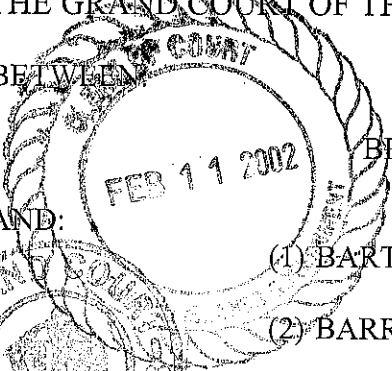




IN THE GRAND COURT OF THE CAYMAN ISLANDS

CAUSE No. 116 of 2002

BETWEEN



BRISTOL (CAYMAN) LTD.

Plaintiff

AND:

(1) BART INVESTMENTS LTD.

(2) BARROW INVESTMENTS LTD.

Defendants

WRIT OF SUMMONS

TO: BART INVESTMENTS LTD.

AND TO: BARROW INVESTMENTS LTD.

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 the 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 Acknowledgment of Service stating therein whether you intend to contest these proceedings.

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

Issued this 11th day of February, 2002.

IMPORTANT

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

STATEMENT OF CLAIM

1. The Plaintiff, the First Defendant and the Second Defendant are all companies established under the laws of the Cayman Islands.
2. In or about May 1999, the Plaintiff and the First Defendant agreed to enter into a joint venture for the purpose of acquiring land in the Cayman Islands and developing thereon a 42-unit condominium to be called "Mediterranea".
3. On 2nd June 1999, First Defendant and the Plaintiff duly entered into a written agreement ("the joint venture agreement"). The following were express or implied terms and/or conditions of the joint venture agreement and the Plaintiff and the First Defendant represented and warranted: -
 - (1) that the First Defendant would purchase land in South Sound described in the Proprietorship Section of the Cayman Islands Land Register as South Sound Block 7D, Parcel 4 (hereinafter referred to as "the land");
 - (2) that once the land was purchased, the Plaintiff would enter upon, occupy and develop the land in accordance with the terms of the agreement and that the First Defendant to that end would grant to the Plaintiff a contractual licence;
 - (3) that the First Defendant would not sell, charge or otherwise deal with the land or assign its interest in the joint venture agreement without first giving the Plaintiff reasonable notice in writing and obtaining the Plaintiff's written consent; and
 - (4) that the First Defendant and the Plaintiff would take the steps necessary to execute and file for registration on the Land Register a Caution in favour of the Plaintiff in the form prescribed by the agreement.

Bristol (Cayman) Ltd. V. Bart Investments Ltd. and Another

4. On or about 3rd September 1999, the First Defendant purchased the land and on the same date caused a charge in the principal sum of US\$625,000 to be registered against the land in the Incumbrances Section of the Land Register, the chargee being Bank of Bermuda (Cayman) Ltd.
5. On 6th October 1999, a Caution in favour of the Plaintiff was duly registered in relation to the land.
6. The Plaintiff entered upon and occupied the land and, in part performance of the joint venture agreement, incurred costs and expenses amounting to not less than US\$1,100,000 in relation to the joint venture.
7. On 9th July 2001, notwithstanding the Caution in the Proprietorship Section of the Land Register, without notice to the Plaintiff and in breach of the joint venture agreement, the Second Defendant was registered in the Incumbrances Section of the Land Register as chargee in substitution for Bank of Bermuda (Cayman) Ltd, the original chargee, and the principal sum charged was increased to US\$635,000, all without the Plaintiff's prior consent in writing.
8. On 8th February 2002 the Plaintiff learned through its director one Trevor LLOYD that the Second Defendant had arranged to sell the land by public auction on 14th September 2002.
9. In breach of the terms and conditions of the joint venture agreement and in breach of its representations and warranties made therein, the First Defendant did not notify the Plaintiff in writing of the aforesaid sale of the land by public auction and did not obtain the Plaintiff's consent to the sale.
10. The Plaintiff has an interest in the land within the meaning of Section 71 of the Registered Land Law (1995 Revision) and is entitled to tender to the Second Defendant such sums as would be payable if the First Defendant as chargor had sought to redeem the charge pursuant to Section 70 of the Registered Land Law (1995 Revision) and to require the Second Defendant to transfer the charge to the Plaintiff.
11. Moreover, the Plaintiff's interest in the land is an overriding interest within the meaning of Section 28 of the Registered Land Law (1995 Revision) and

Bristol (Cayman) Ltd. V. Bart Investments Ltd. and Another

any purchaser of the land from the First Defendant will take subject to the Plaintiff's said interest.

12. If the land is sold before the Plaintiff is able to redeem the charge held by the Second Defendant, the joint venture agreement will be frustrated and the monies expended by the Plaintiff in part performance of the joint agreement will have been expended to no purpose.
13. As a result of the First Defendant's breaches of contract and/or breaches of warranty the Plaintiff has suffered loss and damages.
14. The Plaintiff is entitled to and claims against both Defendants interest pursuant to Section 34 of the Judicature Law (1995 Revision) at the rate of 4.5 % per annum from the date hereof or at such rate or for such period or periods as the Court may think just until judgment herein or sooner satisfaction of all the Plaintiff's claims.

AND THE PLAINTIFF CLAIMS: -

As Against the First and Second Defendants

- (1) A Declaration that the Plaintiff has an interest within the meaning of Section 71 of the Registered Land Law (1995 Revision) in the land described in the Proprietorship Section of the Cayman Islands Land Register as South Sound Block 7D, Parcel 4 and is entitled to tender to the Second Defendant such sums as are payable to the Second Defendant in redemption of its charge over the said land and on redemption to require the Second Defendant to transfer the charge to the Plaintiff.

As Against the Second Defendant

- (2) A Declaration as to the amount payable to the Second Defendant on redemption of the aforesaid charge.

Bristol (Cayman) Ltd. V. Bart Investments Ltd. and Another

- (3) An Order requiring the Second Defendant to transfer the said charge to the Plaintiff upon payment by the Plaintiff of the amount declared payable and redemption of the charge as aforesaid.

As Against the First Defendant

- (4) Damages.

As Against Both Defendants jointly and severally

- (5) Such accounts, inquires and other relief, including injunctive relief to prevent the sale of the land pending determination of the Plaintiff's claims, as the Court may think just;
- (6) Under paragraph 14 hereof, interest on any sums award to it at the rate of 4.5 % per annum from the date hereof or at such rate or for such period or periods as the Court may think just until judgment herein or sooner satisfaction of all the Plaintiff's claims.
- (7) Costs.



BOXALLS

Attorneys-at-Law for the Plaintiff

This Writ was issued by Boxalls, attorneys for the Plaintiff, whose address for service is that of its said attorneys, namely: PO Box 1234 GT, 3rd Floor, Queensgate House, South Church Street, Grand Cayman, British West Indies (Reference: 2148-0001 JCC/WJH).

IN THE GRAND COURT OF THE CAYMAN ISLANDS

CAUSE NO. *116* OF 2002

BETWEEN:

BRISTOL (CAYMAN) LTD.

Plaintiff

AND:

(1) BART INVESTMENTS LTD.
(2) BARROW INVESTMENTS LTD.

Defendants

**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 of Summons is being acknowledged.

BARROW INVESTMENTS LTD.

2. State whether the Defendant intends to contest or otherwise participate in 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

Service of the Writ of Summons is acknowledged accordingly.

Attorney for the Defendant
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.

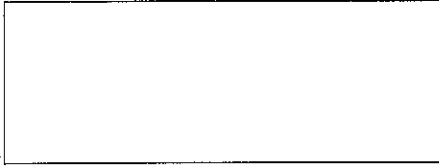
Defendant in person: where the Defendant is acting in person, he must give his post office box number and the physical address of his residence or, if he does not reside in the Cayman Islands, he must give an address in Grand Cayman where communications for him should be sent. In the case of a limited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

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

Boxalls Attorneys-at-Law PO Box 1234GT George Town Grand Cayman, Cayman Islands British West Indies (Reference: 2148-0001)

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

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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 of 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 his 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.

IN THE GRAND COURT OF THE CAYMAN ISLANDS

CAUSE NO. *116* OF 2002

BETWEEN:

BRISTOL (CAYMAN) LTD.

Plaintiff

AND:

(1) BART INVESTMENTS LTD.

(2) BARROW INVESTMENTS LTD.

Defendants

**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 of Summons is being acknowledged.

BART INVESTMENTS LTD.

2. State whether the Defendant intends to contest or otherwise participate in 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



**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 495G, 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.

Please complete overleaf.

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*)".
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