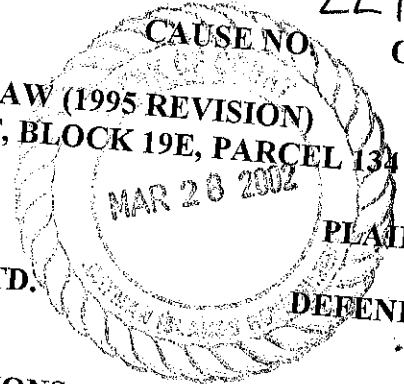
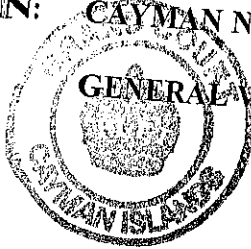


IN THE GRAND COURT OF THE CAYMAN ISLANDS

IN THE MATTER OF THE REGISTERED LAND LAW (1995 REVISION)
AND IN THE MATTER OF GEORGE TOWN EAST, BLOCK 19E, PARCEL 134

BETWEEN: CAYMAN NATIONAL BANK LTD

AND: GENERAL WINDOWS & DOORS LTD.



PLAINTIFF

DEFENDANT

ORIGINATING SUMMONS

TO: General Windows & Doors Ltd. whose address for service is PO Box 10016
APO, Grand Cayman.

LET THE DEFENDANT, General Windows & Doors Ltd., 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, Cayman National Bank Ltd., the Plaintiff seeks relief pursuant to the Registered Land Law (1995 Revision).

- 1) On 16th December 1993 the Plaintiff as Chargee, and the Defendant as Chargor executed a legal charge ("the Legal Charge") in respect of the land and building registered at the Lands and Survey Department as George Town East, Block 19E, Parcel 134 ("the Property").
- 2) The Charge provided, inter alia, that:
 - 2.1) The Plaintiff would lend and the Defendant would borrow the principal sum of Two Hundred and Ninety Thousand Cayman Island Dollars (CIS\$290,000.00) ("the principal sum") which was to be secured as a charge on the Property.
 - 2.2) Interest on the principal sum would accrue at the rate of 4 ½% per annum over the Cayman Islands Dollar base rate as determined by the Plaintiff from time to time.
 - 2.3) The Defendant would repay to the Plaintiff on demand the principal sum together any interest then due. Pending such demand, the Defendant would repay to the Plaintiff such monthly or other sums as the Plaintiff shall from time to time specify.
 - 2.4) Immediately upon default by the Defendant in payment of the principal sum, or of any interest payable thereunder, or in the performance or observance of any agreement, expressed or implied therein, the Plaintiff would be entitled to appoint

a Receiver of the income of the property the subject of the security or sell the property the subject of the security by private treaty as well as by public auction, without further notice.

- 3) Thereafter, it was specified by the Plaintiff, that the Defendant would repay the principal sum, and accrued interest, by monthly instalments.
- 4) On 4th May 1994, the Defendant executed a Variation of Charge whereby the Property became security for the Plaintiff for the repayment to it of the increased principal sum of CI\$325,000.00.
- 5) Further, on 24th October 1997, the Defendant executed a further Variation of Charge to secure the payment to the Plaintiff of the principal sum of CI\$380,000.00 together with interest at the rate of 5% per annum over the Cayman Islands dollar prime rate for overdraft facilities and 3% per annum over the Cayman Islands Dollar prime rate for loan facilities.
- 6) In or October 2001, the Defendant failed to pay the monthly instalments due in respect of the principal sum and interest, and has failed to make any subsequent payments of either principal or interest.
- 7) By a letter dated 11th December 2001, sent by registered post to the Defendant, the Plaintiff duly served notice on the Defendant pursuant to the Registered Land Law (1995 Revision) demanding payment of the balance of the principal sum and accrued interest which, as at that date, amounted to CI\$380,000.00 (principal) and CI\$49,994.80 (interest and other charges).
- 8) On the same date, a further demand under the Registered Land Law (Revised) was served demanding the same sums. Such demand was made pursuant to Section 72 of the Registered Land Law (Revision).
- 9) Despite service of such notices, the Defendant has failed to pay the balance due of the principal sum, and accrued interest.
- 10) The Property consists of a parcel of land upon which a steel warehouse building is located.
- 11) 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 three months after service of that Notice. The Plaintiff avers that the letter dated 11th December 2001 served on the Defendant as aforesaid, constitutes Notice under Section 64(2) of the Registered Land Law (Revised).
- 12) 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, the Chargee will then acquire a power to sell the property by public auction after three 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 serve a second shorter notice period. The Legal Charge in this action contains such a provision as set out in paragraph 2.4 above. On 11th December 2001, the Plaintiff served such a notice on the Defendant as envisaged by the Legal Charge demanding payment of the full sums outstanding. No response was received.

- 13) The relief the Plaintiff therefore seeks in these proceedings is an Order of the Court that:
- 13.1) 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 any further notice, having served notices under Section 64(2) of the Law and under the terms of the Legal Charge;
 - 13.2) the Plaintiff be entitled to sell the 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;
 - 13.3) for the purposes of any such sale, the Plaintiff be entitled to possession of the property;
 - 13.4) after the sale of the said 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 judgment against the Defendant for the said shortfall, together with interest and costs;
 - 13.5) the costs of these proceedings be added to the principal and interest due from the Defendant and be deducted from the proceeds of sale.

Dated the 28th day of March 2002.



Ritch & Conolly

If the Defendant 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.

IN THE GRAND COURT OF THE CAYMAN ISLANDS

CAUSE NO. 227 OF 2002

IN THE MATTER OF THE REGISTERED LAND LAW (1995 REVISION)
AND IN THE MATTER OF GEORGE TOWN EAST, BLOCK 19E, PARCEL 134

BETWEEN: CAYMAN NATIONAL BANK LTD PLAINTIFF

AND: GENERAL WINDOWS & DOORS LTD. 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 required 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 or otherwise participate in 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.

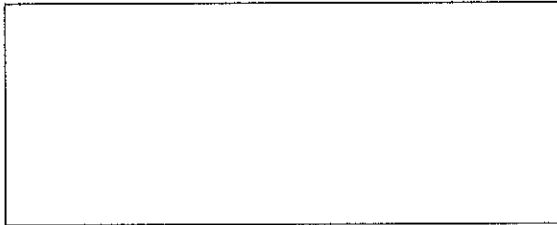
Please complete overleaf

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

Ref: CNB -- #8677

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

A large, empty rectangular box with a thin black border, intended for the defendant's attorney or the defendant to provide their name, address, and reference.