

IN THE GRAND COURT OF THE CAYMAN ISLANDS

16  
CAUSE NO OF 2006

BETWEEN

MR JOHN GODFREY

PLAINTIFF



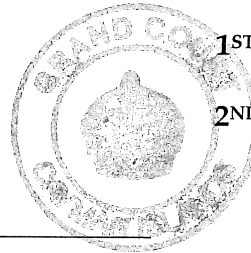
AND

MR PAUL McCRORY

1<sup>ST</sup> DEFENDANT

MRS TILDA TOPALIAN

2<sup>ND</sup> DEFENDANT



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WRIT OF SUMMONS

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To: Mr. Paul McCrory & Mrs Tilda Topalian  
c/o Giglioli & Company, P.O. Box 2505 GT, Kirk House

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 Fourteen days (14) 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, 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 Plaintiffs may proceed with the action and judgment may be entered against you forthwith without further notice.

Issued this 11 day of January 2006

NOTE - This Writ may 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

*John Godfrey (Plaintiff)*  
*and*  
*Paul McCrory (1<sup>st</sup> Defendant)*  
*Tilda Topalian (2<sup>nd</sup> Defendant)*

### **Statement of Claim**

#### **Introduction**

1. The Plaintiff and the Defendants executed an agreement entitled Massive Hydroponic Purchase Agreement (the "Purchase Agreement") on 25 August 2003. A true copy of the Purchase Agreement is attached as exhibit 1 to this Statement of Claim.
2. At the time the Purchase Agreement was executed:
  - 2.1. The Plaintiff was the registered owner of 50% of the shares in Massive Hydroponics (the "Company").
  - 2.2. The remaining 50% of shares in the Company were registered in the name of a Mr David Kirkaldy.
  - 2.3. The Plaintiff's father, Mr Michael Godfrey was the owner of a parcel of land registered as George Town Block 20B Parcel 377 (the "Land").
  - 2.4. the Defendants wished to purchase all of the assets of the Company, to take a lease of the Land and to acquire 100% of the shares in the Company.
3. For the purposes of this Statement of Claim the lease of the Land is irrelevant.

#### **The terms of the Purchase Agreement**

4. Insofar as is relevant the terms of the Purchase Agreement were as follows:
  - 4.1. The Purchase Price was CI\$33,800 payable at a rate of CI\$1,000 per month commencing upon the sooner of the harvest of the first crop or January 1 2004 with the possibility of making balloon payments;
  - 4.2. under "Consideration" it was stated that:

*"Purchase price includes:*

    - 1 delivery truck*
    - 1 walk-in cooler*
    - 1 walk-in freezer*
    - Office trailer*
    - 3 pumps*
    - 18x20' ceiling fans*
    - Inventory Chemicals, packing materials, fertilizers, etc. Office furnishings, etc.*
    - Dutch system*
    - Germ room*
    - Styrofoam seed inserts*
    - Shade cloths and ground cover*
    - Misc Items remaining on the premises as of July 1<sup>st</sup> 2003"*
  - 4.3. under "90 day warranty" it was stated that:

*"It is understood and agreed by both parties that the Delivery truck, walk-in cooler and freezer, 3 pumps, ceiling fans shall have a 90 day warranty. These items will be delivered in good working condition at the seller's expense.*

John Godfrey (Plaintiff)

~~and~~

Paul McCrory (1<sup>st</sup> Defendant)

Tilda Topalian (2<sup>nd</sup> Defendant)

*Upon the commencement of the business November 1<sup>st</sup>, 2003 and 90 days thereafter, any repairs or replacements that may be required are to be repaired or replaced at the seller's expense; To a maximum and not exceeding C1\$2,000.*

*a) Be paid by the purchasers and deducted from the payment of the concurrent month. If the expense exceeds the sum of the monthly payment, the cost of the repair or replacement will be pro-rated over a mutually agreed upon time period.*

*b) Be paid by the seller upon presentation of the repair or replacement quote.*

*The purchasers are indemnified from any such debts and the liability will be on the seller to clear the debt up to a maximum of C1\$2,000.00*

*c) Inventory: damaged and unusable goods will be deducted from the purchase price at the price paid to John Godfrey.*

4.4. Under "Deposit" it was stated that:

*"Deposit \$1,000 upon signing and Transfer of Shares: Transfer of 40% of shares will take place in July 2003 at which time the deposit of \$1,000 will be paid by the purchasers. This amount will be applied against the last month of the payment term.*

4.5. Later terms of the Purchase Agreement stated:

*"Purchaser hereby purchases the shares free and clear of all debts and encumbrances. Any outstanding debts due prior to November 1<sup>st</sup> 2003 is the seller's debt and not considered as a company debt even if the billing is in the name of the said company Massive Hydroponics."*

*"It is agreed that no other payments by way of dividends are due to the seller as 60% shareholders of Massive Hydroponics. Upon the transfer of the 60% shares to the purchasers at the end of the term or final payment, whichever comes first, the shares will be transferred at no additional value. The purchasers will bear the cost of the share transfer"*

#### **True construction of the Purchase Agreement**

##### ***Transfer of title to the assets and the shares***

5. The true construction of the Purchase Agreement is as follows:

5.1. Title to the inventory, office furnishings, Dutch system, germ room, styrofoam seed inserts, shade cloths and ground cover and such other items as remained on the premises as of July 1<sup>st</sup> 2003 (hereinafter the "fixed assets") was to pass to the Defendants as at the date of the Purchase Agreement, that being the intention of the parties as expressed therein. Thereafter the Plaintiff was to have no rights or liabilities in respect of the fixed assets.

5.2. Title to the delivery truck, walk-in cooler and freezer, 3 pumps and ceiling fans (the "delivered assets") was to pass to the Defendants as at the date of the Purchase Agreement, that being the intention of the parties as expressed therein, or in the alternative by delivery. Thereafter the Plaintiff was to have no rights in respect of

*John Godfrey (Plaintiff)*

~~and~~

*Paul McCrory (1<sup>st</sup> Defendant)*  
*Tilda Topalian (2<sup>nd</sup> Defendant)*

the delivered assets but was to have limited obligations under the 90 day warranty described in paragraph 4.3 above which commenced on 1 November 2003.

- 5.3. Title to 40% of the total shares in the Company was to pass when the deposit was paid at signing and title to the remaining 60% was to pass for no additional consideration as at the sooner of the date of final payment or the end of the term.

***Apportionment of the Purchase Price***

6. The Purchase Agreement does not apportion the purchase price between the assets. Nor does it clarify whether any amount is payable in respect of the shares. There is therefore an ambiguity in the Purchase Agreement.
7. This ambiguity is cured by reference to the offer to purchase the assets of the Company and its shares made by the Defendants (the "Offer"), the acceptance of which led to the Purchase Agreement, which stated:

*"We are offering CI\$ 32,000 for the business including following assets:*

*1 delivery truck*  
*1 walk-in cooler*  
*3 pumps*  
*18\*20' ceiling fans*  
*Remaining packaging materials (inventory to be taken)*  
*Chemicals in stock (inventory to be taken)*  
*Dutch system*  
*Germ room/office*  
*Misc items*

*Goodwill: Considering the business has been non-operational since October 2002 to date, there is no existing goodwill to consider as part of the purchase offer"*

A true copy of the Offer is attached as exhibit 2 to this Statement of Claim.

8. This demonstrates that the parties intended all of the purchase price to be apportioned to the assets of the Company title to which was to pass at the time the Purchase Agreement was executed or at delivery shortly thereafter as set out above. Once these assets had been transferred the shares were valueless, there being no value attached by the parties to the goodwill of the Company, and accordingly the remaining 60% of the shares were to be transferred for no additional consideration.
9. In the premises the Defendants were to be obliged to pay the Purchase Price in full for the transfer of the fixed assets and the delivered assets (together the "assets") from the time title to such assets passed by way of monthly installments of CI\$1,000 commencing as at the date of the first harvest or 1 January 2004.
10. The discrepancy between the figure of CI\$32,000 mentioned in the Offer and the CI\$33,800 specified as the Purchase Price in the Purchase Agreement is due to certain values having been crystallized through the taking of inventories and the fact that rather

*John Godfrey (Plaintiff)*

*-and-*

*Paul McCrory (1<sup>st</sup> Defendant)*

*Tilda Topalian (2<sup>nd</sup> Defendant)*

than paying a total of CI\$944.30 interest on the outstanding purchase price installments on a monthly basis as proposed by the defendants in the Offer, the parties agreed in the Purchase Agreement that a total interest figure would simply be added to the total purchase price for the assets of the Company.

**Steps taken to complete the Purchase Agreement**

11. The Purchase Agreement was executed on 25 August 2003. Accordingly title to the assets passed as at that date. In the alternative title to the fixed assets passed as at that date and title to the delivered assets passed shortly thereafter when they were delivered by the Plaintiff.
12. As a result of the transfer of title to the assets the Defendants became liable to pay the Purchase Price in full by installments.
13. The deposit of CI\$1,000 was paid by the Defendants and the Plaintiff transferred 40% of his shareholding to the Defendants on 25 August 2003, shortly after the Purchase Agreement was executed
14. The remaining 10% of the shares were transferred to Mr Kirkaldy with the result that Mr Kirkaldy held 60% of shares in the Company. Mr Kirkaldy held these shares to the order of the Plaintiff.
15. The remaining 60% of the shares in the Company have never been transferred to the Defendants because they have failed to pay any purchase price installments since 6 September 2004 with the result that the term has not expired and the final payment has not been paid.
16. Furthermore the Defendants had also underpaid in respect of a number of other installments prior to 6 September 2004 with the result that by that date a balance of CI\$23,800 remained outstanding. A schedule showing the installments paid by the Defendants and the outstanding balance is attached to this Statement of Claim as exhibit 3.

**Particulars of breach of contract**

17. The failure of the Defendants to pay any purchase price installments from 6 September 2004 amounted to a repudiatory breach of the Purchase Agreement. Nevertheless between 6 September 2004 and October 28 2005 the Plaintiff elected to affirm the Purchase Agreement and requested due performance from the Defendants.
18. However on 28 October 2005 and in further repudiatory breach of the Purchase Agreement the Defendants wrote falsely purporting to be relieved from their obligations as a result of damage to the hydroponic farm caused by Hurricane Ivan. A copy of this letter is attached to this Statement of Claim as exhibit 4.

*John Godfrey (Plaintiff)*

*-and-*

*Paul McCrory (1<sup>st</sup> Defendant)*

*Tilda Topalian (2<sup>nd</sup> Defendant)*

19. By virtue of correspondence sent by the Plaintiff's attorneys, Quin and Hampson, and the issuance of the Writ of Summons to which this Statement of Claim pertains, the Plaintiff has elected to accept this further repudiatory breach.

**Particulars of loss**

20. As a result of the Defendants' repudiatory breach the Plaintiff has been deprived of payment of the installments due from 6 September 2004, payment of the shortfall in installments which existed as of 6 September 2004 and payment of the balance of the installments due. The sum of these amounts is CI\$23,800.

21. It is impossible for the Plaintiff to mitigate this loss as by obtaining title to the assets the Defendants has received everything of value owned by the Company and the Plaintiff cannot realize the 60% of shares held to his order for value.


**Interest**

22. The Plaintiff is entitled to interest at such rate and for such a period as the court thinks fit and in any event pursuant to s.33 of the Judicature Law (2004 Revision) on the said sum of CI\$23,800 at the statutory rate from 28 October 2005 until judgment.

**AND THE PLAINTIFF CLAIMS**

- (1) CI\$23,800
- (2) Interest
- (3) Costs
- (4) Further or other relief

**DATED** this 11 day of January 2006

  
**QUIN & HAMPSON**  
**Attorneys-at-Law for the Plaintiff**

To: The Clerk of the Court

And to: The Defendants C/O Giglioli & Company, P.O. Box 2505 GT, Kirk House

This Writ of Summons is filed by Quin & Hampson, Attorneys-at-Law on behalf of the Plaintiff whose address for service and correspondence is that of their Attorneys-at-Law, 3<sup>rd</sup> Floor, P.O. Box 1348 GT, Grand Cayman

IN THE GRAND COURT OF THE CAYMAN ISLANDS

CAUSE NO OF 2006

BETWEEN	MR JOHN GODFREY	PLAINTIFF
AND	MR PAUL McCRORY	1 <sup>ST</sup> DEFENDANT
	MRS TILDA TOPALIAN	2 <sup>ND</sup> DEFENDANT

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Exhibit 1  
Purchase Agreement

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## MASSIVE HYDROPONIC PURCHASE AGREEMENT

This agreement is made between

**Seller;**

**John Godfrey, owner and director of Massive Hydroponics, and Michael Godfrey, owner of rental property (Landlord).**

**And**

**Purchasers;**

**Paul McCrory and Tilda Topalian**

This 25<sup>th</sup> day of August 2003.

**Purchase Price:** Purchase price is C\$33,800;

**Terms:** Payable at \$1,000 per month.  
Balloon payments may be made at any time during the term without penalty. Term period will be adjusted according to the balances due.

**Deposit:** Deposit \$1,000 upon signing and Transfer of Shares: Transfer of 40% of shares will take place in July 2003 at which time the deposit of \$1,000 will be paid by the purchasers. This amount will be applied against the last month of the payment term.

**Payment:** Commences monthly upon the harvest of the first crop or January 1<sup>st</sup> 2004 whichever comes first.

**Consideration:** Purchase price includes:

- 1 delivery truck
- 1 walk-in cooler
- 1 walk-in freezer
- Office trailer
- 3 pumps
- 18 x 20" ceiling fans
- Inventory Chemicals, packing materials, fertilizers, etc.
- Office furnishings, etc.
- Dutch system
- Germ room
- Styrofoam seed inserts
- Shade cloths and ground cover
- Misc Items remaining on the premises as of July 1<sup>st</sup>, 2003

**90 day warranty:** It is understood and agreed by both parties that the Delivery truck, walk-in cooler and freezer, 3 pumps, ceiling fans shall have a 90 day warranty. These items will be delivered in good working condition at the seller's expense.

Upon the commencement of the business November 1<sup>st</sup>, 2003, and 90 days thereafter, any repairs or replacements that may be required are to be repaired or replaced at the seller's expense; To a maximum and not exceeding C1\$2,000.

- omit
- a) Be paid by the purchasers and deducted from the payment of the concurrent month. If the expense exceeds the sum of the monthly payment, the cost of the repair or replacement will be pro-rated over a mutually agreed upon time period.
  - b) Be paid by the seller upon presentation of the repair or replacement quote. The purchasers are indemnified from any such debts and the liability will be on the seller to clear the debt up to a maximum of CI \$2,000.00.
  - c) Inventory: damaged and unusable goods will be deducted from the purchase price at the price paid to John Godfrey.

**Work permit:** Work permit will be submitted by Massive Hydroponic upon the transfer of Shares. Denial of Work Permit of Paul McCrory will be cause to cancel/terminate this agreement and any signed lease agreement without any recourse by the seller and/or Landlord.

Any deposits will be refunded to the purchasers without penalty.

Purchaser hereby purchases the shares free and clear of all debts and encumbrances. Any outstanding debts due prior to November 1<sup>st</sup>, 2003 is the seller's debt and not considered as a company debt even if the billing is in the name of the said company Massive Hydroponics.

John Godfrey agrees to consult on the business methods and procedures a maximum of 80 hours or less as required at \$10.00 per hour. This will be done on week nights and/or weekends. Additionally, John Godfrey agrees to lend reference books and information, etc, on Hydroponics at no cost.

It is agreed that no other payments by way of dividends are due to the seller as 60% shareholders of Massive Hydroponics. Upon the transfer of the 60% shares to the purchasers at the end of the term or final payment, whichever occurs first, the shares will be transferred at no additional value. The purchasers will bear the cost of the share transfer.

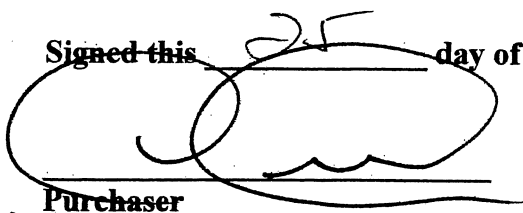
**Rental Terms:**

**Location:** Industrial Way, Grand Cayman.

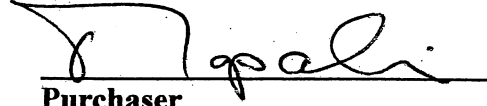
**Description:** All that portion of property consisting of approximately 17,000 square feet delineated in red in the annexed plan for the purpose of identification and registered at George Town Block 20B Parcel 377.

**Rental rates and agreement as per attached Lease.**

Signed this 25 day of August 2003.



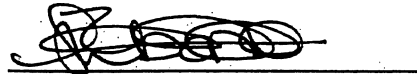
**Purchaser**



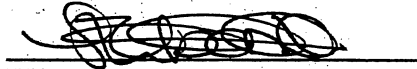
**Purchaser**



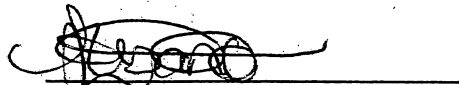
**Seller**



**Witness**



**Witness**



**Witness**

IN THE GRAND COURT OF THE CAYMAN ISLANDS

CAUSE NO OF 2006

BETWEEN MR JOHN GODFREY

PLAINTIFF

AND MR PAUL McCRORY

1<sup>ST</sup> DEFENDANT

MRS TILDA TOPALIAN

2<sup>ND</sup> DEFENDANT

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Exhibit 2  
Offer to Purchase

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**MASSIVE HYDROPONICS**  
**Offer to Purchase**  
**June 1<sup>st</sup>, 2003**

After reviewing the Profit and Loss Statement of December 2001 through April 2002 (5 month period assuming a period of December 1<sup>st</sup>, 2001 through April 30, 2002) provided to us by John Godfrey, owner Massive Hydroponics, following is our observations:

**Monthly expenses in CIS:**

<b>Operational costs</b>	<b>Gas</b>	<b>210.00</b>
	<b>Repairs</b>	<b>44.00</b>
	<b>Phone</b>	<b>250.00</b>
	<b>Office supplies</b>	<b>90.00</b>
	<b>Business License</b>	<b>15.00</b>
	<b>Legal &amp; Accounting fees</b>	<b>120.00</b>
	<b>Insurance</b>	<b>680.00</b>
<b>Utilities</b>	<b>Electricity</b>	<b>320.00</b>
	<b>Water (not provided)</b>	<b>?</b>
<b>Payroll (including: wages, Bonuses &amp; Gifts, Pensions, Medical, Work permits)</b>		<b>6500.00</b>
<b>Rent (not provided)</b>		<b>?</b>
<b>Loans &amp; other expenses</b>		<b>400.00</b>
<b>TOTAL EXPENSES PER MONTH:</b>		<b><u>\$8629.00</u></b>

Based on the above figures, following is our projection including a 5% increase per annum in cost of living from the period April 2002 to present. These increases include CUC (electricity), fuel, water, shipping, and insurance.

Operational costs	1500.00
Utilities	600.00
Payroll & work permits	6500.00
*Rent TBD	600.00
*Loans (seller financing) TBD	900.00
Loans (bank)	1100.00
<b>TOTAL expenses per month:</b>	<b><u>\$11,200.00</u></b>

\*Rent: there will be no income until the first crop has been sold, we are therefore offering a rental payout of \$600.00 month for the first 6 months of the contract. Thereafter, we will pay \$1000.00 for the following 18 month period. Renewal of rental terms to be discussed with landowner.

\*Loan: we are asking for seller's financing over a 3 year period with balloon payments without penalty at 4% per annum. Interest paid quarterly or see attached pay schedule.

#### Startup Costs

Including purchase of materials (packaging) Fertilizer, chemical, seeds, water, clean-up, Sanitization	6000 to 8000
Advertising	500.00
Legal fees	2500.00
Travel & course	1500.00
<b>Investment costs:</b>	<b><u>\$10,500 to 12,500.00</u></b>

**We are offering \$32,000 for the business including following assets:**

**1 delivery truck  
1 walk-in cooler  
3 pumps  
18 x 20' ceiling fans  
Remaining packaging materials (inventory to be taken)  
Chemicals in stock (inventory to be taken)  
Dutch system  
Germ room/office  
Misc items**

**Goodwill: Considering the business has been non-operational since October 2002 to date, there is no existing goodwill to consider as part of the purchase offer.**

**Offer is conditional upon the following:**

- 1) Rental of 14,000 square foot greenhouse house with fully constructed greenhouse space and additional 3,500 square foot working, storage and office space;**
- 2) Rental agreement;**
- 3) Inspection and verification of business owned assets and inventory;**
- 4) Grant of Work permit by CI Gov't to Paul McCrory;**
- 5) Transfer of business license, titles, and incorporation of new business name;**
- 6) Obtaining bank loan;**
- 7) Agreement by John Godfrey to consult on business method and procedures for a total of 80 hours or as required over the first 3 month period. We are willing to pay \$10.00/hour for his services.**

Signed this 4th of JUNE 2003 in

Grand Cayman, BWH

Paul McCrory

Tilda Topalian

Loan Schedule for Account "Massive Hydroponics"

Pmt	Date	Principal	Interest	Balance
Bal	11/1/03	Opening Bal		32,000.00
Projected Payments				
	12/1/03	Rate - 4.0%	New Pmt -	944.30
1	12/1/03	838.51	105.79	31,161.49
2	1/1/04	841.28	103.02	30,320.21
3	2/1/04	844.06	100.24	29,476.15
4	3/1/04	846.86	97.44	28,629.29
5	4/1/04	849.65	94.65	27,779.64
6	5/1/04	852.46	91.84	26,927.18
7	6/1/04	855.28	89.02	26,071.90
8	7/1/04	858.11	86.19	25,213.79
9	8/1/04	860.95	83.35	24,352.84
10	9/1/04	863.79	80.51	23,489.05
11	10/1/04	866.65	77.65	22,622.40
12	11/1/04	869.51	74.79	21,752.89
13	12/1/04	872.39	71.91	20,880.50
14	1/1/05	875.27	69.03	20,005.23
15	2/1/05	878.16	66.14	19,127.07
16	3/1/05	881.07	63.23	18,246.00
17	4/1/05	883.98	60.32	17,362.02
18	5/1/05	886.90	57.40	16,475.12
19	6/1/05	889.84	54.46	15,585.28
20	7/1/05	892.78	51.52	14,692.50
21	8/1/05	895.73	48.57	13,796.77
22	9/1/05	898.69	45.61	12,898.08
23	10/1/05	901.66	42.64	11,996.42
24	11/1/05	904.64	39.66	11,091.78
25	12/1/05	907.63	36.67	10,184.15
26	1/1/06	910.63	33.67	9,273.52
27	2/1/06	913.64	30.66	8,359.88
28	3/1/06	916.66	27.64	7,443.22
29	4/1/06	919.69	24.61	6,523.53
30	5/1/06	922.73	21.57	5,600.80
31	6/1/06	925.78	18.52	4,675.02
32	7/1/06	928.84	15.46	3,746.18
33	8/1/06	931.92	12.38	2,814.26
34	9/1/06	935.00	9.30	1,879.26
35	10/1/06	938.09	6.21	941.17
36	11/1/06	941.17	3.11	0.00

Opening Date: 11/1/03  
 Loan Amount: 32,000.00  
 Payment Amount: 944.30  
 Current Interest Rate: 4.0%  
 Original Length: 3 Years  
 Payment Frequency: Monthly  
 Compounding Period: Semi-Annually  
 Payee: John Godfrey  
 Current Balance: 0.00  
 Remaining Pmts: 36  
 Final Pmt Date: 11/1/06

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2<sup>ND</sup> DEFENDANT

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Exhibit 3

Schedule of Installments & Outstanding Balance

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Contract with Paul & Tilda

Farm Contract  
10/17/2005

Date	Num	Transaction	Decrease	C	Increase	Balance
9/1/2003		Opening Balance cat: [Farm Contract]			32,800.00	32,800.00
1/29/2004		Paul McRory cat: [Checking RBC (CI)] memo: payment	500.00			32,300.00
2/23/2004		Paul McRory cat: [Checking RBC (CI)] memo: Payment	1,000.00			31,300.00
3/19/2004		Paul McRory cat: [Checking RBC (CI)] memo: Payment	896.25			30,403.75
4/15/2004		Paul McRory cat: [Checking RBC (CI)] memo: Payment	1,000.00			29,403.75
5/20/2004		Deduction cat: Misc memo: <u>as agreed</u>	<u>1,744.22</u>			27,659.53
6/2/2004		Paul McRory cat: [Checking RBC (CI)] memo: Payment	859.53			26,800.00
7/2/2004		Paul McRory cat: [Checking RBC (CI)] memo: Payment	1,000.00			25,800.00
8/4/2004		Paul McRory cat: [Checking RBC (CI)] memo: Payment	1,000.00			24,800.00
9/6/2004		Paul McRory cat: [Checking RBC (CI)] memo: Payment	1,000.00			23,800.00

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AND

MR PAUL McCRORY

1<sup>ST</sup> DEFENDANT

MRS TILDA TOPALIAN

2<sup>ND</sup> DEFENDANT

---

Exhibit 4

Letter dated 28<sup>th</sup> October 2005

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## John Godfrey

---

From: Paul McCrory & Tilda Topalian [mctop@candw.ky]  
Sent: Friday, October 28, 2005 4:51 PM  
To: 'John Godfrey'  
Subject: RE: Purchase Agreement



John Godfrey  
10282005.doc

Hi John,  
Please see attached.  
Regards,  
Paul

-----Original Message-----

From: John Godfrey [mailto:godfrey@candw.ky]  
Sent: Tuesday, October 25, 2005 5:56 PM  
To: mctop@candw.ky  
Cc: David Kirkaldy  
Subject: Purchase Agreement

Dear Paul & Tilda

In light of our most recent discussion on Friday 14th October 2005 at 5:00pm, the conclusion of the meeting you both stated that you have no intention of paying any of the \$23,800 balance owed to me in our signed contract.

I have no further option than to have my lawyer contact you if I do not get an immediate response with payment forthcoming soon after.

I do ask that you comply with the terms of the contract and pay the full amount owed or I will pursue this matter through the courts not only claiming the full amount owed, but also the legal fees, interest lost, and any other expenses this process may cost.

I look forward to your response before 5:30 pm on Friday October 28, 2005.

Sincerely

John M. Godfrey

CC. David Kirkaldy

**Tilda Topalian & Paul McCrory**

PO Box 30315 SMB

Grand Cayman, BWI

Tel: 916-4348 or 925-4794

e-mail: [mctop@candw.ky](mailto:mctop@candw.ky)

October 28<sup>th</sup>, 2005

John Godfrey  
Grand Cayman  
By e-mail: [godfrey@candw.ky](mailto:godfrey@candw.ky)

Dear John,

**Re: Massive Hydroponics Ltd.**

We refer to our conversations regarding the August 2003 agreement by which we had agreed to purchase Massive Hydroponics, its assets and goodwill and the right to carry on the business from the property owned by your father at parcel 377 of block 20B.

As you know, hurricane Ivan destroyed the hydroponic farm and equipment and following Ivan, your father requested us to clean up his property and remove the destroyed items from it.

In the circumstances, the August 2003 agreement is incapable of performance having been frustrated through hurricane Ivan and the damage caused to the site by the hurricane. As a result of this, all parties to the agreement were relieved of their obligations under the agreement immediately following 11<sup>th</sup> September 2004.

Yours sincerely

Paul McCrory and Tilda Topalian

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 installments or otherwise.

*See over for notes for guidance*

## 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 in 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

16  
CAUSE NO. OF 2006

BETWEEN MR JOHN GODFREY PLAINTIFF  
AND MR PAUL McCRORY 1<sup>ST</sup> DEFENDANT  
MRS TILDA TOLPIAN 2<sup>ND</sup> DEFENDANT

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.

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

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

yes

no

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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

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Service of the Writ is acknowledged accordingly

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(Signed) .....

[Attorney] for

[Defendant in person]

Address for service:

*Please complete overleaf*

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. Quin & Hampson  
Attorneys-at-Law  
Third Floor, Harbour Centre  
P.O. Box 1348  
George Town,  
GRAND CAYMAN

*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 attorney indorsement]