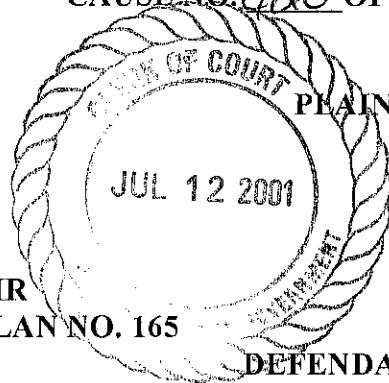
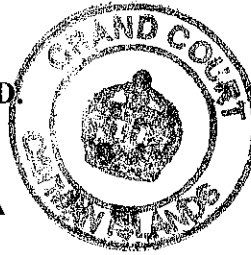


IN THE GRAND COURT OF THE CAYMAN ISLANDS

CAUSE NO. 426 OF 2001

BETWEEN:

CRYSTAL LTD.



PLAINTIFF

AND

- (1) DR. ELI ROZA
- (2) SUSAN ROZA
- (3) D & J CONSTRUCTION & REPAIR
- (4) THE PROPRIETORS, STRATA PLAN NO. 165

DEFENDANTS

WRIT OF SUMMONS

To: The First Defendant, Eli Roza, c/o Quin & Hampson, Attorneys-at-Law, PO Box 1348GT, 3rd Floor Harbour Centre, George Town, Grand Cayman **And To:** The Second Defendant, Susan Roza, c/o Quin & Hampson, Attorneys-at-Law, PO Box 1348 GT, 3rd Floor Harbour Centre, George Town, Grand Cayman **And To:** The Third Defendant, D&J Construction and Repair, of P.O. Box 909 GT **And To:** The Fourth Defendant, The Proprietors, Strata Plan No. 165, Coral Stone Club, Seven Mile Beach, Grand Cayman

THIS WRIT OF SUMMONS has been issued against you by the above-named Plaintiff in respect of the claim 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 Court Office, PO Box 495 GT, George Town, Grand Cayman, 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 an intention to contest the proceedings, the Plaintiff may proceed with the action and judgement may be entered against you forthwith without further notice.

ISSUED this 12th day of July 2001.

NOTE: This Writ may not be served later than 4 calendar months beginning with the date of issue unless renewed by order of the Court.

IMPORTANT

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

STATEMENT OF CLAIM

1. The Plaintiff is and was at all material times the owner and proprietor of the ground floor premises known as Unit #4, Coral Stone Club, West Bay Road, Grand Cayman registered at the Lands and Survey Department as Block 12C, Parcel 340H4 ("Unit #4").
2. At all material times the First and Second Defendants were the owners and proprietors of the first floor premises known as Unit #10, Coral Stone Club, West Bay Road, Grand Cayman, registered at the Lands and Survey Department as Block 12C, Parcel 340H10 ("Unit #10").
3. The Third Defendant carries on and at all material times carried on the business of general contractor and builder.
4. The Fourth Defendant is and was at all material times the Strata Corporation for the Coral Stone Club in which Unit #4 and Unit #10 are situated.
5. On a date unknown to the Plaintiff but which was on or about April/May 2000, the First and Second Defendant and/or engaged the Third Defendant as contractor to carry out refurbishment to Unit #10 by, inter alia, the installation of an additional bathroom.
6. The Third Defendant pursuant to that engagement, and without authority from the Plaintiff or anyone on its behalf, wrongfully entered into Unit #4 thereby trespassing thereon and caused extensive damage to the interior of the same.
7. The matters complained of were caused by the negligence of the Third Defendant while acting as independent contractor as aforesaid for the First and Second Defendants and/or the Fourth Defendant.
8. Further, the First and Second Defendants and/or the Fourth Defendant failed adequately or at all to supervise the Third Defendant in carrying out the said refurbishment at Unit #10 and with particular regard to those matters immediately set out hereinafter, which they ought not to have allowed to happen.

Particulars

Full particulars of the said negligence and the damages caused are particularised in paragraphs 3 and 4 (pages 2 to 5) (inclusive) of the Plaintiff's expert's report dated 25th May 2000, a copy of which is annexed hereto. The Plaintiff will rely upon the said report for its full terms and effect.

9. On 22nd May 2000 the Plaintiff by its shareholders, Mr. and Mrs. John Einoder, discovered the damage and by its attorneys, Ritch & Conolly, invited the First and Second Defendants to remedy the matters particularised below and further, to abate the nuisance created by the aforementioned refurbishment by removing pipe and ductwork

introduced into Unit #4 by the Third Defendant acting on behalf of the First and Second Defendants and/or the Fourth Defendant. Despite being given such an opportunity, the First and Second Defendants failed or neglected to do so. As a consequence, on or about 29th July 2000, further water escaped from Unit #10 into Unit #4 causing additional loss and damage.

10. In addition, the First and Second Defendant as proprietor of Unit #10, were at all material times bound by the terms of the Strata Corporation By-Laws dated 12th May 1992. The Plaintiff will rely upon the said By-Laws for their full terms and effect in Law.
11. In particular, the Plaintiff claims that the First and Second Defendants are in breach of By-Laws 43(a), (f), (j), (k), (t), (v) and (hh) in respect of the damage to Unit #4.
12. Further or in the alternative, the Plaintiff claims as against the Fourth Defendant that in authorising and/or permitting the refurbishment to Unit #10 in the manner aforesaid, it has breached the obligations imposed upon it by the aforementioned By-Laws.

Particulars

- (a) With regard to the appointment of the Third Defendant and the said refurbishment, the Plaintiff avers that it failed to do so with adequate skill and care such that damage was caused to Unit #4 as particularised in paragraph 8 above.
- (b) The Fourth Defendant, being aware of the refurbishment to Unit #10, failed to seek the approval and/or consent of the Plaintiff for any access to be given to the Third Defendant (or its servants or agents) to carry out the refurbishment.
- (c) The Fourth Defendant failed, in accordance with By-Law 38, or at all, to send any Notice to the Plaintiff of the intended refurbishment.
- (d) Pursuant to By-Law 44 (g), the Fourth Defendant failed to rebuild and/or reinstate Unit #4 following the damage caused, as it was obliged to so do.
- (e) The Fourth Defendant failed to exercise proper skill and care in the selection of the Resident Manager under By-Law 34 such that the said Resident Manager failed in her responsibility to administer the Strata Lots and/or to enforce compliance with the By-Laws as obliged to do in accordance with By-Law 36. The Fourth Defendant is liable for the actions and conduct of the Resident Manager performed in the exercise of their duties under the By-Laws.
- (f) Pursuant to By-Law 46, the Fourth Defendant failed to implement and carry through the procedures set out therein with regard to property damage for the benefit of the Plaintiff, or at all such that the Plaintiff, at its own cost, had to employ contractors to carry out remedial works to Unit #4.

13. By reason of the matters aforesaid, Unit #4 was severely damaged and rendered incapable of being occupied between on or about the beginning May 2000 to 28th July 2000 and the Plaintiff was deprived of the use and enjoyment of the same. Further, the Plaintiff, through its shareholders Mr. and Mrs. John Einoder, have suffered discomfort, inconvenience and disturbance and the Plaintiff has suffered loss and damage. Particulars of the losses so far quantifiable are as follows:-

| <u>Particulars</u> | | CIS | US\$ |
|--------------------|---|--------------------|---------------------|
| (1) | Costs of remedial works to Unit #4 to reinstate property to pre-damaged condition | 44,750.00 | 54,573.17 |
| (2) | Losses associated with wasted Cayman Islands trip - 22 nd May 2000 – 27 th May 2000 | 9,658.00 | 11,778.05 |
| (3) | Loss of Rental Income whilst property uninhabitable | 2,439.50 | 4,424.40 |
| (4) | Wasted costs of cancelled Family Reunion - 8 th June 2000 | 12,266.79 | 14,959.50 |
| (5) | Additional Phone/Fax bills created by damage and need to co-ordinate, inter alia, remedial works | 1,071.65 | 1,306.89 |
| (6) | Wasted Strata Fees | 3,067.29 | 3,740.60 |
| (7) | Professional Fees arising from the said damage | 10,431.68 | 12,721.56 |
| (8) | Miscellaneous Costs and Expenses | <u>768.76</u> | <u>937.52</u> |
| Total: | | \$84,453.67 | \$104,441.69 |


14. In the premises, by reason of the matters aforesaid, the Plaintiff has suffered loss and damage.
15. Further, pursuant to the Judicature Law the Plaintiff is entitled to and claims to recover interest on the amounts found to be due at such rate and for such period as the Court may think fit.

AND the Plaintiff claims, as against each and every Defendant:

1. Damages;
2. Special Damages as particularised in paragraph 13 above;

3. Interest;
4. Costs;
5. Such other relief as the Court shall consider appropriate.

DATED this 12th July 2001.


RITCH & CONOLLY
Attorneys at Law for the Plaintiff

TO: The Clerk of the Court

AND TO: The Defendants

This Writ of Summons was issued by Ritch & Conolly, Attorneys-at-Law for an on behalf of the Plaintiff herein whose address for service is that of their said Attorneys at Law of PO Box 1994 GT, Fourth Floor, Queensgate House, 113 South Church Street, George Town, Grand Cayman, B.W.I.

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

Messrs. Ritch & Conolly
PO Box 1994 GT
Grand Cayman

Ref: CIBC - #8320

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