

IN THE GRAND COURT OF THE CAYMAN ISLANDS

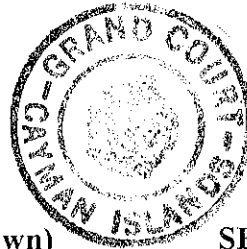
Cause No. 687 of 2001

IN THE MATTER OF THE REGISTERED LAND LAW (1995 REVISION)
AND IN THE MATTER OF SAVANNAH, BLOCK 28B, PARCEL 65
AND IN THE MATTER OF NORTHSIDE, BLOCK 49B, PARCEL 72

BETWEEN:



EURO BANK CORPORATION
(IN LIQUIDATION)



PLAINTIFF

ELDAN ERNEST JACKSON
LINDA JACKSON (formerly Brown)

FIRST DEFENDANT
SECOND DEFENDANT

ORIGINATING SUMMONS

TO: Eldan Ernest Jackson and Linda Jackson whose address for service is PO 1792 George Town, Grand Cayman, BWI.

LET THE DEFENDANTS, Eldan Ernest Jackson and Linda Jackson within 14 days after service of this Summons on them, counting the day of service, return the accompanying acknowledgement of service to the Court office, P. O. Box 495 GT, George Town, Grand Cayman.

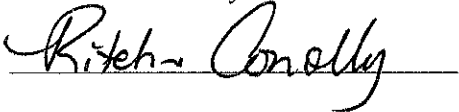
BY THIS SUMMONS which is issued on application of the Plaintiff, Euro Bank Corporation (In Liquidation), the Plaintiff seeks relief pursuant to the Registered Land Law (1995 Revision).

- 1) On 15th July 1998 the Plaintiff as Chargee, and the First Defendant as Chargor executed a legal charge ("the First Charge") in respect of the land and building registered at the Lands and Survey Department as Savannah, Block 28B, Parcel 65 ("the First Property").
- 2) On the same date, the Plaintiff as Chargee and the Second Defendant as Chargor, executed a collateral charge ("the Second Charge") in respect of the land and building registered at the Lands and Survey Department as Northside, Block 49B, Parcel 72 ("the Second Property").
- 3) The First Charge and Second Charge provide, inter alia, that:

- 3.1) The Plaintiff would lend and the Defendants would borrow the principal sum of eighty-four thousand U.S. dollars (US\$84,000.00) ("the principal sum") which was to be secured as a charge on the Properties.
 - 3.2) Interest on the principal sum would accrue at the prime lending rate for lending United States Dollars of Citibank New York.
 - 3.3) The Defendants would repay to the Plaintiff on demand the principal sum or such portion of the principal sum which remained outstanding together with accrued interest. Pending such demand, the Defendants would repay the principal sum and accrued interest at such times and in such sums as the Plaintiff may specify.
 - 3.4) Immediately upon default by the Defendants in the payment of the principal sum or of any accrued interest, the Plaintiff would be entitled without further notice, inter alia, to sell the properties by either public auction or by private treaty.
 - 3.5) The Defendants shall pay, on demand, all fees and expenses incurred by the Plaintiff of and incidental to the protection of and enforcement from time to time of the Plaintiff's rights.
- 4) Thereafter, it was specified by the Plaintiff, that the First and Second Defendants would repay the principal sum, and accrued interest, by monthly instalments.
 - 5) In or about December 1998 the First and Second Defendants failed to pay the monthly instalments due in respect of the principal sum and interest as they fell due. Payments towards arrears amounting to US\$12,058.22 have been made by the Second Defendant. However, they have been infrequent in timing and inconsistent in amount and have not served to address the accumulation of arrears which now amounts to US\$22,021.08.
 - 6) By a letter dated 11th May 2000 sent to the First and Second Defendants, the Plaintiff's Liquidators served Notice on the First and Second Defendants pursuant to the Registered Land Law (1995 Revision) demanding payment of the balance of the principal sum, and accrued interest then due.
 - 7) The First and Second Defendants have failed to pay the balance due of the principal sum and accrued interest and the arrears continued to accumulate despite some payments being received from the Second Defendant.
 - 8) The First and Second Properties consist of residential premises and the Plaintiff is unaware of who exactly resides at the properties.
 - 9) The provisions of the Registered Land Law (1995 Revision) provide that once a Notice of Demand has been served, pursuant to Section 64 (2) the total amount of principal and interest becomes payable 3 months after service of that Notice. The Plaintiff avers that the letter dated 11th May 2000 sent to the First and Second Defendants constitutes such Notice pursuant to Section 64 (2). A further demand letter was served by the Plaintiff's attorneys, Ritch & Conolly, by letter of 12th September 2001.

- 10) The provisions of the Registered Land Law (1995 Revision) also provide that if default is made in payment of the principal sum or any interest and continues for one month, a Chargee will then acquire a power to sell the property by public auction, after 3 months have elapsed, from service on the Chargors of a second notice demanding payment. Such provisions are subject to variation with the approval of the Court to allow the Chargee to sell by either private sale, or public auction and to waive the requirement for any further notice to be served.
- 11) The relief the Plaintiff therefore seeks in these proceedings is an Order of the Court that:
- 11.1) the variations in the Charge to the provisions of the Registered Land Law (1995 Revision) be allowed so that the Plaintiff is entitled to avoid the requirement to serve a second notice of three months;
 - 11.2) the Plaintiff be entitled to possession of the First and Second Property forthwith;
 - 11.3) the Plaintiff be entitled to sell the First and Second Property and that such sale be by either private treaty or public auction, in good faith, and having regard to the interests of the Defendant;
 - 11.4) that after the sale of the said First and Second Property in accordance with the order sought herein, should there be any shortfall in the amount due and owing to the Plaintiff, that the Plaintiff be at liberty to enter Judgement for the said shortfall together with interest and costs against the First and Second Defendant;
 - 11.5) the costs of these proceedings be added to the principal and interest due from the First and Second Defendants and be deducted from the proceeds of the sale;

Dated the 16th day of October 2001.



Ritch & Conolly

If the Defendants do not acknowledge service, judgement may be given, or made against, or in relation to them, as the Court may think just and expedient.

NOTE: This Summons may not be served later than 4 calendar months (*or if leave is required to effect Notice out of the jurisdiction, 6 months*) beginning with that date, unless renewed by Order of the Court.

IMPORTANT: Directions for acknowledgement of service are given with the accompanying forms.

This Originating Summons was issued by Ritch & Conolly, Attorneys-At-Law for the Plaintiff, whose address for service is P O Box 1994 GT, Queensgate House, 113 South Church Street, George Town, Grand Cayman, Cayman Islands, BWI.

BETWEEN:

EURO BANK CORPORATION
(IN LIQUIDATION)

PLAINTIFF

AND:

ELDAN ERNEST JACKSON
LINDA JACKSON (formerly Brown)

FIRST DEFENDANT
SECOND DEFENDANT

**ACKNOWLEDGEMENT OF SERVICE
OF ORIGINATING 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 is omitted or given wrongly, THIS FORM MAY HAVE TO BE RETURNED.

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

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

Yes

No

Service of the Originating Summons is acknowledged accordingly.

(Signed)

[Attorney] for

[Defendant in person]

Address for service:

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.

Please complete overleaf

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

Messrs. Ritch & Conolly
PO Box 1994 GT
Grand Cayman
Tel: 949-7366
Fax: 949-8652

Ref: Deloitte #8450

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

[Empty box for defendant's indorsement]