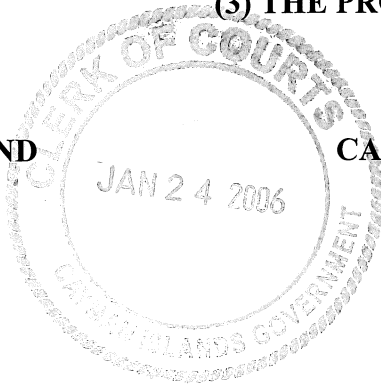


IN THE GRAND COURT OF THE CAYMAN ISLANDS

CAUSE NO. 33 OF 2006

BETWEEN: (1) **THE PROPRIETORS, STRATA PLAN No. 129** **PLAINTIFFS**
(2) **THE PROPRIETORS, STRATA PLAN No. 130**
(3) **THE PROPRIETORS, STRATA PLAN No. 154**

AND **CAYMAN GENERAL INSURANCE COMPANY LIMITED** **DEFENDANT**



WRIT OF SUMMONS

TO: **CAYMAN GENERAL INSURANCE COMPANY LIMITED** of Harbour Place, 103 South Church Street, PO Box 2171 GT, Grand Cayman, BWI

THIS WRIT OF SUMMONS has been issued against you by the above-named Plaintiffs 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 495G, 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 24th 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.

STATEMENT OF CLAIM

1. The Plaintiffs are corporations established under section 5 of the Strata Titles Registration Law (1996 Revision).
 - (a) In respect of the First and Second Plaintiffs, Strata Plan Nos. 129 and 130 comprise of land and buildings situated at Block 23B, Parcels 57 and 59, South Sound, Grand Cayman (“Sunrise Phase I”).
 - (b) In respect of the Third Plaintiff, Strata Plan No. 154 consists of land and buildings situated at Block 23B, Parcel 67H1, South Sound, Grand Cayman, (“Sunrise Phase II”).
2. The Defendant is an insurance company providing among other things property insurance within the Cayman Islands.
3. By Policy Number 01FP08980822 renewed 23 July 2004 to 22 June 2005 the Defendant agreed to insure the First and Second Plaintiffs against among other things loss or damage to Sunrise Phase I caused by hurricane including rain accompanying hurricane and flood (including overflow of the sea) caused by hurricane in consideration for the payment of premium (“the Sunrise Phase I Policy”).
4. By Policy Number 01FP08910640 renewed 23 July 2004 to 22 June 2005 the Defendant agreed to insure the Third Plaintiff against among other things loss or damage to Sunrise Phase II caused by hurricane including rain accompanying hurricane and flood (including overflow of the sea) caused by hurricane in consideration for the payment of premium (“the Sunrise Phase II Policy”).
5. On 11-12 September 2004 Sunrise Phase I and Sunrise Phase II were substantially and significantly damaged by Hurricane Ivan.

6. The First and Second Plaintiffs claimed on the Sunrise Phase I Policy in respect of the damage suffered in Hurricane Ivan and the Defendant attached to that claim the reference number 2004/0737F.
7. The Third Plaintiff claimed on the Sunrise Phase II Policy in respect of the damage suffered in Hurricane Ivan and the Defendant attached to that claim the reference number 2004/0738F.
8. The Defendant instructed Mr Alastair Paterson of Crawford Adjusters (Cayman) Limited to act on its behalf as agent and/or loss adjuster in relation to the said claims.
9. With the agreement of the Defendant and/or Mr Paterson the Plaintiffs instructed a construction company by the name of Hurlstone Limited to carry out clear up and restoration works to Sunrise Phase I and Sunrise Phase II for such reasonable sums as would be paid by the Defendant pursuant to the Sunrise Phase I Policy and/or the Sunrise Phase II Policy.
10. Periodically but on dates of which the Plaintiffs have no knowledge Mr Hurlstone of Hurlstone Limited and Mr Paterson met to agree the scope, quantities and remuneration for work carried out.
11. On a date not known to the Plaintiffs Mr Paterson agreed the total amount payable by the Defendant in respect of the claims with Mr Hurlstone in the following amounts:
 - (a) Sunrise Phase I (Claim No. 2004/0737F): CI\$1,963,225.01; and
 - (b) Sunrise Phase II (Claim No. 2004/0738F): CI\$2,385,177.39.
12. On 23 May 2005 Mr Paterson emailed Ms Sharon Hurlstone of the Plaintiffs informing her of the figures set out above, but also that the Defendant wished to deduct 10% from the building remedial costs for "depreciation".
13. On 25 May 2005 Ms Hurlstone emailed Mr Paterson agreeing the figures in principle save for the 10% deduction.

14. Mr Danny Scott and Mr Frank Delessio of the Defendant thereafter informed Ms Hurlstone and Mr Rohan Bromfield of the Plaintiffs that the Defendant wished to audit Mr Paterson's work before paying the sums agreed between Mr Paterson and Mr Hurlstone; and the Defendant did so.
15. On 15 July 2005 Mr Scott informed Ms Hurlstone that the Defendant had carried out its audit, had found nothing untoward and the Defendant would pay the amounts agreed between Mr Hurlstone and Mr Paterson, without the 10% deduction for "depreciation".
16. The Plaintiffs say that in all the circumstances this conversation gave rise to a binding agreement ("the Settlement") by which the Defendant would pay to the Plaintiffs sums set out in paragraph 11 above less interim payments already made in settlement of Claims 2004/0737F and 2004/0738F.
17. In breach of the Settlement or in breach of the terms of the Sunrise Phase I Policy and/or the Sunrise Phase II Policy the Defendant now purports to be entitled to deduct and/or not to pay 10% of the agreed sums set out in paragraph 11 above by reason of "depreciation" and has failed and refused to pay the following sums which are due and outstanding:
 - (a) To the First and Second Plaintiffs in respect of Claim 2004/0737F, the sum of CI\$171,974.01; and
 - (b) To the Third Plaintiff in respect of Claim 2004/0738F, the sum of CI\$239,242.39.
18. By reason of the aforesaid the First and Second Plaintiffs are entitled to payment of and/or claim by way of damages for breach of contract:
 - (a) Pursuant to the Settlement, CI\$171,974.01;
 - (b) Alternatively, pursuant to the Sunrise Phase I Policy, CI\$171,974.01 or such other sums as will indemnify them against the loss and damage caused to Sunrise Phase I by Hurricane Ivan.
19. The Third Plaintiff is entitled to payment of and/or claims by way of damages for breach of contract:

- (a) Pursuant to the Settlement, CI\$239,242.39;
- (b) Alternatively, pursuant to the Sunrise Phase II Policy, CI\$239,242.39 or such other sums as will indemnify it against the loss and damage caused to Sunrise Phase II by Hurricane Ivan.

20. Further, the Plaintiffs are entitled to and do claim interest pursuant section 34 of the Judicature Law (2004 Revision):

- (a) In relation to the First and Second Plaintiffs, on the sum of CI\$171,974.01 at 8% from 15 July 2005 amounting at the date hereof to CI\$7,237.04 and continuing to accrue hereafter at a daily rate of CI\$37.69;
- (b) In relation to the Third Plaintiff, on the sum of CI\$239,242.39 at 8% from 15 July 2005 amounting at the date hereof to CI\$10,067.84 and continuing to accrue hereafter at a daily rate of CI\$52.44;
- (c) Further and/or alternatively, on such sums, at such rates and for such periods as the Court deems fit.

AND the Plaintiffs claim:

1. CI\$171,974.01 for the First and Second Plaintiffs and CI\$239,242.39 for the Third Plaintiff;
2. Further and/or alternatively damages;
3. Interest pursuant to the Judicature Law (2004 Revision);
4. Costs;
5. Further and/or other relief.

If, within the time for returning the Acknowledgment of Service, the Defendant pays the total amount claimed of CI\$428,521.29 including interest plus costs further proceedings will be stayed. The money must be paid to the Plaintiffs or its Attorneys.

Campbells

CAMPBELLS
Attorneys for the Plaintiff

THIS WRIT is filed by Campbells, Attorneys-at-Law for the Plaintiff whose address for service is of 4th Floor, Scotia Centre, George Town, Grand Cayman, Cayman Islands (STM/JL/12598).

Acknowledgement of service of writ of summons (0.12, r.3)

**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)".
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 its 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. 33 OF 2006

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(2) THE PROPRIETORS, STRATA PLAN No. 130
(3) THE PROPRIETORS, STRATA PLAN No. 154

AND CAYMAN GENERAL INSURANCE DEFENDANT
COMPANY LIMITED

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 is being acknowledged.

2. State whether the Defendant intends to contest 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 [] no

Service of the Writ is acknowledged accordingly

(Signed).....
Attorney for

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.

Campbells
Attorneys-at-Law
Fourth Floor,
Scotia Centre,
P.O. Box 884,
George Town,
GRAND CAYMAN
(STM/JL/12598)

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]