating the net asset value of the Funds and the cellular shares, or for any other special purpose, if the Company is of the opinion that there is good and sufficient reason to do so having regard to the interests of the Value Fund Shareholders and/or the Development Fund Shareholders.
- f) The Directors may value unlisted assets and/or adjust the prices of quoted securities in circumstances where they believe that the latest quoted prices do not fairly reflect the prices at which securities can be traded.
- g) The Directors may develop and offer to shareholders a dividend re-investment plan.
- h) Any non-income generating property forming part of the Development Fund may be developed by the Company to become an income generating asset and upon becoming an income generating asset such asset may be: (a) transferred to the Value Fund at the fair market value for consideration in the form of cash, Value Fund Shares or such other securities as the directors may deem fit and proper, (b) sold or leased or tenanted for fair market consideration and the proceeds thereof used to develop and enhance other non-income generating properties of the Development Fund or reinvested in the Fund or invested at fair market value in shares of the Value Fund. Any Value Fund Shares received as consideration for any such transactions may be retained by the Development Fund or distributed rateably to the Development Fund Shareholders.
- i) An invitation to the public to subscribe for shares or debentures of the Company is permitted.

Date:	2013	Signature:	Geoffrey Cave	Title:	Director
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Company Number:

Filed:

THE COMPANIES ACT, CAP 308
MUTUAL FUND

REVISED BY-LAW NO.1

A BY-LAW RELATING GENERALLY TO
THE CONDUCT OF THE AFFAIRS OF

FORTRESS CARIBBEAN PROPERTY FUND LIMITED SCC
(Hereinafter called "the Company")

BE IT ENACTED and it is hereby enacted as a general by-law of the Company as follows:

1. INTERPRETATION

- 1.1 Definitions and Interpretations:** In this by-law and all other by-laws of the Company, unless the context otherwise requires:
- (a)** "Act" means the Companies Act, Cap 308 as from time to time amended and every Statute substituted therefor and, in the case of such substitutions, any references in the by-law of the Company to provisions of the Act shall be read as references to the substituted provision therefor in the new statute or statutes;
 - (b)** "By-laws" means any by-law of the Company from time to time in force;
 - (c)** "Caricom" means The Caribbean Community (CARICOM), originally the Caribbean Community and Common Market, established by the Treaty of Chaguaramas which came into effect on August 1, 1973;
 - (d)** "Common Shares" shall have the terms and conditions attached thereto as set out in the Articles of the Company;
 - (e)** "Fund" and "Fund Assets" have the meaning as defined in Revised By-Law No. 2;
 - (f)** "Fund Shares" mean, as the circumstances may require, the Value Fund Shares and/or the Development Fund Share as set out in the Articles of the Company;
 - (g)** "Recorded address" means the latest address of a person as shown in the records of the Company;
 - (h)** "Regulations" mean any Regulations made under the Act, and every regulation substituted therefor and, in the case of such substitution, any references in the by-laws of the Company to provisions of the Regulations shall be read as references to the substituted provisions therefor in the new regulations;

- (i) All terms contained in the by-laws and defined in the Act or the Regulation shall have the meanings given to such terms in the Act or the Regulations;
- (j) The headings used in the by-laws are inserted for reference purposes only and are not to be considered or taken into account in construing the terms or provisions thereof or to be deemed in any way to clarify, modify or explain the effect of any such terms or provisions.
- (k) The singular includes the plural and the plural includes the singular; the masculine gender includes the feminine and neuter genders; the word "person" includes bodies corporate, companies, partnerships, syndicates, trusts and any association of persons; and the word "individual" means a natural person.

2. REGISTERED OFFICE

- 2.1 **Registered Office:** The registered office of the Company shall be in Barbados at such address as the directors may fix from time to time by resolution. The Company may also maintain other offices at such other places both within and outside Barbados as the directors may from time to time determine.

3. SEAL

- 3.1 **Seal:** The common seal of the Company shall be such as the directors may by resolution from time to time adopt. The seal, an impression whereof is made on these by-laws, is at the date hereof declared to be the common seal of the Company. The Company is authorized to have for use in any country other than Barbados or for use in any district or place not situated in Barbados, an official seal or seals which must comply with Section 25(2) of the Act. The seal of the Company may be affixed to contracts, documents and instruments in writing signed as hereafter provided.

4. DIRECTORS

- 4.1 **Number and Powers:** There shall be a minimum of three (3) and a maximum number of ten (10) directors of the Company at least two (2) of whom are not officers or employees of the Company or any of its affiliates. Subject to any unanimous shareholder agreement, the directors shall manage the business and affairs of the Company and may exercise all such powers and do all such acts and things as may be exercised or done by the Company and are not by the Act, the Articles, the by-laws, any special resolution of the Company, a unanimous shareholder agreement or by statute expressly directed or required to be done in some other manner.
- 4.2 **Qualification:** Subject to paragraph 4.3 no person shall be qualified to hold the office of director if:

- (a) He is less than 21 years of age;

- (b) He is found to be of unsound mind;
- (c) He is mentally or physically incapacitated and unable to perform the duties of a director;
- (d) He has the status of a bankrupt, is insolvent or compounds with his creditors;
- (e) Being a corporation it enters into liquidation.

4.3 Corporate Director: A person who is a director of the Company but who is not an individual shall, by such procedure as may be appropriate for the management of the affairs of such person, appoint an individual to act as such person's representative as a director of the Company with power to exercise all of the powers of a director of the Company but the person appointing any such individual shall remain fully liable as a director of the Company notwithstanding such appointment. A duly certified copy of the resolution or document whereby any such appointment is made shall be filed with the Company before any such individual acts as representative as aforesaid. Any person appointing an individual under the provisions of this paragraph may from time to time revoke the appointment of such individual and appoint another in his place.

4.4 Eligibility for election: Except as otherwise provided by the by-laws no person shall be eligible for election as a director at any general meeting unless either:

- (a) he is recommended by the board of directors; or
- (b) not less than ten (10) clear days nor more than fifty (50) clear days before the date appointed for the annual meeting, written notice, executed by not less than the number of persons holding at least five percent (5%) of the issued and outstanding Common shares in the capital of the Company, has been given to the Company of the intention to propose a person for election together with a letter of consent signed by that person confirming his willingness to be appointed and to serve as a director if elected provided however that no shareholder or consortium of persons may nominate more than one (1) director for election under this sub-paragraph.

4.5. Election: Subject to the Articles and the By-laws, directors shall be elected by the Common shareholders on a show of hands unless a ballot is demanded in which case such election shall be by ballot. No person shall be elected to be a director of the Company who is disqualified under the provisions of the Act or the Company's Articles or By-laws

4.6 Tenure: Unless otherwise determined by the Articles or the By-laws or any resolution of the Common shareholders and unless his tenure is sooner determined, a director shall hold office from the close of the meeting from the date on which he is elected or appointed until the close of the third annual meeting of the shareholders next following or until his successor is elected or appointed, whichever ever shall first occur, but, if qualified, he shall be eligible for re-election.

- 4.6.1** A director who is also an officer shall cease to be a director when he ceases to be an officer, but shall be eligible for re-election if qualified.
- 4.6.2** A director shall cease to be a director:
- (a) When he dies; or
 - (b) If he is removed from office by the Common shareholders; or
 - (c) If he ceases to be qualified for election as a director; or
 - (d) If he becomes bankrupt or compounds with his creditors or is declared insolvent; or
 - (e) If he is found to be of unsound mind; or
 - (f) If by notice in writing to the Company he resigns his office. Any such resignation shall be effective at the time it is sent to the Company or at the time specified in the notice, whichever is later; or
 - (g) If he absents himself from more than four (4) consecutive meetings of the directors without leave; or
 - (h) If he is otherwise prohibited under any legislation in Barbados from being a director of any company in Barbados.
- 4.7 Removal of Directors:** Subject to the provisions of the Act the Common shareholders of the Company may, by ordinary resolution passed at a special meeting of the Common shareholders, remove any director from office and a vacancy created by such removal may be filled at the same meeting.
- 4.8 Alternate Director:** Any director may by written notice to the Company appoint any person to be his alternate to act in his place at meetings of the directors at which he is not present but the directors must approve or disapprove the appointment of such person and give notice to the directors within a reasonable time. Every alternate shall be entitled to attend and vote at meetings at which the person who appointed him is not present, A director may at any time by written notice to the Company revoke the appointment of an alternate director appointed by him. The remuneration payable to such an alternate shall be payable out of the remuneration of the director appointing him.
- 4.9 Rotation of Directors:** At the annual meeting held each year one-third or the number nearest thereto of the directors shall be required to retire provided that a director shall not normally retire unless he has been in office for three (3) years but shall be eligible for re-election if qualified. The retiring directors shall be those who have been longest in office, and, as between two or more who have been equal in length of time the director or directors to retire shall, in default of agreement between them, be determined by lot. The length of time a director has been in office shall be computed from the date of commencement of his last unbroken

service as a director. Directors retiring by rotation shall, if willing, continue in office until their places are filled.

- 4.10 Conflict of Interest:** A director or officer who is a party to, or who is a director or officer of or has a material interest in any person who is a party to, a material contract or proposed material contract with the Company shall disclose the nature and extent of his interest at the time and in the manner provided by the Act. Any such contract or proposed contract shall be referred to the directors or shareholders for approval even if such contract is one that in the ordinary course of the Company's business would not require approval by the directors or shareholders and a director interested in a contract so referred to the directors shall not vote on any resolution to approve the same except as provided by the Act.
- 4.11 Casual vacancy among the directors:** Where there is any vacancy or vacancies among the directors, the directors then in office may exercise all of the powers of the directors so long as a quorum of the directors remain in office. Any vacancy occurring among the directors may be filled, for the remainder of the term, by such directors.
- 4.12 Leave of absence:** The directors may, at their discretion, grant leave of absence to not more than one third the number of directors in office at the same time. Such leave for any one director shall not normally exceed six months in any one calendar year.

5. COMMITTEES

- 5.1 Committee of Directors:** The directors may appoint from among their number a Managing Director or a Committee of directors and subject to Section 80(2) of the Act may delegate to the Managing Director or such committee any of the powers of the directors.
- 5.2 Transaction of Business:** The powers of a committee of directors may be exercised by a meeting at which a quorum is present or by resolution in writing signed by all the members of such committee who would have been entitled to vote on that resolution at a meeting of the committee. Meetings of such committee may be held at any place within or outside Barbados.
- 5.3 Procedure:** Unless otherwise determined by the directors each committee shall have the power to fix its quorum at not less than a majority of its members, to elect its chairman and to regulate its procedure.
- 5.4 Investment Committee:** The Investment Committee shall be appointed by the Board of Directors from time to time. A quorum for meetings of the Investment Committee is a majority of its members. The Investment Committee is responsible for reviewing all investment recommendations made by the Fund Manager or Investment Advisor and where appropriate recommending their approval by the Board. The Investment Committee shall also be responsible for monitoring existing investments and recommending investment policies and procedures to

the Board of Directors for approval.

- 5.5 Audit and Governance Committees:** Notwithstanding paragraph 5.1 the directors shall elect annually from among their number an audit committee and a governance committee, each comprising not less than three directors and in the case of the audit committee persons who are financially literate. No employee of the Company shall be a member of either committee but may be invited to attend meetings. A member of such committees shall serve during the pleasure of the directors and in any event only so long as he is a director.
- 5.6 Audit Committee:** The audit committee shall have power to fix its quorum at not less than a majority of its members and to determine its written mandate or charter, rules of procedure subject to any regulations imposed by the board of directors from time to time. The board of directors shall approve the audit committee's written charter. The auditor of the Company is entitled to receive notice of every meeting of the audit committee and at the expense of the Company to attend and be heard at the meeting. If so requested by a member of the audit committee, the auditor shall attend every meeting of the committee held during his term of office. Any member of the audit committee may call a meeting of the committee.
- 5.7 Governance Committee:** The governance committee shall have the power to fix its quorum at not less than a majority of its members and to determine its written mandate or charter subject to the board of directors' approval. The governance committee shall determine its rules of procedure subject to any regulations imposed by the board of directors from time to time. Any member of the governance committee may call a meeting of the committee.

6. CORPORATE GOVERNANCE COMPLIANCE

- 6.1 Corporate Governance:** Without otherwise limiting the powers of the Board set forth in and provided that Fund shares are listed for trading on the Barbados Stock Exchange the Company shall comply with the corporate governance rules and requirements of the Barbados Stock Exchange, as applicable.

7. BORROWING AND LENDING POWERS OF DIRECTORS

- 7.1 Borrowing Powers:** The Company may not borrow money, except from banks or other licensed financial institutions, in amounts not exceeding 60% of the value of the Fund's total assets at the time of borrowing. The Fund may not pledge or hypothecate any of its assets, except in connection with permitted borrowing in amounts not exceeding 60% of the value of the Fund's total assets at the time of such borrowing. The powers conferred by this By-law shall be in supplement to and not in substitution for any powers to borrow money for the purposes of the Company possessed by its directors or officers independently of a borrowing By-law.
- 7.2 Loans:** The Company will not make loans. The Company will not lend its portfolio

assets. The Company will not invest in mortgages or other debt instruments secured by real estate. The Company will be empowered to invest in real estate, listed and unlisted shares of companies whose primary business related to the development, ownership, management or rental of properties.

- 7.3 Delegation of Powers:** Subject to the Articles, the directors may from time to time by resolution delegate to any officer of the Company all or any of the powers conferred on the directors by paragraph 5.1 hereof to the full extent thereof or such lesser extent as the directors may in any such resolution provide.

8. MEETINGS OF DIRECTORS

- 8.1 Place of Meeting:** Meetings of the directors and of any committee of the directors may be held at any place within or outside Barbados.
- 8.2 Calling of Meetings:** Meetings of the directors shall be convened at any time as the Chairman, Deputy Chairman or any two (2) directors may determine or by the Secretary when so directed or authorized.
- 8.3 Notice:** Meetings of the directors may be convened from time to time at such place, on such day and at such time as the Chairman of the Board or the Deputy Chairman of the Board or any two Directors may determine, and the Secretary shall call meetings when directed or authorized by any of the said officers or by any two directors. Subject to subsection 76 (1) of the Act the notice of any such meeting need not specify the purpose of or the business to be transacted at the meeting. Notice of any such meeting shall be served in the manner specified in paragraph 18.1 hereof not less than five (5) days (exclusive of the day on which the notice is delivered or sent but inclusive of the day for which notice is given) before the meeting is to take place. A director may in any manner waive notice of a meeting of the directors and attendance of a director at a meeting of the directors shall constitute a waiver of notice of the meeting except where a director attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.
- 8.4 Newly Elected Director and Notice:** It shall not be necessary to give notice of a meeting of the directors to a newly elected or appointed director for a meeting held immediately following the election of directors by the Common shareholders for the appointment to fill a vacancy among the directors.
- 8.5 Chairman:** The Chairman of any meeting of the directors shall be the chairman of the board and in his absence the Deputy Chairman, if any. If no such officer is present, the directors present shall choose one of their number to be chairman of the meeting.
- 8.6 Deputy Chairman:** If the Chairman is absent or is unable or refuses to act, the Deputy-Chairman (if any) shall, when present, preside at all meetings of the directors, and any committee of the directors or the shareholders.
- 8.7 Adjourned Meetings:** Any meeting of directors or of any committee of directors may be adjourned from time to time by the Chairman of the meeting

with the consent of the meeting, to a fixed time and place and no notice of the time and place for the holding of the adjourned meeting need be given to any director if the time and place of the adjourned meeting is announced at the original meeting. Any adjourned meeting shall be duly constituted if held in accordance with the terms of the adjournment and a quorum is present thereat. The directors who formed a quorum at the original meeting are not required to form the quorum at the adjourned meeting. If there is no quorum present at the adjourned meeting, the original meeting shall be deemed to have terminated forthwith after its adjournment.

- 8.7 Regular Meetings:** The directors may appoint a day or days in any month for regular meetings of the directors at a place and hour to be named. A copy of any resolution of the directors fixing the place and time of such regular meeting shall be sent to each director forthwith after being passed but no other notice shall be required for any such meeting except where the Act requires the purpose thereof or the business to be transacted thereat to be specified.
- 8.8 Quorum:** A majority of the directors shall constitute a quorum for the transaction of any business of a meeting thereof and notwithstanding any vacancy among the directors; a quorum may exercise all the powers of the directors. No business shall be transacted at a meeting of directors unless a quorum is present.
- 8.9 Meetings by Telephone:** Provided that all the directors agree, a director may participate in a meeting of directors or of any committee of the directors by means of such telephone or other communication facilities as permit all persons participating in the meeting to hear each other and a director participating in such a meeting by such means is deemed to be present at that meeting. Any such consent shall be effective whether given before or after the meeting to which it relates and may be given with respect to all meetings of the directors and of committees of the directors held while a director holds office.
- 8.10 Voting:** Questions arising at any meeting of the directors shall be decided by a majority of votes. In case of an equality of votes the chairman of the meeting in addition to his original vote shall have a second or casting vote.
- 8.11 Resolution in lieu of meeting:** Notwithstanding any of the foregoing provisions of this by-law a resolution in writing signed by all the directors entitled to vote on that resolution at a meeting of the directors or any committee of the directors is as valid as if it had been passed as a meeting of the directors or any committee of the directors.

9. REMUNERATION OF DIRECTORS

- 9.1 Remuneration:** Subject to the Articles or any unanimous shareholders agreement the directors shall be paid such remuneration as the Common shareholder may by resolution from time to time determine. Any remuneration so payable to a director who is also an officer or employee of the Company or who is counsel or attorney-at-law to the Company or otherwise serves it in a professional capacity shall, unless the Board shall otherwise determine, be in addition to his salary as

such officer or employee or to his profession fees as the case may be.

- 9.2 Special Remuneration:** The board may by resolution from time to time award special remuneration out of the funds of the Company to any director who performs any special work or service for, or undertakes any special mission on behalf of the Company outside the work or services ordinarily required of a director of the Company, and the confirmation of any such resolution or resolutions by the Common shareholders shall not be required. In addition, the directors shall also be paid such sums in respect of their actual out-of-pocket expenses properly incurred in attending Board or any committee thereof or otherwise in respect of the performance by them of their duties as the Board may determine.
- 9.3 Remuneration for services other than as Director:** If any director or officer of the Company is employed by or performs services for the Company otherwise than as a director or officer or is a member of a firm or a shareholder, director or officer of a body corporate which is employed by or performs services for the Company, the fact of his being a shareholder, director or officer of the Company shall not disentitle such director or officer or such firm or body corporate, as the case may be, from receiving proper remuneration for such services.

10. OFFICERS

- 10.1 Appointment:** The directors shall as often as may be required appoint a Secretary and, if deemed advisable, may as often as may be required appoint any or all of the following officers: a Chairman, Deputy Chairman, Treasurer, one or more Assistant Secretaries or one or more Assistant Treasurers. A director may be appointed to any office of the company but none of the officers except the Chairman and the Deputy Chairman need be a director. Two or more of the aforesaid offices may be held by the same person. In case and whenever the same person holds the offices of Secretary and Treasurer he may but need not be known as the Secretary-Treasurer. The directors may from time to time appoint such other officers and agents as they deem necessary that shall have such authority and shall perform such duties as may from time to time be prescribed.
- 10.2 Duties:** If appointed, the Chairman and Deputy Chairman shall, subject to the provisions of the Act, the Articles or any unanimous shareholder agreement, have such other powers and duties the directors may specify and during the absence or disability of the Chairman his duties shall be performed and his powers exercised by the Deputy-Chairman. The directors may from time to time specify the duties of and, in accordance with this By-law and subject to the provisions of the Act, delegate to such officers, powers to manage the business and affairs of the Company. All officers shall sign such contracts, documents or instruments in writing as require their respective signatures and shall respectively have and perform all powers and duties respectively as may from time to time be assigned to them by the directors.

- 10.3 Remuneration:** The remuneration of all officers appointed by the directors shall be determined from time to time by resolution of the directors. The fact that any officer or employee is a director or shareholder of the Company shall not disqualify him from receiving such remuneration as may be determined.
- 10.4 Delegation:** In the case of the absence or inability to act of any officer of the Company, except a managing director, or for any other reason that the directors may deem sufficient the directors may delegate all or any of the powers of such officer to any other officer or to any director.
- 10.5 Secretary:** The Secretary shall give or cause to be given notices for all meetings of the directors, any committee of the directors and the shareholders when directed to do so and shall have charge of the minute books and seal of the Company and, subject to the provisions of paragraph 16.1 and 16.4 hereof, of the records (other than accounting records) referred to in Section 170 of the Act. The Secretary shall keep or cause to be kept a record of all the proceedings of all meetings held by the directors and by the shareholders of the Company and shall have charge of the seal of the Company, all of which he shall deliver as and when instructed or authorized by resolution of the board of directors and not otherwise. He shall perform such duties as are incident to his office or as may be required of him from time to time by the Board of Directors.
- 10.6 Financial Controller, Accountant and/or Treasurer:** Subject to the provisions of any resolution of the directors, or of any other By-Law, a Financial Controller, Accountant and/or Treasurer shall have the care and custody of all the funds and securities of the Company and shall deposit the same in the name of the Company in such bank or banks or with such other depository or depositories as the directors may direct. He shall keep or cause to be kept the accounting records referred to in Section 172 of the Act. He may be required to give such bond for the faithful performance of his duties as the directors in their uncontrolled discretion may require but no director shall be liable for failure to require any such bond or for the insufficiency of any such bond or for any loss by reason of the failure of the Company to receive any indemnity thereby provided.
- 10.7 Assistant Secretary and Assistant Treasurer:** The Assistant Secretary or, if more than one, the Assistant Secretaries in order of seniority, and the Assistant Treasurer or, if more than one, the Assistant Treasurers in order of seniority, shall respectively perform all the duties of the Secretary and the Treasurer, respectively, in the absence or inability or refusal to act of the Secretary or the Treasurer, as the case may be.
- 10.8 General Manager or Manager:** The directors may from time to time appoint one or more General Managers or Managers and may delegate to him or them full power to manage and direct the business and affairs of the Company (except such matters and duties as by law or the Articles must be transacted or performed by the directors or by the shareholders) and to employ and discharge agents and employees of the Company or may delegate to him or them any lesser authority. A General Manager or Manager shall conform to all lawful orders given to him by the directors of the Company and shall at all reasonable times give to the directors or the Secretary or any of them all information they may require

regarding the affairs of the Company. Any agent or employee appointed by the General Manager or Manager may be discharged by the Directors.

- 10.9 Managing Director:** shall exercise such powers and have such authority as may be delegated to him by the directors in accordance with the provisions of Section 80 of the Act. In the absence of any appointment of a person to the office of President or chief executive officer the Managing Director shall be the chief executive officer of the Company.
- 10.10 Tenure:** Unless he vacates office under paragraph 4.6.2 an officer who is a director shall continue in office for so long as he is a director of the Company notwithstanding that, from time to time, his term of office as a director may expire and he may be re-elected a director of the Company.
- 10.11 Vacancies:** If the office of any officer of the Company becomes vacant by reason of death, resignation, disqualification or otherwise, the directors by resolution shall, in the case of the Secretary, and may in the case of any other office, appoint a person to fill such vacancy.

11. SUBMISSION OF CONTRACTS OR TRANSACTIONS TO SHAREHOLDERS FOR APPROVAL

- 11.1** The directors in their discretion may submit any contract, act or transaction for approval or ratification at any meeting of the Common shareholders called for the purpose of considering the same and, subject to the provisions of Section 89 of the Act, any such contract, act or transaction that is approved or ratified or confirmed by a resolution passed by a majority of the votes cast at any such meeting (unless any different or additional requirement is imposed by the Act or by the Company's articles or any other by-law) shall be as valid as though it had been approved, ratified or confirmed by every Common shareholder of the Company.

12. FOR THE PROTECTION OF DIRECTORS AND OFFICERS

- 12.1 Limitation of Liability:** No director or officer of the Company shall be liable to the Company for:
- (a)** the acts, receipts, neglects or defaults of any other director or officer or employee or for joining in any receipt or act for conformity;
 - (b)** any loss, damage or expense happening to or incurred by the Company through the insufficiency or deficiency of title to any property acquired by the Company or for on behalf of the Company;
 - (c)** the insufficiency or deficiency of any security in or upon which any of the moneys of or belonging to the Company shall be placed out or invested;
 - (d)** any loss or damage arising from the bankruptcy, insolvency or tortious act of any person, including any person with whom any moneys, securities or effects of the Company shall be lodged or deposited;

- (e) any loss, conversion, misapplication or misappropriation of or any damage resulting from any dealings with any moneys, securities or other assets belonging to the Company;
- (f) any other loss, damage or misfortune whatever which may happen in the execution of the duties of his respective office or trust or in relation thereto

unless the same are occasioned by or through his own willful neglect or default or happens through his failure to exercise the powers and to discharge the duties of his office honestly and in good faith with a view to the best interests of the Company and in connection therewith to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Except as provided by law, the directors for the time being of the Company shall not be under any duty or responsibility in respect of any contract, act or transaction whether or not made, done or entered into in the name or on behalf of the Company, except such as are submitted to and authorized or approved by the directors. Nothing herein shall relieve a director or officer from the duty to act in accordance with the Act and/or Regulations made thereunder or relieve him from liability for a breach thereof.

13. INDEMNITIES TO DIRECTORS AND OFFICERS

13.1 Indemnity: Subject to Section 97 of the Act, except in respect of an action by or on behalf of the Company to obtain a judgment in its favours, the Company shall indemnify a director or officer of the Company, a former director or officer of the Company or a person who acts or acted at the Company's request as a director or officer of a body corporate in which the Company is or was a shareholder or creditor (or a person who undertakes or has undertaken any liability on behalf of the Company or any such body corporate) and his heirs personal representatives, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by him in respect of any civil, criminal or administrative action or proceeding to which he is made a party by reason of being or having been a director or officer of such company or such body corporate if:

- (a) he acted honestly and in good faith with a view to the best interests of the Company; and
- (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, he had reasonable grounds for believing that his conduct was lawful.

13.2 Insurance: Subject to the limitations contained in the Act the Company may purchase and maintain such insurance for the benefit of its directors and officers, as the directors may from time to time determine.

14. SHAREHOLDERS' MEETINGS

14.1 Annual Meeting: Subject to the provisions of Section 105 of the Act, the annual meeting of the Fund shareholders and of the Common shareholders shall be held

on such day in each year and at such time as the directors may by resolution determine at any place within Barbados or, if all the shareholders entitled to vote at such meeting so agree, outside Barbados.

14.2 Special Meetings: Special meetings of the Fund shareholders or of the Common shareholders may be convened by order of the Chairman, the Deputy Chairman or by the directors at any date and time and at any place within Barbados or, if all the shareholders entitled to vote at such meeting so agree, outside Barbados. Whenever and as soon as there is not a quorum of Directors in office, it shall be the duty of the Secretary to call a special meeting of all shareholders to elect directors to fill the vacancies, provided that if such lack of quorum shall occur within a month before the regular time for the annual meeting, the Secretary may call the annual meeting instead of a special meeting.

14.3 Special Meetings on Requisition of Shareholders: The directors shall, on the requisition of the holders of not less than five percent (5%) of the issued shares of the Company that carry a right to vote at the meeting requisitioned, forthwith convene a meeting of shareholders, and in the case of such requisition the following provisions shall have effect:

- (a) The requisition must state the purpose of the meeting and must be signed by the requisitionists and deposited at the Registered Office, and may consist of several documents in like form each signed by one or more of the requisitionists.
- (b) If the directors do not, within twenty-one (21) days from the date of the requisition being so deposited, proceed to convene a meeting, the requisitionists or any of them may themselves convene the meeting, but any meeting so convened shall not be held after three (3) months from the date of such deposit.
- (c) Unless subsection (3) of Section 129 of the Act applies, the directors shall be deemed not to have duly convened the meeting if they do not give such notice as is required by the Act within twenty-one (21) days from the deposit of the requisition.
- (d) Any meeting convened under this by-law by the requisitionists shall be called as nearly as possible in the manner in which meetings are to be called pursuant to the by-laws and Divisions E and F of Part 1 of the Act.
- (e) A requisition by joint holders of shares must be signed by all such holders.

14.4 Notice of Meetings: A printed, written or typewritten notice stating the day, hour and place of meeting shall be given by serving such notice on each shareholder entitled to vote at such meeting, on each director and on the auditor of the Company in the manner specified in paragraph 18.1 hereof, not less than twenty-one (21) days or more than fifty (50) days (in each case exclusive of the day on which the notice is delivered or sent and of the day for which notice is given) before the date of the meeting. Notice of a meeting at which special business is

to be transacted shall state (a) the nature of that business in sufficient detail to permit the shareholder to form a reasoned judgment thereon, and (b) the text of any special resolution to be submitted to the meeting.

- 14.4 Waiver of Notice:** A shareholder and any other person entitled to attend a meeting of shareholders may in any manner waive notice of a meeting of shareholders and attendance of any such person at a meeting of shareholders shall constitute a waiver of notice of the meeting except where such person attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.
- 14.5 Omission of Notice:** The accidental omission to give notice of any meeting or any irregularity in the notice of any meeting or the non-receipt of any notice by any shareholder, director or the auditor of the Company shall not invalidate any resolution passed or any proceedings taken at any meeting of the shareholders.
- 14.6 Record Dates:** For the purpose of Section 106 (1) of the Act and for the purpose of determining shareholders who are entitled to receive notice of a meeting of shareholders of the Company, the directors of the Company may fix in advance a date as the record date, for the determination of shareholders; but the record date must not precede by more than fifty (50) days or by less than twenty-one (21) days the date on which the meeting is to be held provided that notice of any such record date is given not less than seven (7) days before such record date by newspaper advertisement in the manner provided by the Act. If no record date is so fixed the record date for the determination of the shareholders entitled to notice of the meeting shall be the close of business on the day immediately preceding the day on which the notice is given.
- 14.7 List of Shareholders Entitled to Vote:** For every meeting of shareholders entitled to receive notice of the meeting, arranged in alphabetical order and showing the number of shares entitled to vote at the meeting held by each shareholder. If no record date is so fixed the record date for the determination of the shareholders entitled to notice of the meeting shall be the close of business on the day immediately preceding the day on which the notice is given. If a record date for the meeting is fixed pursuant to paragraph 14.6 the shareholders listed shall be those registered at the close of business on a day not later than ten (10) days after such record date. If no record date is fixed the shareholder list shall be those registered at the close of business on the day immediately preceding the day on which notice of the meeting is given or, where no notice is given, the day on which the meeting is held. The list shall be available for examination by any such shareholder during usual business hours at the registered office of the Company or at the place where the securities register is kept.
- 14.8 Right to Vote:** Subject to the provisions of the Act as to authorize representatives of any other body corporate, at any meetings of shareholders in respect of which the Company has prepared the list referred to in paragraph 14.7 every person who is named in such list shall be entitled to vote on the shares shown thereon opposite his name except where the Company has fixed a record date in respect of such meeting pursuant to paragraph 14.6 to the extent that such person has transferred

any of his shares after such record date and the transferee, upon producing properly endorsed certificate evidencing such shares or otherwise establishing to the satisfaction of the Company that he owns such shares may demand not later than ten (10) days before the meeting that his name be included on the list to vote the transferred shares at the meeting. In the absence of a list prepared as aforesaid in respect of a meeting of shareholders every person shall be entitled to vote at the meeting who at the time is entered in the securities register as the holder of one or more shares carrying the right to vote at such meeting.

- 14.8 Persons Entitled to be Present:** The only person entitled to be present at a meeting of shareholders shall be those entitled to vote thereat, the directors and auditors of the Company and others who, although not entitled to vote, are entitled or required under any provision of the Act or the Articles or By-Laws to be present at the meeting. Any other person may be admitted only on the invitation of the Chairman of the meeting or with the consent of the meeting.
- 14.9 Quorum:** Subject to Section 123 of the Act and the Articles and except in the case of a company having only one shareholder, a quorum for the transaction of business at any meeting of the shareholder shall consist of two shareholders of the Company present in person, each being either a shareholder entitled to vote thereat, or a duly appointed proxy holder or representative of a shareholder so entitled and representing in aggregate at least five percent of the shares entitled to vote at the meeting. If a quorum is present at the opening of any meeting of the shareholders, the shareholders present or represented may proceed with the business of the meeting notwithstanding a quorum is not present throughout the meeting. If a quorum is not present within thirty (30) minutes of the time appointed for a meeting of shareholders, the meeting stands adjourned to the same day two weeks thereafter at the same time and place, and, if at the adjourned meeting, a quorum is not present within thirty (30) minutes of the appointed time, the shareholders present constitute a quorum.
- 14.10 Chairman, Secretary and Scrutineers:** The chairman of any meeting of shareholders shall be the chairman of the board and in his absence the deputy chairman, if any. If no such officer is present within fifteen (15) minutes from the time fixed for holding the meeting the persons present and entitled to vote shall choose one of the directors present to be chairman of the meeting. If the Secretary of the Company is absent the chairman shall appoint some person who need not be a shareholder, to act as secretary of the meeting. If desired, one or more scrutineers, who need not be shareholders, may be appointed by resolution of the directors or by the chairman with the consent of the meeting.
- 14.11 Proxies:** Every shareholder entitled to vote at a meeting of shareholders may appoint a proxy holder or one or more alternate proxy holders, who need to be shareholders, to attend and act at the meeting in the manner and to the extent authorized and with the authority conferred by the proxy. A proxy shall be in writing executed by the shareholder or his attorney and shall conform to the requirements of the Act.
- 14.12 Time for Deposit of Proxies:** The directors may specify in a notice calling a meeting

of shareholders a time, preceding the time of such meeting by not more than forty-eight (48) hours exclusive of non-business days, before which time proxies to be used at such meeting must be deposited. A proxy shall be acted upon only if, prior to the time so specified, it shall have been deposited with the Company or an agent thereof specified in such notice or, if no such time is specified in such notice, unless it has been received by the secretary of the company or by the chairman of the meeting or any adjournment thereof prior to the time of voting.

14.13 Form of Proxy: Subject to the provisions of Part V of the Regulations, a proxy may be in the following form:

I,, the undersigned being a shareholder of Fortress Caribbean Property Fund Limited SCC hereby appoint. of failing him, of as my proxy to attend and act for me and on my behalf at the meeting of the shareholders of the said Company to be held on the.....day of20- and at any adjournment or adjournments thereof in the same manner, to the same extent and with the same powers as if the undersigned were present at the said meeting or such adjournment or adjournments thereof.

DATED this.....day of.....20-...

*Signature of
shareholder*

14.14 Bodies Corporate and Associations: A body corporate or association which is a shareholder may by resolution authorize an individual to represent it and vote for it at meetings of shareholders.

14.15 Joint Shareholders: If two or more persons hold shares jointly any one of them present in person or represented by proxy at a meeting of shareholders may, in the absence of the other, vote the shares; but if two or more of those persons are present in person or represented by proxy and vote they shall vote as one on the shares jointly held by them.

14.16 Voting - Show of Hands: Subject to the provision of the Act any question submitted to any meeting of shareholders may be decided, in the first instance, by a show of hands unless a ballot thereon is required or demanded as hereinafter provided. Upon a show of hands every person who is present and entitled to vote shall have one vote. Whenever a vote by show of hands shall have been taken upon a question, unless a ballot thereon is so required or demanded, a declaration by the chairman of the meeting that the vote upon the question has been carried and an entry to that effect in the minute of the meeting shall be

prima facie evidence of the fact without proof of the number or proportion of the votes recorded in favour or against any resolution or other proceeding in respect of the said question and the result of the vote so taken shall be the decision of the shareholders upon the said question.

- 14.17 Voting - Ballots:** On any question proposed for consideration at a meeting of shareholders and whether or not a show of hands has been taken thereon any shareholder or proxy holder entitled to vote at the meeting may require or demand a ballot. A ballot so required or demanded shall be taken in such manner and either at once, later in the meeting or after adjournments as the chairman shall direct. A requirement or demand for a ballot may be withdrawn at any time prior to the close of the meeting at which the demand was made. If a ballot is taken each person shall be entitled, in respect of the shares which he is entitled to vote at the meeting upon the question, that number of votes provided by the Act or the articles, and the result of the ballot so taken shall be the decision of the shareholders upon the said question.
- 14.18 Voting - Casting Votes:** At any meeting of shareholders every question shall, unless otherwise required by the articles, by-laws, be determined by the majority of the votes cast on the question. In case of an equality votes, the chairman of the meeting shall be entitled to a second or casting vote, upon ballot, in addition to any votes to which he may be otherwise entitled.
- 14.19 Adjournments:** Without prejudice to the right of the chairman to adjourn a meeting of shareholders for reasons of disorder, the chairman of any meeting may with the consent of the meeting, adjourn the same from time to time to a fixed time or place. If the meeting is adjourned for less than thirty (30) days it shall not be necessary to give notice of the adjourned meeting other than by announcement at the earliest meeting that is adjourned. If a meeting of shareholders is adjourned by one or more adjournments for an aggregate of thirty (30) days or more notice of the adjourned meeting shall be given as for an original meeting.
- 14.20 Resolution in Writing:** Notwithstanding any of the foregoing provisions of this by law a resolution in writing signed by all the shareholders entitled to vote on that resolution at a meeting of the shareholders is, subject to Section 128 of the Act, as valid as if it had been passed at a meeting of the shareholders.

15. SHARES

- 15.1 Allotment and Issuance:** Subject to the Act and the articles and any unanimous shareholder agreement, shares in the capital of the Company may be allotted and issued by resolution of the directors at such times and on such terms and conditions and to such persons or class of persons as the directors determine, provided that no share shall be issued until it is fully paid as prescribed by the Act.
- 15.1 Share Certificates:** Share certificates and the form of share transfer shall (subject to Section 181 of the Act) be in such form as the directors may by resolution approve and such certificates shall be signed by the Chairman or a Deputy-Chairman and the Secretary or an Assistant Secretary holding office at the time of signing. The directors or any agent designated by the directors may in

their or his discretion direct the issuance of a new certificate in lieu of and upon cancellation of a certificate that has been mutilated or in substitution for a certificate claimed to have been lost, destroyed or wrongfully taken, on payment of such reasonable fee and on such terms as to indemnity, reimbursement of expenses and evidence of loss and of title as the directors may from time to time prescribe, whether generally or in any particular case.

- 15.2 Book Entry:** Subject to the Act any issue of Fund Shares may be automatically credited to the specific cellular and/or non-cellular accounts maintained for shareholders in the register of shareholders of the Company and the form of share certificate may be in the format of a statement showing details of transactions each time the shareholders acquires or disposes of shares during the period covered by the statement or such other form as the directors may from time to time determine, including the Central Securities Depository format.
- 15.3 Effect of Later Shareholding Statement:** The issue by the company of a shareholding statement bearing a later date cancels and replaces any shareholding statement in favour of the same person bearing an earlier date.
- 15.4 Joint Shareholders:** If two or more persons are registered as joint holders of any shares the Company shall not be bound to issue more than one share certificate or shareholding statement in respect thereof and delivery of such certificate or statement to one of such persons shall be sufficient delivery to all of them. Any one of such persons may give effectual receipts for the certificate issued in respect thereof or for any dividend, bonus, return of capital or other money payable or warrant issuable in respect of such shares.
- 15.5 Deceased Shareholders:** In the event of death of a holder or of one of the joint holders of any shares or debentures the Company shall not be required to make an entry in the securities register in respect thereof or to make payment of any cellular dividends thereon except upon production of all such documents as may be required by law and upon compliance with the reasonable requirements of the Company and its transfer agents.

16. TRANSFER OF SHARES AND DEBENTURES

- 16.1 Transfer Agent and Registrars:** The directors may from time to time by resolution appoint, or remove, a Transfer Agent and/or Registrar, who may but need not be the same person or company, to keep the register of holders of shares or debentures of any class and the register of transfers of such shares and/or debentures.
- 16.2 Issue and Transfer of Shares:** No shares may be issued or transferred without the person in whose name the shares to be registered furnishing a declaration, if required, as to:
- (a) the identity of the beneficial owner of the shares;
 - (b) whether the shareholder is an affiliate or associate of any other shareholder or beneficial owner of the shares; and

(c) such other information or further acts that the directors may consider appropriate

16.3 Registration of Transfer: Subject to the Articles the Common shares of the Company may be transferred by a written instrument of transfer signed by the transferor or where the transferor is a body corporate by a duly authorized officer and naming the transferee or by such other instrument or format as the directors may from time to time determine.

16.4 Registers: Registers of shares issued by the Company shall be kept at the registered office of the Company or at such other place in Barbados as may from time to time be designated by resolution of the directors.

16.5 Surrender of Certificates: Subject to Section 179 of the Act, the directors may resolve that no transfer of shares or debentures shall be registered unless or until the certificate representing the shares or debentures to be transferred has been surrendered for cancellation.

17. CELLULAR DIVIDEND AND RIGHTS

17.1 Cellular Dividends: The directors may from time to time by resolution declare and the Company may pay cellular dividends on the issued and outstanding shares in the cellular capital of the specific cell subject to the provisions, if any, of the articles and the Act to the shareholders according to their respective rights and interests in the Company. Cellular dividends may be paid in money or property or by issuing fully paid cellular shares of the Company. In case several persons are registered as the joint holders of any shares, any one of such persons may give effectual receipts for all cellular dividends and payments on account of cellular dividends.

17.2 Record Date for Dividends and Rights: The directors may fix in advance a date, preceding by not more than thirty days the date for payment of any cellular dividend or the date for the issue of any warrant or other evidence of right to subscribe for securities of the cellular funds, as a record date for the determination of the persons entitled to receive payment of such dividend or to exercise the right to subscribe for such securities provided that notice of any such record date is given, not less than seven days before such record date, by newspaper advertisement in the manner provided in the Act. Where no record date is fixed in advance as aforesaid the record date for the determination of persons entitled to receive payment of any cellular dividend or to exercise the right to subscribe for securities in the cellular funds shall be at the close of business on the day on which the resolution relating such cellular dividend or right to subscribe is passed by the directors.

17.3 Payment of Cellular Dividends: A cellular dividend payable in cash shall be paid either by:

(a) cheque drawn on the Company's bankers or one of them to the order of each registered holder of Fund shares of the specific cell in respect of which

it has been declared and mailed by prepaid ordinary mail to such registered holder at his recorded address unless such holder otherwise directs. In the case of joint holders the cheque shall, unless such joint holders otherwise direct be payable to the first named joint holder on the register and mailed to the recorded address of the joint holders; or

- (b) electronically to each registered holder of Fund shares of the specific cell in respect of which it has been declared and sent by deposit into a bank account designated by such registered holder for the payment of cellular dividends unless such holder otherwise directs. In the case of joint holders payment by deposit shall, unless such joint holders otherwise direct, be made to the order of the first named joint shareholder on the register.

17.8 Good Receipt: The mailing of such cheque unless the same is not paid on due presentation, or the electronic payment as aforesaid, shall satisfy and discharge the liability for the dividend to the extent of the sum represented thereby plus the amount of and tax which the Company is required to and does withhold.

17.9 Non-Receipt of Cellular Dividend: In the event of non-receipt of any cellular dividend by the person to whom it is sent as aforesaid, the Company shall effect payment to such person for a like amount on such terms as to indemnity, reimbursement of expenses and evidence of non-receipt and of title as the directors may from time to time prescribe whether generally or in any particular case.

17.10 Unclaimed Cellular Dividends: Any cellular dividend unclaimed after a period of six (6) years from the date on which the same has been declared to be payable shall unless otherwise determined by the Company in general meeting or by statute, be forfeited and shall revert to the specific cell.

18. VOTING IN OTHER COMPANIES

18.1 Voting and Body Corporates: All shares carrying voting rights in any other body corporate that are held from time to time by the Company may be voted at any and all meetings of shareholders or debenture holders (as the case may be) of such other body corporate and in such manner and by such person or persons as the directors of the Company shall from time to time determine. The officers of the Company may for and on behalf of the Company from time to time:

- (a) execute and deliver proxies; and
- (b) arrange for the issuance of voting certificate or other evidence of the right to vote;

in such names as they may determine without the necessity of a resolution or other action by the directors.

19. INFORMATION AVAILABLE TO SHAREHOLDERS

19.1 Shareholder Information: Unaudited reports will be sent by post or by electronic copy to all shareholders on a semi-annual basis. Audited financial statements will

be sent by post or electronic format to all shareholders within ninety (90) days of the Company's financial year end.

19.2 Excluded Information: Except as provided hereof and in paragraph 19.1 or by the Act, no shareholder shall be entitled to any information respecting any details or conduct of the Company's business which in the opinion of the directors it would be inexpedient in the interests of the Company to communicate to the public.

19.3 Time and Place of Inspection of Corporate Documents: The directors may from time to time, subject to rights conferred by the Act, determine whether and to what extent and at what time and place and under what conditions or regulations the documents, books and registers and accounting records of the Company or any of them shall be open to the inspection of shareholders and no shareholder shall have any right to inspect any document or book or register or accounting record of the Company except as conferred by statute or authorized by the directors or by a resolution of the requisite shareholders.

20. NOTICES

20.1 Method of giving notice: Any notice (which term includes any communication or document) required by the Act, the Regulations, the article or the by-laws to be given (which term includes sent, delivered or served) to any shareholder, debenture holder, director, officer, auditor or member of a committee of the directors shall be sufficiently given if:

- (a) delivered personally to the person to whom it is given;
- (b) delivered to his recorded address;
- (c) mailed to him at his recorded address by prepaid ordinary or air mail;
- (d) sent to him at his recorded address by any means of prepaid transmitted or recorded communication; or
- (e) sent to him by facsimile or electronic means

A certificate of an officer of the Company in office at the time of the making of the certificate or any transfer agent of shares or debentures of any class of the Company as to the facts in relation to the delivery or sending of any notice shall be conclusive evidence of those facts.

20.2 Computation of Time: In computing the date when notice must be given under any provision requiring a specified number of days or other period of notice of any meeting or other event the date of giving the notice and the date of the meeting or other event shall not be counted and:

- (a) where the notice is delivered personally to the person to whom it is

addressed or delivered to his recorded address service shall be deemed to have been effected at the time of delivery of such notice;

- (b) where the notice is sent by post service of the notice shall be deemed to be effected on the day of posting;
- (c) where the notice is sent by facsimile or other means of electronic transmission service is deemed to be effected on the date on which the notice was sent.

- 20.3 Recorded Address:** Any shareholder whose address is not in a country that is a member state of Caricom ("Caricom country") shall provide the Company with a recorded address for service and the payment of cellular dividends within a Caricom country. If such shareholder fails to do so within six (6) months of being entered on the register of shares or of acquiring an address outside a Caricom country, the Company shall not be obliged to send any notice or cellular dividends to such shareholder until the shareholder provides the Company with a recorded address within a Caricom country. The secretary may change or cause to be changed the recorded address of any shareholder, director, officer, auditor or member of a committee of the directors in accordance with any information believed by him to be reliable.
- 20.4 Waiver of notice:** Notice may be waived or the time for the notice may be waived or abridged at any time with the consent in writing of the person entitled thereto.
- 20.5 Undelivered notices:** If a notice or document is sent to a shareholder or debenture holder pursuant to paragraph 20.1 and the notice or document is returned on three consecutive occasions because the shareholder or debenture holder cannot be found, the Company shall not be required to give any further notices to such shareholder or debenture holder until he informs the Company in writing of his new address.
- 20.6 Notice to Joint Shareholders:** All notices or other documents with respect to any shares or debentures registered in more than one name shall be given to whichever of such persons is named first in the records of the Company and any notice or other document so given shall be sufficient notice of delivery to all the holders of such shares.
- 20.7 Persons entitled by Death or Operation of Law:** Every person, who by operation of law, transfer, death of a shareholder or any other means whatsoever shall become entitled to any shares, shall be bound by every notice in respect of such shares which shall have been duly given to the shareholder from whom he derives his title to such shares prior to his name and address being entered on the securities register (whether such notice was given before or after the happening of the event upon which he became so entitled) and prior to his furnishing the Company the proof of authority or evidence of his entitlement prescribed by the

Act.

- 20.8 Signature to notices:** The signature of any director or officer of the Company to any notice or document to be given by the Company may be written, stamped, typewritten or printed or partly written, stamped, typewritten or printed.
- 20.9 Omissions and Errors:** The accidental omission to give any notice to any shareholder, director, officer, auditor or member of a committee of the directors or the non-receipt of any notice by any such person or any error or irregularity in any notice not affecting the substance thereof shall not invalidate any resolution passed or action or proceedings taken at any meeting held pursuant to such notice or otherwise founded thereon.

21. CHEQUES, DRAFTS AND NOTES

- 21.1 Cheques, Drafts and Notes:** All cheques, drafts or orders for the payment of money and all notes and acceptances and bills of exchange shall be signed by such officers or persons and in such manner as the directors may from time to time designate by resolution.

22. EXECUTION OF INSTRUMENTS

- 22.1 Execution of Instruments:** Contracts, documents or instruments in writing requiring the signature of the Company may be signed by:

- (a) The Chairman or a Deputy-Chairman together with the Secretary or the Treasurer; or
- (b) Any one director together with the Secretary

and all contracts, documents and instruments in writing so signed shall be binding upon the Company without any further authorization or formality. The directors shall have power from time to time by resolution to appoint any officers or persons on behalf of the Company either to sign certificates for shares in the Company and contracts, documents and instruments in writing generally or to sign specific contracts, documents or instruments in writing.

- 22.2 Execution and the Seal:** The common seal of the Company may be affixed contracts, documents and instruments in writing signed as aforesaid or by any officers or persons specified in paragraph 22.1 hereof. Subject to Section 134 of the Act:

- (a) A chairman or a deputy chairman together with the Secretary or the Treasurer; or
- (b) Any two directors together with the Secretary

shall have authority to sign and execute (under the seal of the Company or otherwise) all instruments that may require the seal of the Company to be affixed thereto.

23. SIGNATURES

23.1 Signatures: The signature of a chairman, a deputy chairman, the secretary, the treasurer, an assistant secretary or an assistant treasurer or any officer or person, appointed pursuant to paragraph 22 hereof by resolution of the directors may be printed, engraved, lithographed or otherwise mechanically reproduced upon any certificate for shares in the Company or contract, document or instrument in writing, bond, debenture or other security of the Company executed or issued by or on behalf of the Company. Any document or instrument in writing on which the signature of any such officer or person is so reproduced shall be deemed to have been manually signed by such officer or person whose signature is so reproduced and shall be as valid to all intents and purposes as if such document or instrument in writing is delivered or issued.

24. FINANCIAL YEAR

24.1 Financial Year: The directors may from time to time by resolution establish the financial year of the Company.

25. GENERAL OVERRIDING PROVISION

25.1 General Overriding Provision: This By-Law must be read in conjunction with By-Law No. 2 where appropriate. Where however, in any matter the provisions of the by-laws are in conflict with the Articles of the Company, then the provisions as contained in the Articles shall prevail.

This Revised By-Law together with Revised By-Law No. 2 was enacted by Resolution of the Directors on the 29th day of August, 2013

And

Confirmed and adopted by Resolution of the Shareholders on the day of September, 2013.

Chairman

Secretary

**THE COMPANIES ACT CAP 308
MUTUAL FUND**

REVISED BY-LAW NO.2

OF

FORTRESS CARIBBEAN PROPERTY FUND LIMITED SCC

1ST OCTOBER 2013

REVISED BY-LAW NO.2

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**THE COMPANIES ACT CAP 308
MUTUAL FUND**

REVISED BY-LAW NO.2

**A BY-LAW RELATING GENERALLY TO THE
ADMINISTRATION AND MATTERS APPERTAINING**

TO

FORTRESS CARIBBEAN PROPERTY FUND SCC

This Revised By-Law, which must be read in conjunction with Revised By-Law No.1, is hereby adopted as an additional by-law of FORTRESS CARIBBEAN PROPERTY FUND LIMITED SCC, (hereinafter called the "Company").

1. INTERPRETATION

1.1 In this By-Law unless the context otherwise requires:

- (a) "Assets of the Fund" or "Fund Assets" mean, as the circumstances may require, all of the monies, investments, securities and other assets purchased sold and repurchased out of the subscription proceeds by Fund Shareholders of the Value Fund Shares and/or the Development Fund Shares of the Company;
- (b) "Bank" means an institution licensed as such under the Financial Institutions Regulatory Act of the Laws of Barbados or any Act amending or in substitution for the same or any Bank of repute established outside Barbados which is acceptable to the Custodian Trustee and references to Banker shall be construed accordingly;
- (c) "Business Day" means any day (excluding Saturday and Sunday) on which Banks are opened for normal business in Barbados.
- (d) "Cell" means a structure created by a segregated cell company for the purpose of segregating and protecting cellular assets in the manner provided by the Companies Act.
- (e) "Cell Shares" or "Cellular Shares" mean shares created and issued by a cell company in respect of its cells.
- (f) "Cellular assets" of a cell company mean the assets of the company attributable to the company's cells.
- (g) "The Company" means Fortress Caribbean Property Fund Limited SCC
- (h) "The Custodian" means the person appointed from time to time to hold and have custody of the title deeds and securities purchased with such

subscription proceeds and monies arising out of the sale of such investments and securities.

- (i) "The Fund" or "Fund" means, as the circumstances may require, the issued and outstanding Value Fund Shares and/or the Development Fund Shares of the Company and/or the net subscription proceeds made by the Fund Shareholders and/or the cellular assets or portfolio of investments and securities resulting from the investment of such net subscription proceeds;
- (j) "The Fund Manager" means the person appointed from time to time to manage the Fund.
- (k) "Investment Advisor" means the person appointed by the Board of Directors to provide investment advice.
- (l) "Fund Shareholder" means, as the circumstances may require, the holders from time to time of the segregated cellular Value Fund Shares and/or the Development Fund Shares which shall collectively and exclusively constitute the Fund Shareholders of the Company.
- (m) "Fund Shares" mean, as the circumstances may require, the segregated Value Fund Shares and/or the Development Fund Shares of the Company.
- (n) "Recognized Stock Exchange" or "Stock Exchange" means the Barbados Stock Exchange or any other exchange which is acceptable to the Custodian.
- (o) "Shareholder" means the holder of any share issued by the Company;
- (p) "\$" means Barbados currency and in respect of any other currency a conversion thereto as at the applicable date

2. STRUCTURE OF THE COMPANY

- 2.1 **Structure of the Company:** The Company is a closed-end mutual fund segregated cell company incorporated in Barbados whose business is restricted to that of investing the consideration it receives for shares it issues as more specifically detailed in the Articles.

3. SHARES

- 3.1 **Description of The Shares:** The Company is structured as a closed-end Mutual Fund segregated cell company and is authorized to issue an unlimited number of Value Fund Shares of no par value and an unlimited number of Development Fund Shares of no par value and 100 Common Shares of no par value. All Fund Shareholders will have an interest in an undivided proportion of the assets of the segregated cell of which they are shareholders through their holding of either the Value Fund Shares and/or the Development Fund Shares. Common shareholders will have an interest only in the stated capital account for the Common Shares.

- 3.1.1 Each Value Fund Share secures an equal share in the distribution of net income and net capital gains and participates equally in all other respects in the segregated cell known as the Value Fund.
- 3.1.2 Each Development Fund Share secures an equal share in the distribution of net income and net capital gains and participates equally in all other respects in the segregated cell known as the Development Fund
- 3.1.3 Fractional shares may be issued.

4. VOTING & MAXIMUM NUMBER OF JOINT HOLDERS

- 4.1 The voting rights of the Value Fund Shareholders, Development Fund Shareholders and the Common Shareholders are set forth in Schedule 1B (1.3.1), Schedule 1C (1.3.1) and Schedule 1D respectively to the Articles of Amendment. Where applicable, each share entitles the holder thereof to one vote for every such share held.
- 4.2 The number of joint holders on the Company's register of Fund Shareholders may not exceed three (3) persons.

5. PRE-EMPTIVE RIGHTS

- 5.1 The holder of a Fund share shall have no pre-emptive right on any further shares issued by the Company or transferred by or to any other person.

6. OWNERSHIP and CUSTODY OF ASSETS

- 6.1 Title to all Cellular Assets of the Company shall at all times be considered as vested in the Company and shall at all times be kept separate and separately identifiable from non-cellular assets and Cellular Assets attributable to each cell shall be kept separate and separately identifiable from cellular assets attributable to other cells.

7. DEALING IN FUND SHARES

- 7.1 **Issue Price of Shares:** The issue of Fund Shares shall be at a price not less than the net asset value of the applicable cell. The offer of Fund Shares at a specific offer price may remain open for a period *not exceeding thirty (30) days*.
- 7.2 "**The net asset value**" of a Fund Share will normally be calculated at the close of business on the last Friday of each month (unless such is a bank holiday, in which case the valuation day shall be the close of business on the preceding day) by dividing the value of the net assets of the applicable Cell (i.e., the value of the Fund's assets less its liabilities) by the total number of cellular shares of such Cell which are issued and outstanding.
- 7.3 **Application for Fund Shares:** If an application is received and approved and the necessary funds received before 3:00 p.m. on a business day, then the purchase

order may be processed on that day. Applications received after 3:00 p.m. or on a day which is not a business day will be processed the next day.

- 7.4 The minimum initial investment by way of subscription for any Fund Shares shall be then thousand dollars (\$10,000.00) and the minimum for additional subscriptions shall be one thousand dollars (\$1,000.00).
- 7.5 **Rejection of Application:** The Directors may in their discretion reject any application to purchase Fund shares, such decision must however be made within three days after receipt of the application. If an application is rejected, all money received with the application must be returned immediately without interest.
- 7.6 **Evidence of Values:** The Investment Advisor may accept as sufficient evidence of the value of any investment or the cost or sale price therefor or of any other matter within his competence a certificate by the independent valuer.

8. CHARGES AND COMMISSIONS

- 8.1 **Initial Charge:** There shall be an initial charge not exceeding two per cent (2%) payable to the Company of all amounts invested in the Fund by Fund Shareholders. The Directors may however from time to time waive or suspend such initial charge for a limited period during any special promotion or marketing of Fund Shares.
- 8.2 **Annual Charges:** There shall be paid to the Fund Manager and the Investment Advisor an annual charge of 0.75% each per annum of the Net Asset Value of the Value Fund calculated on the Net Asset Value of the cellular Value Fund based on the semi-annual valuation and paid semi-annually within one week of calculation.
- 8.2.1 There shall be payable to the Fund Manager and the Investment Advisor an annual charge of 0.375% each per annum of the Net Asset value of the Development Fund calculated on the Net Asset Value of the cellular Development Fund based on the semi-annual valuation plus a progress fee of 2% each of the net proceeds of any non-income generating property sold or leased at fair market value.
- 8.3 **Brokerage and Commission:** The Directors may from time to time pay such brokerage and commission expenses out of the assets of the fund for services rendered in connection with the marketing and promotion of fund shares and for the buying and selling of investments and securities for the Funds' portfolio. The fact that a broker is a director or shareholder of the Company shall not disqualify him from receiving such brokerage or commission.
- 8.4 **Other Expenses:** Each Fund shall bear the cost of all other reasonable expenses appertaining to the Fund including audit, legal, printing, and stationery costs.

9. PAYMENT OF EXPENSES AND FEES OUT OF ASSETS OF THE FUND

- 9.1 The Fund Manager is authorized to payout of the Assets of the Fund, all expenses, fees, charges, taxes and liabilities incurred or arising in connection with the Fund, or

in connection with the management thereof, including, but not limited to, the Fund Manager's and Investment Advisor's compensation and such expenses and charges for the services of the Fund's officers, employees, investment adviser or manager, auditor, counsel and such other agents or independent contractors and such other expenses and charges as the Directors may deem necessary or proper to incur.

9.1.1 Without prejudice to the generality of Section 9.1 of this By-Law there may be charged to the Assets of the Fund the costs incurred in the preparation of any prospectus advertising and marketing of the Fund Shares and in the establishment of the Company and its conversion to a segregated cell company (which costs may be amortized over a period not exceeding five years), the costs of preparing any supplementary or substituted prospectus or information memorandum on the Fund and the costs of keeping the Register.

9.2 Subject to any resolution of the directors, the Fund Manager may decide whether any payment should be borne out of the capital or income of the Funds.

10. POWER TO APPOINT ADVISORS, CUSTODIANS AND MANAGERS

10.1 **Appointment of Managers, Advisors and Custodians:** The Directors may from time to time appoint Managers, Advisors and Custodians and unless fixed by the By-Laws pay such persons such fees, costs, charges and out of pocket expenses as the Directors may determine. The fact that such Fund Manager, Investment Advisor or Custodian is a director or shareholder of the company shall not disqualify him from receiving such remuneration for such professional services as may be determined.

11. RELIANCE ON DOCUMENTS, RESOLUTIONS AND SIGNATURE OF FUND SHAREHOLDERS

11.1 The Custodian and Fund Manager shall not be responsible for the authenticity of any signature on or any seal affixed to any transfer form or application, endorsement or other document affecting the title to or transmission of Fund Shares or be in any way liable for any forged or unauthorized signature or seal. The Custodian and the Fund Manager shall nevertheless be entitled but not bound to require that the signature of any Fund Shareholder or joint Fund Shareholders to any document required to be signed by any Fund Shareholder shall be verified by a Justice of the Peace, banker or broker or other responsible person or otherwise authenticated to his or their reasonable satisfaction.

11.2 The Custodian and Fund Manager shall not be responsible for acting upon any resolution purporting to have been passed at any meeting of the Fund Shareholders in respect whereof minutes shall have been made and signed even though it may be subsequently found that there was some defect in the constitution of the meeting or the passing of the resolutions or that for any reason the resolution was not binding upon all the Fund Shareholders.

12. DUTIES OF CUSTODIAN

- 12.1 Duties:** Subject to the provisions of any resolution of the directors, the Custodian shall have the care and custody of all title deeds, monies and securities of the Fund and shall deposit and maintain same in the name and/or for the account of the segregated cells of the Company. He shall keep or cause to be kept such books, records and documents as may be necessary for the proper administration of the Funds, and, if not a trust corporation authorized to provide trustee services in Barbados, may be required to give such bond for the faithful performance of his duties as the directors in their discretion may require. The Custodian is required to pay particular attention to the statutory requirement to keep separate and separately identifiable cellular assets attributable to specific cells of the Company.
- 12.2 Custody of Investments:** The documents of title to any investments forming part of the assets of the Fund shall be dealt with as the Custodian may think proper for the purpose of providing for the safe custody thereof. Any investment in registered form shall, as soon as reasonably practicable after receipt of the necessary documents by the Custodian, be registered and kept separately in appropriate cells in the name of the Company or the Custodian or its nominee and shall remain so registered and kept until disposed of by the Company.
- 12.2.1 The Custodian shall also be entitled, if it considers that it is expedient to do so, to cause to be deposited with any person of good repute in any part of the world the documents of title to any investments in registered form to be held upon trusts provided that the Custodian shall first have satisfied itself after making reasonable enquiries and at regular intervals that such person is a fit and proper person to whom to entrust such documents.
- 12.2.2 Any expense of whatsoever nature incurred by the Custodian in effecting such registration or providing such safe custody (including insurance) may be payable out of the assets of the Fund.
- 12.2.3 The Custodian may in relation to the acquisition holding and disposal of any overseas investments utilize its own services (if a Banker) or the services of any Affiliate or Associate (if a Banker) on terms no less favourable to the Fund than would be applicable to a comparable customer without there being any liability to account therefor.
- 12.2.4 The Custodian may rely on confirmation notes issued or purporting to be issued by and on the records of any Recognized Stock Exchange or any Option Exchange, Futures Exchange, broker or other agent through whom such option was written or purchased. The Custodian shall be fully protected in relying on any such confirmation note and shall not be under any liability or responsibility as a result thereof.
- 12.3 Delegation:** The Custodian may provide for any act or matter to be done by the Custodian to be performed on behalf of the Custodian by any officer or responsible official of the Custodian and any act or matter so performed shall be deemed for all purposes to be the act of the Custodian.

13. DUTIES OF FUND MANAGER

- 13.1** Subject to the provisions of any resolution of the directors, the duties of the Fund Manager shall be to promote and market the Fund and manage the portfolio of investments in accordance with the policy of the Company as determined from time to time by the directors and in pursuance thereof shall buy and sell such investments and securities as may be desirable for the Fund's Portfolio, maintain such books, records and documents as may be necessary to give a true and accurate account of all transactions appertaining to the management of the Fund, calculate the net asset value of the shares of the Fund and issue Fund shares in accordance with the regulations and policies of the Company, maintain the records of Fund Shareholders and in the absence of the appointment of a Registrar and Transfer Agent, generally to act and perform such duties as Registrar and Transfer Agent to the Fund.

14. POWERS OF FUND MANAGER

- 14.1** Subject to any resolution of the Directors and to the Articles and By-Laws of the Company, the business of the Fund shall be managed by the Fund Manager. He shall have all powers necessary or convenient to carry out that responsibility and without limiting the foregoing, the Fund Manager and where appropriate the Custodian shall have power and authority to invest and reinvest cash in investments and securities which may from time to time be authorized by the directors, and to hold cash uninvested.
- 14.2** Subject to the Articles and the provisions of By-Law No.1, the said Fund Manager and where applicable the Custodian may:
- (a)** sell, exchange, lend, pledge, mortgage, hypothecate, write options on and lease any or all of the Assets of the Funds;
 - (b)** vote or give assent, or exercise any rights of ownership for and on behalf of the Company, with respect to stock or other securities or property; and to execute and deliver proxies or powers of attorney to such person or person as the Custodian shall deem proper, granting to such person or persons such power and discretion with relation to securities or property as the Custodian Trustee shall deem proper;
 - (c)** consent to or participate in any plan for the re-organization, consolidation or merger of any corporation or issuer, any investment or security of which is or was held as part of the Fund's Assets; to consent to any contract, lease, mortgage, purchase or sale of property by such corporation or issuer, and to pay calls or subscriptions with respect to any investment or security held in the Fund;
 - (d)** join other investors or security holders in acting through a committee, depository, voting trustee or otherwise, and in that connection to deposit any investment or security with, or transfer any investment or

security to, any such committee, depository or trustee, and to delegate to them such power and authority with relation to any security (whether or not so deposited or transferred) as the Custodian shall deem proper, and to agree to pay, and to pay, such portion of the expenses and compensation of such committee, depository or trustee as the Custodian shall deem proper;

- (e) compromise, arbitrate or otherwise adjust claims in favour of or against the assets of the Fund or any matter in controversy, including but not limited to claims for taxes;
- (f) Subject to Article 5 of By-Law No. 1, borrow funds;
- (g) For the purpose of facilitating sales and purchases of Fund shares by shareholders to make a market in the Fund Shares by buying and selling such shares if deemed appropriate so to do.

15. RELIANCE UPON ADVISORS

- 15.1 The Fund Manager and Investment Advisor may act upon any statements or advice or information obtained from any banker, accountant, broker, lawyer, real estate or other agent or other person acting as or informed in relation to the matters upon which they are consulted. The Fund Manager and Investment Advisor shall not be liable for anything done or omitted or suffered in reliance upon such advice or information. The Custodian shall not, save in relation to any act or omission in the keeping of securities by any person appointed as agent of the Custodian for that purpose and/or failure to abide by the statutory duties appertaining to the management of segregated cell companies, be responsible for any misconduct, mistake, oversight, error of judgment, forgetfulness or want of prudence on the part of any such Banker, accountant, broker, lawyer, agent or other person as aforesaid. Any such advice or information may be obtained or sent by letter, facsimile transmission, email and/or other electronic means; and the Fund Manager, Custodian or Investment Advisor shall not be liable for acting on any advice or information purported to be conveyed by any such letter, facsimile transmission, telegram, telex message or cablegram.

16. DISTRIBUTIONS

- 16.1 Upon resolution of the directors, the Fund Manager may each year, on a date or dates to be determined by the directors, distribute to the Fund Shareholders out of the Assets of the Funds such amounts as the Fund Manager may determine. Any such distribution shall be made to the Fund Shareholders pro rata in proportion to the number of Fund shares held by each of them. Such distributions shall be made in cash, Fund shares or other property, or a combination thereof, as determined by the directors.

17. INVESTMENT POLICY AND OBJECTIVE

- 17.1** The investment objective is to achieve income and capital appreciation over the long term. There is however, no assurance that such objective will be achieved. The Fund's Portfolio may ordinarily be invested in properties which the Fund Manager and/or the Investment Advisor believes have above average appreciation potential. It is usually expected that these investments will be in real estate. However, the Fund Manager should not normally purchase real property for the Value Fund that is less than fifty per cent (50%) tenanted or have a projected annual income yield of less than five per cent (5%).

18. SUSPENSION OF VALUATION

- 18.1** No Fund shares shall be issued, repurchased or sold by the Fund Manager during any period during which the calculation of the Net Asset Value of the Fund shares is suspended in accordance with this By-Law.

19. TRANSFER OF FUND SHARES

- 19.1** The Fund Shares may be transferred by a written instrument of transfer signed by the transferor and naming the transferee. Where the form of share certificate is in the format of a statement of account issued by the company, the transferor may lodge the instrument of transfer with the Company for certification before presentation to the transferee or the Company for registration.
- 19.2** Any certification on a transfer given by the Company shall not be valid for a period exceeding twenty one (21) days from the date of such certification.
- 19.3** When a certification of a transfer has been given, the Company shall be entitled to place a block against the respective Fund Shareholder's account and decline acceptance of any other transfer lodged or made during the period of 30 days from the date on which a certification of Transfer was given.
- 19.4** A Fund Shareholder may not request the company to cancel a Certificate of Transfer or certification of a transfer given by the Company within the period of its validity except upon an indemnity given by the Fund Shareholder in a form acceptable to the directors.

20. WINDING UP

- 20.1** Upon any Resolution being passed to wind up the Company the following supplemental provisions shall apply.
- 20.2** The Fund Shareholders shall be entitled to all of the net proceeds, after satisfying the cost of realization, of the assets of the Cell represented by the shares held.

- 20.3 The Common Shareholders of the Company shall not be entitled to participate or share in the distribution of any property of the Fund other than the stated capital value of the Common Shares.
- 20.4 The Fund Manager shall sell or otherwise howsoever realize all cellular investments then remaining in its hands as part of the Assets of the Fund and shall pay thereout all liabilities properly so payable and such sale and payment shall be carded out and completed in such manner in accordance with the provisions of the Companies Act appertaining to segregated cell companies and within such period as the Fund Manager in its absolute discretion thinks advisable.
- 20.5 The Fund Manager shall from time to time and at such time or times as it shall deem convenient and in its absolute discretion distribute to the Fund shareholders pro rata to their respective interests in the Cellular Assets of the Fund all net cash proceeds derived from the realization of the assets of the Fund and any such other cash then forming part thereof and available for the purpose of such distribution; PROVIDED THAT the Fund Manager shall be entitled to retain out of any moneys in its hands under the provisions of this By-Law full provision for all costs, charges, expenses, claims and demands incurred, or made by the Manager in connection with or arising out of the liquidation of the assets of the Fund and out of the moneys so retained to be indemnified and saved harmless against any such costs, charges, expenses, claims and demands.
- 20.6 Every distribution shall be made to a Fund Shareholder upon delivery to the Custodian of such form of request for payment and receipt as the Fund Manager shall in its absolute discretion require.
- 20.7 Any unclaimed net proceeds or other cash held by the Custodian under the provisions of this By-Law may at any time after the expiration of twelve months from the date on which the same were payable be paid into court subject to the right of the Custodian to deduct therefrom any expenses it may incur in carrying out this provision.

21. GENERAL OVERRIDING PROVISION

- 21.1 Where in any matter the provisions of the By-Laws are in conflict with the Articles of the Company, then the provisions as contained in the Articles shall prevail.

THIS REVISED BY-LAW TOGETHER WITH REVISED BY-LAW NO.1 WAS ADOPTED by Resolution of the Directors on the 29th day of August 2013 and presented to Shareholders for confirmation on the day of September 2013.

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Chairman – Board of Directors