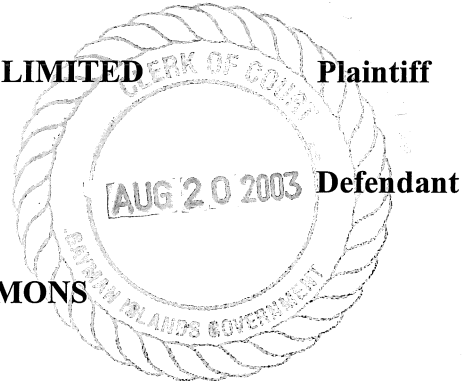
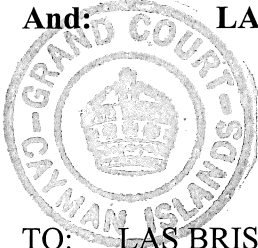


IN THE GRAND COURT OF THE CAYMAN ISLANDS

555  
CAUSE NO: OF 2003

Between: GRAND CAYMAN COMPANY LIMITED Plaintiff

And: LAS BRISAS LTD.



WRIT OF SUMMONS

TO: LAS BRISAS LTD. c/o Huntlaw Corporate Services Ltd., Huntlaw Building, Fort Street, PO Box 1350GT, 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 the service of this Writ on you, counting the day of service, you must either satisfy the claim or return to the Court Office, P.O. 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 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 20<sup>th</sup> day of August, 2003.

NOTE – This Writ not be served later than 4 calendar months (or, if leave is required to effect service out of the jurisdiction, 6 months) beginning with the date of issue unless renewed by order of the Court.

**IMPORTANT**

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

## STATEMENT OF CLAIM

1. The Defendant is a company incorporated pursuant to the provisions of the Companies Law with its registered office at Huntlaw Corporate Services Ltd., Huntlaw Building, Fort Street, PO Box 1350GT, Grand Cayman.
2. On or about 29<sup>th</sup> June 1998 the Defendant entered an option agreement with the late James Desmond Webster whereby certain options were granted to the Defendant by the said Mr. Webster (“the Option Agreement”). The Plaintiff shall refer to the Option Agreement at the trial hereof for its full meaning and effect. The said Mr. Webster held the properties subject to the Option Agreement on trust for the Plaintiff.
3. There were inter alia and in summary the following express terms of the Option Agreement:

(1) Clause 2

The Defendant was granted for the period of 90 days from the date of the Option Agreement an option (the “First Option”) to be exercised by notice in writing (the “First Option Notice”) to purchase 1 of 2 parcels of land more particularly described in the Agreement and comprised within that land registered with the title of Parcel 35 Block 10E West Bay Beach North Registration Section (the “First Tranche”) and a further option (the “Second Option”) to purchase the remainder of the said Parcel 35 and also Parcel 36 of the same Block (the “Second Tranche”) such option being exercisable for a period commencing on the date upon which the First Option Notice was served and expiring on the second anniversary thereof unless terminated before then pursuant to Clause 5.3.

(2) Clause 5.1

Upon receipt by the vendor of the First Option Notice, a fee (known as the “Second Option fee”) of US\$1,400,000.00, a signed agreement for the purchase of the First Tranche and the deposit payable for the First Tranche of US\$250,000.00 then the Defendant would be granted the Second Option.

(3) Clause 5.2

In addition to paying the Second Option Fee the Defendant would pay the vendor an "Additional Option Fee" of US\$1,332.00 for each day of the Second Option Period that the Second Option was not exercised.

(4) Clause 5.3

The Second Option could be terminated by the Defendant giving 90 days notice in writing to the vendor.

(5) Clause 5.4

The Additional Option Fee would be paid (if not paid before):-

- (i) at quarterly intervals following the date of payment of the Second Option Fee until the Second Option expired or was exercised by the Defendant; or
- (ii) upon expiry of the Second Option; or
- (iii) upon the exercise of the Second Option; or
- (iv) upon termination of the Second Option pursuant to Clause 5.3.

(6) Clause 5.5

In the event that the Defendant failed to pay the Additional Option Fee within 7 days of the same become due (whether demanded or not) then the Second Option would terminate 7 days after the vendor gave notice demanding payment.

(7) Clause 6.2

Upon the Defendant exercising the First Option and in consideration of the Defendant paying the vendor a Licence Fee of US\$17,500.00 payable quarterly in advance, then until the Option Agreement was terminated the vendor would allow the Defendant access to a part of the Second Tranche for use as car parking and storage in connection with development of the First Tranche.

4. By a letter dated 23<sup>rd</sup> June 1999 the Defendant served a First Option Notice and thereby exercised the First Option.

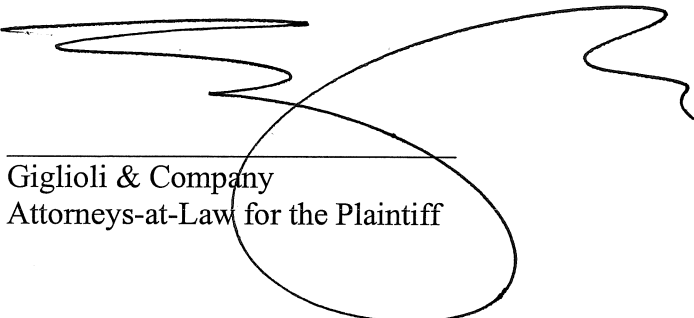
5. On or about 11<sup>th</sup> November 1999 Mr. Webster died. On or about 9<sup>th</sup> June 2000 letters of administration with the Will annexed were issued to Christopher Richard Issa and at all material times thereafter the Plaintiff acted for and on behalf of Mr. Issa.
6. By an exchange of correspondence in November 2000 the Plaintiff, acting for the said Administrator, and the Defendant agreed to extend the time limits contained in the Option Agreement and in particular the Second Option and as a result of this extension the Second Option Period (as the term is defined in the Option Agreement) was then due to expire on 5<sup>th</sup> July 2002.
7. Completion of the sale of the First Tranche took place on or about 18<sup>th</sup> January 2001. The First Tranche is now formally known as parcel 53 of block 10E.
8. At the same time the First Option Notice was given to the Plaintiff by the Defendant, the Defendant also paid the Second Option Fee and signed the counterpart purchase agreement for the First Tranche and paid the deposit for the First Tranche all pursuant to clause 5.1 of the Option Agreement.
9. Pursuant to Clause 5.3 of the Option Agreement the Defendant paid the Additional Option Fee to the Plaintiff on 23<sup>rd</sup> September 1999 and quarterly thereafter until December 2001 but wrongfully failed or refused to pay the Additional Option Fee due on 5<sup>th</sup> March 2002 and those which fell due on 25<sup>th</sup> March 2002 which sums remain due and owing.
10. In or about January 2001 and pursuant to the said Clause 6.2 the Defendant was granted a licence to use and did thereafter use, a part of the Second Tranche and in the premises the Licence Fee became payable.
11. The Defendant did not give any notice pursuant to Clause 5.3 of the said agreement that it wished to terminate the Second Option Period early, but the Defendant failed and/or refused to pay:

- (i) the Additional Option Fees due on 5<sup>th</sup> March 2002 as set out in Paragraph 8 herein; and
  - (ii) the Licence Fee due and payable on 5<sup>th</sup> March 2002.
  
- 12. By a letter dated 18<sup>th</sup> March 2002 the Plaintiff gave notice to the Defendant requiring payment of the then outstanding Additional Option Fee within 7 days which outstanding sums were then some US\$147,278.00 but the Defendant failed or refused to make any payment and accordingly, pursuant to under the said Clause 5.5 the vendor was entitled to treat the Second Option as being at an end with effect from 25<sup>th</sup> March 2002.
  
- 13. As at the expiry of the Second Option there was due and outstanding from the Defendant the sum of US\$150,895.00 in respect of Additional Option Fee and US\$4,375.00 on account of the Licence Fee.
  
- 14. In the premises the Defendant is in breach of the terms of the said Option Agreement and owes US\$150,895.00 on account of the Additional Option Fee due and payable on 25<sup>th</sup> March 2002 and US\$4,375.00 on account of the Licence Fee due and payable on 5<sup>th</sup> March 2002.
  
- 15. By an Assignment in writing dated 19<sup>th</sup> August 2003 and made between the said Mr. Issa and the Plaintiff, Mr. Issa assigned inter alia all rights and interest in and any and all sums due under the Option Agreement and/or the said Options to the Plaintiff.
  
- 16. In the premises the Plaintiff seeks: -
  - (i) An injunction restraining the Defendant from disposing of or transferring or otherwise dealing with any assets, including parcel 53 of block 10E or the sale proceeds thereof until further order of this Court.
  
  - (ii) US\$150,895.00 on account of the outstanding and unpaid Additional Option Fee.

- (iii) US\$4,375.00 in respect of the outstanding and unpaid Licence Fee.
- (iv) Interest thereon pursuant to statute at the rate of 4½% per annum from 25<sup>th</sup> March 2002 being the date that the monies were due and payable to the date of issue of the Writ in the amount of US\$9,571.44 and thereafter to the date of payment in the amount of US\$19.14 daily.
- (v) Such other relief as this honourable Court deems appropriate.
- (vi) Costs

If, within the time for returning the acknowledgment of service, the Defendant pays the total amount claimed of US\$166,898.28 (including interest and costs) further proceedings will be stayed. The money must be paid to the Plaintiff or its attorney.

Dated: 20<sup>th</sup> August 2003



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Giglioli & Company  
Attorneys-at-Law for the Plaintiff