

IN THE GRAND COURT OF THE CAYMAN ISLANDS

CAUSE NO: 181 OF 2016

BETWEEN:

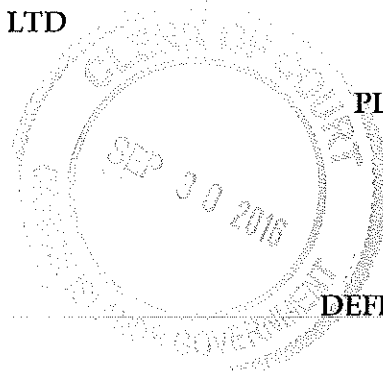
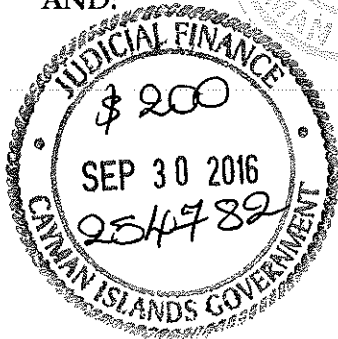
U-PAK PROPERTIES LTD

PLAINTIFF

AND:

NUSTART INC.

DEFENDANT



WRIT OF SUMMONS

TO: NUSTART INC. of Cayman International Corporate & Marine Services Ltd, P. O. Box 822 , 2nd Floor, Jack & Jill Building , 19 Fort Street , George Town , Grand Cayman KY1-1103 , Cayman Islands.

THIS WRIT OF SUMMONS has been issued against you by the above named Plaintiff, of 878 Viewfield Road. Victoria, British Columbia, Canada, V9A 4V1, in respect of the claims set out on the next page.

Within 14 days after service of this Writ on you counting the day of service, you must either satisfy the claim or return to the Courts Office, P.O. Box 495, George Town, Grand Cayman, KY1-1106, Cayman Islands the accompanying Acknowledgement of Service stating therein whether you intend to contest these proceedings.

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

Issued this 30th day of September 2016.

NOTE this Writ may not be served later than 4 calendar months beginning with the date of original issuance unless renewed by order of the Court

IMPORTANT

Directions for the Acknowledgement of service are given with the accompanying form.

IN THE GRAND COURT OF THE CAYMAN ISLANDS

CAUSE NO: OF 2016

BETWEEN:

U-PAK PROPERTIES LTD

PLAINTIFF

AND:

NUSTART INC.

DEFENDANT

STATEMENT OF CLAIM

The Parties

1. U-Pak Properties Ltd ("the Company") is a company incorporated in British Columbia, Canada on 31 October 2008 and registered under Registration Number BC0457168.
2. The Company was originally incorporated and registered under the name Plenk's Properties Ltd. By shareholders resolution, and thereafter approval by the British Columbia Corporate Registry, on 2 February 2006 the Company changed its name to U-Pak Properties Ltd.
3. The Defendant, NuStart Inc., is a duly incorporated Cayman Islands company with a registered office located at P.O. Box 822, Grand Cayman KY1-1103, Cayman Islands.

The Debt

4. On or about 29 March 1996 the Plaintiff agreed with the Defendant to lend to the Defendant, and did lend to the Defendant, the sum of US\$3,850,000.00 (the "Principal Sum"), without interest, to be repayable on demand. ("the Loan Agreement")
5. The express terms of the Agreement were evidenced in writing in the form of a Promissory Note of 29 March 1996 signed by the Defendant ("the Promissory Note"). A copy of the Promissory Note is annexed hereto.

6. Demand for payment of the Principal Sum was made by the Plaintiff, by letter dated 21 September 2016, requiring payment in full by 29 September 2016.
7. The Defendant has failed to pay the sum due and owing to the Plaintiff under the Promissory Note (and/or in the alternative, the Loan Agreement) and the Principal Sum of US\$3,850,000.00 remains outstanding.
8. The Plaintiff pleads that the Defendant is in breach of the terms of the Promissory Note (and/or in the alternative, the Loan Agreement) and therefore claims Judgment in the sum of US\$3,850,000.00 which is due and owing by the Defendant..
9. The Plaintiff relies upon s.34 of the Judicature Law (2013 Revision) and Rules 4 and 5 of the Judgment Debts (Rates of Interest) Rules 1995 as varied by the Judgment Debts (Rates of Interest) Rules, promulgated by the Rules Committee pursuant to the s.34 of the said Law, and claims interest on the debt owing and costs as follows:
 - (i) Pre-judgment (simple) interest on the debt from 30 September 2016 (the date the Plaintiff's cause of action arose) to the date of trial at the prescribed rate of 2³/₈% per annum (US\$ 250.51 per diem, being 4 days i.e. US\$ 1,002.05 as of 3 October 2010, the date of issue of the Writ of Summons herein);
 - (ii) Post-judgment interest upon the principal amount of the judgment with effect from the date of service of the judgment at the prescribed rate of 2³/₈% per annum or such other rate then prevailing in accordance with s.34 of the Judicature Law and the Judgment Debts (Rates of Interest) Rules; and
 - (iii) Interest on all fixed or assessed costs and orders running from the date of service of the judgment, order or certificate of taxation respectively and at the prescribed rate of 2³/₈% per annum or such other rate prevailing in accordance with s.34 of the Judicature Law and the Judgment Debts (Rates of Interest) Rules 1995.
10. Further or in the alternative, the Plaintiff claims against the Defendant the sum of US\$3,850,000.00 together with interest and expenses as special damage pursuant to Section 57 (1) of the Bills of Exchange Law (1997 Revision) at the rate of 2³/₈% per annum on from 30 September 2016 to date of trial.

THE PLAINTIFF THEREFORE CLAIMS AGAINST THE DEFENDANT:

- (a) Judgment in the sum of US\$3,850,000.00;
- (b) Pre and post-Judgment Interest as particularised at paragraph 9, above;

(c) In the alternative, interest and expenses as special damage under Section 57(1) of the Bills of Exchange Law (1997 Revision);

(d) Costs; and

(e) Such further and other relief as to this Honourable may seem just.

If, within the time for returning the Acknowledgment of Service, the Defendant pays the total amount claimed of US\$3,850,000.00 together with interest and costs further proceedings will be stayed. The money must be paid to the Plaintiff or their Attorney.

DATED at Grand Cayman this 30th day of September 2016



Nelson & Co.

Attorneys for the Plaintiff

THIS WRIT OF SUMMONS AND STATEMENT OF CLAIM is issued by Nelson & Co., Attorneys-at-Law, attorney for the Plaintiff, whose address for service is that of his said attorneys at 31 The Strand, P.O. Box 2075, Grand Cayman KY1-1105 Cayman Islands.

TO: THE CLERK OF THE GRAND COURT

AND TO: NUSTART INC.

PROMISSORY NOTE

NuStart, Inc.

For value received we NuStart, Inc. of P.O. Box 268, George Town, Grand Cayman, Cayman Islands hereby promise to pay to Plenk's Properties Ltd. upon demand the sum of US\$3,850,000.00 without interest payable into the account of Plenk's Properties Ltd., Royal Bank of Canada, 205 Commercial Street, Nanaimo, British Columbia V9R 5G8, Canada Transit #3120.

Signed:


for Campbell Directors Limited.

for and on behalf of NuStart, Inc. - Director

Date: 29th March 1996

IN THE GRAND COURT OF THE CAYMAN ISLANDS

CAUSE NO: OF 2016

BETWEEN:

U-PAK PROPERTIES LTD

PLAINTIFF

AND:

NUSTART INC.

DEFENDANT

ACKNOWLEDGMENT OF SERVICE OF WRIT OF SUMMONS

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

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

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

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

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

Yes No

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

Yes No

Service of the Writ is acknowledged accordingly

Signed

Attorney for the Defendant

Address for service:

Please complete overleaf

Notes on address for service

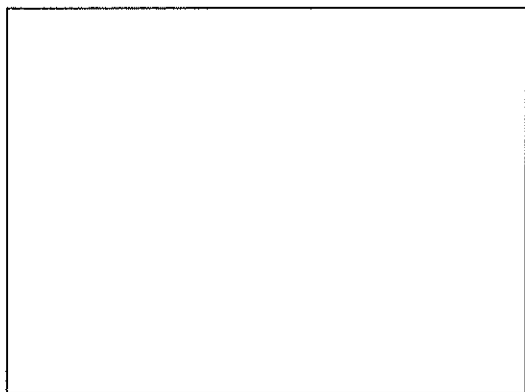
Attorney: where the Defendant is represented by an attorney, state the attorney's place of business in the Cayman Islands. A Defendant may not act by a foreign attorney.

Defendant in person: where the Defendant is acting in person, he must give his post office box number and the physical address of his residence or, if he does not reside in the Cayman Islands, he must give an address in Grand Cayman where communications for him should be sent. In the case of a limited company, "residence" means its registered or principal office.

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

Nelson & Company
Attorneys at Law
PO Box 2075
31 The Strand
46 Canal Point Drive
Grand Cayman KY1-1105
Attn: C Flanagan/N Dixey

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



DIRECTIONS FOR ACKNOWLEDGMENT OF SERVICE
OF WRIT OF SUMMONS

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

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

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

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

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

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

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

See over for notes for guidance

Notes for Guidance

1. Each Defendant (if there are more than one) is required to complete an Acknowledgment of Service and return it to the Courts Office.
2. For the purpose of calculating the period of 14 days for acknowledging service a writ served on the Defendant personally is treated as having been served on the day it was delivered to him.
3. Where the Defendant is sued in a name different from his own, the form must be completed by him with the addition in paragraph 1 of the words "sued as (*the name stated on the Writ of Summons*)".
4. Where the Defendant is a FIRM and an attorney is not instructed, the form must be completed by a PARTNER by name, with the addition in paragraph 1 of the description "Partner in the firm of (.....)" after his name.
5. Where the Defendant is sued as an individual TRADING IN A NAME OTHER THAN HIS OWN, the form must be completed by him with the addition in paragraph 1 of the description "trading as (.....)" after his name.
6. Where the Defendant is a LIMITED COMPANY the form must be completed by an Attorney or by someone authorised to act on behalf of the Company, but the Company can take no further step in the proceedings without an Attorney acting on its behalf.
7. Where the Defendant is a MINOR or a MENTAL PATIENT, the form must be completed by an Attorney acting for a guardian *ad litem*.
8. A Defendant acting in person may obtain help in completing the form at the Courts Office.