

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF FLORIDA
FORT LAUDERDALE DIVISION
www.flsb.uscourts.gov

In re:

Case No.: 08-10928-JKO

TOUSA, INC. et al.,^{1/}

Chapter 11

Debtors.

**EX PARTE EMERGENCY APPLICATION OF
THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS
OF TOUSA, INC., ET AL. TO RETAIN AND EMPLOY
LAURA HATFIELD AND SOLOMON HARRIS AS SPECIAL LITIGATION COUNSEL**

Reason for Exigency: Pursuant to Bankruptcy Rule 7004(e), service of process of the Summons and Complaint in the Adversary Proceeding (defined below) must be effected on or before February 12, 2010. Accordingly, the Committee respectfully requests the Court to enter an Order approving this Application on an expedited basis so that Special Counsel can effect service of process on a timely basis.

The Official Committee of Unsecured Creditors (“**Committee**”)^{2/} of TOUSA, INC., *et al*, (collectively, “**Debtors**”), by and through undersigned counsel, pursuant to 11 U.S.C. §§ 328(a) and 1103(a), Rule 2014, Fed. R. Bankr. P., and Local Rule 9013-1(C)(3) of the Local Rules of the United States Bankruptcy Court, Southern District of Florida, respectfully requests the Court to enter an Order

^{1/} The Debtors in the cases are: TOUSA, Inc.; Engel Homes Commercial Construction, LLC; Engle Homes Delaware, Inc.; Engle Homes Residential Construction, L.L.C.; Engle Sierra Verde P4, LLC; Engle Sierra Verde P5, LLC; Engle/Gilligan LLC; Engle/James LLC; LB/TE #1, LLC; Lorton South condominium, LLC; McKay Landing LLC; Newmark Homes Business Trust; Newmark Homes Purchasing, L.P.; Newmark Homes, L.L.C.; Newmark Homes, L.P.; Preferred Builders Realty, Inc.; Reflection Key, LLC; Silverlake Interest, L.L.C.; TOI, LLC; TOUSA Associates Services Company; TOUSA Delaware, Inc.; TOUSA Funding, LLC; TOUSA Homes Arizona, LLC; TOUSA Homes Colorado, LLC; TOUSA Homes Florida, L.P.; TOUSA Homes Investment #1, Inc.; TOUSA Homes Investment #2, Inc.; TOUSA Homes Investment #2, LLC; TOUSA Homes Mid-Atlantic Holding, LLC; TOUSA Homes Mid-Atlantic, LLC; TOUSA Homes Nevada, LLC; TOUSA Homes, Inc.; TOUSA Homes, L.P.; TOUSA Investment #2, Inc.; TOUSA Mid-Atlantic Investment, LLC; TOUSA Realty, Inc.; TOUSA, LLC; and TOUSA/West Holdings, Inc.

^{2/} The Committee consists of the following seven (7) members: Wilmington Trust Co., as indenture trustee; HSBC Bank USA, N.A., as indenture trustee; Trapeza CDOX, LTD.; Capital Research and Management Company; SMH Capital Advisors, Inc.; Geotek, Inc./Geotek Insite, Inc.; and SelectBuild Arizona.

authorizing the Committee to retain and employ Laura Hatfield and the law firm of Solomon Harris as Special Counsel for the Committee, and in support thereof states as follows:

1. The Court has jurisdiction pursuant to 28 U.S.C. §§ 157 and 1334. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409. This Application is a core proceeding pursuant to 28 U.S.C. § 157(b). The statutory predicates for the relief requested herein are found in 11 U.S.C. §§ 328(a) and 1103(a) and Federal Rule of Bankruptcy Procedure 2014.

2. On February 13, 2008, the United States Trustee appointed the Committee pursuant to 11 U.S.C. § 1102. On April 14, 2008, the Court entered an Order [D.E. 804] authorizing the retention and employment of Stearns Weaver Miller Weissler Alhadeff & Sitterson, P.A. as local counsel to the Committee.

3. On January 27, 2010, the Committee filed an Adversary Complaint against certain defendants which initiated an adversary proceeding in this Court styled *Official Committee of Unsecured Creditors of TOUSA, Inc., et al vs. Tennenbaum Multi-Strategy Master Fund, et al*, United States Bankruptcy Court, Southern District of Florida, Adversary Proceeding No. 10-02242-JKO.

4. On January 29, 2010, in connection with the Adversary Proceeding, the Court issued a *Summons and Notice of Pretrial/Trial in an Adversary Proceeding*. Pursuant to Rule 7004(e), Fed. Bankr. P., the Complaint and Summons must be served within 14 days after the Summons is issued, that is, by February 12, 2010.

5. Two of the Defendants in the Adversary Proceeding, Tennenbaum Capital SPC and Fall Creek CLO Ltd. are Cayman Islands entities, which must be served there. It is therefore necessary for the Committee to retain the services of counsel in the Cayman Islands to effect proper and timely service. Accordingly, the Committee seeks to employ Hatfield and Solomon Harris for the limited purpose of effecting service of process on Tennenbaum Capital SPC and Fall Creek CLO Ltd. and

providing such other legal services as may be required in the Cayman Islands during the pendency of the Adversary Proceeding.

6. The employment of Hatfield and Solomon Harris is necessary and essential in order to effect proper and timely service of process on Tennenbaum Capital SPC and Fall Creek CLO Ltd. . Hatfield and Solomon Harris have extensive experience and knowledge in the fields of bankruptcy and litigation and are well-qualified to act as Special Counsel for the Committee because of their familiarity and expertise with the laws governing the Cayman Islands. Hatfield and Solomon Harris can represent the Committee expeditiously, efficiently and economically.

7. Subject to the Court's approval, Special Counsel has agreed to be compensated for its legal services to the Committee at its customary hourly rates, plus reimbursement of expenses. The current hourly billing rates for the attorneys at Solomon Harris who will work on this matter range from \$525 to \$595, and the current billing rate for the paraprofessionals at Solomon Harris who may work on this matter is \$225. Special Counsel agrees to seek compensation for its services and reimbursement of necessary expenses from the Debtors' estates pursuant to the applicable provisions of the Bankruptcy Code, Bankruptcy Rules, and Local Rules of this Court, as well as the procedures for professional compensation established pursuant to the Court's Orders in these cases.

8. The Committee requests that all compensation and reimbursement of expenses incurred by Special Counsel with respect to this representation be paid as administrative expenses of the Debtors' estates pursuant to 11 U.S.C. §§ 328, 330, 331, Bankruptcy Rules 2002, 2016 and Local Rule 2016-1, as supplemented by any orders concerning compensation as may be entered in these cases.

9. Based on the Affidavit of Hatfield attached to this Application as Exhibit A, the Committee respectfully submits that Hatfield and Solomon Harris do not hold or represent any interest adverse to the Committee, the Debtors, or the Debtors' estates, on the matters for which they are to be engaged, and that Hatfield and Solomon Harris have no connections with the Debtors, any creditor or

other party-in-interest, the defendants in the Adversary Proceeding, their respective attorneys and accountants, the United States Trustee or any person employed in the office of the United States Trustee, and they are disinterested persons as defined in 11 U.S.C. § 101(14).

WHEREFORE, the Committee respectfully requests that the Court enter an Order, substantially in the of Exhibit B, (a) granting this Application; (b) authorizing the Committee to retain and employ Hatfield and Solomon Harris as Special Counsel for the purposes described herein; and (c) granting such other relief as the Court deems just and proper.

Dated: February 10, 2010.

Respectfully submitted,

**STEARNS WEAVER MILLER WEISSLER
ALHADEFF & SITTERSON, P.A.**

Museum Tower, Suite 2200
150 West Flagler Street
Miami, Florida 33130
Telephone: (305) 789-3200
Facsimile: (305) 789-3495

By: /s/ Patricia A. Redmond

PATRICIA A. REDMOND
Florida Bar No. 303739
predmond@stearnsweaver.com

ATTORNEYS FOR COMMITTEE

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on February 10, 2010, I electronically filed the foregoing document with the Clerk of the Court using CM/ECF. I also certify that the foregoing document is being served this day via transmission of Notices of Electronic Filing generated by CM/ECF to those counsel or parties who are registered to receive Notices of Electronic Filing in this case.

By: /s/ Patricia A. Redmond

PATRICIA A. REDMOND

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF FLORIDA
FORT LAUDERDALE DIVISION
www.flsb.uscourts.gov

In re:

Case No.: 08-10928-JKO

TOUSA, INC. et al.,^{1/}

Chapter 11

Debtors.

**DECLARATION OF LAURA HATFIELD IN SUPPORT OF THE
EX PARTE EMERGENCY APPLICATION OF
THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS
OF TOUSA, INC., *ET AL.* TO RETAIN AND EMPLOY
LAURA HATFIELD AND SOLOMON HARRIS AS SPECIAL LITIGATION COUNSEL**

Under the penalties of perjury, I, LAURA HATFIELD, aver as follows:

1. I am an attorney-at-law of the Cayman Islands, where I was admitted to practice in 2001. I was admitted as a solicitor of the Supreme Court of England and Wales in 1989 but I am now non-practicing in that jurisdiction.
2. I am a partner of the law firm of Solomon Harris with offices located at FirstCaribbean House, P.O. Box 1990, George Town, Grand Cayman KYI-1104, Cayman Islands.
3. I have personal knowledge of the facts stated in this Declaration and I am authorized to make this Declaration on behalf of Solomon Harris.

^{1/} The Debtors in the cases are: TOUSA, Inc.; Engel Homes Commercial Construction, LLC; Engle Homes Delaware, Inc.; Engle Homes Residential Construction, L.L.C.; Engle Sierra Verde P4, LLC; Engle Sierra Verde P5, LLC; Engle/Gilligan LLC; Engle/James LLC; LB/TE #1, LLC; Lorton South condominium, LLC; McKay Landing LLC; Newmark Homes Business Trust; Newmark Homes Purchasing, L.P.; Newmark Homes, L.L.C.; Newmark Homes, L.P.; Preferred Builders Realty, Inc.; Reflection Key, LLC; Silverlake Interest, L.L.C.; TOI, LLC; TOUSA Associates Services Company; TOUSA Delaware, Inc.; TOUSA Funding, LLC; TOUSA Homes Arizona, LLC; TOUSA Homes Colorado, LLC; TOUSA Homes Florida, L.P.; TOUSA Homes Investment #1, Inc.; TOUSA Homes Investment #2, Inc.; TOUSA Homes Investment #2, LLC; TOUSA Homes Mid-Atlantic Holding, LLC; TOUSA Homes Mid-Atlantic, LLC; TOUSA Homes Nevada, LLC; TOUSA Homes, Inc.; TOUSA Homes, L.P.; TOUSA Investment #2, Inc.; TOUSA Mid-Atlantic Investment, LLC; TOUSA Realty, Inc.; TOUSA, LLC; and TOUSA/West Holdings, Inc.

4. The Official Committee of Unsecured Creditors^{2/} of TOUSA, INC., *et al*, seeks to employ me and Solomon Harris as special litigation counsel to represent the Committee in connection with the pending adversary proceeding before this Court styled *Official Committee of Unsecured Creditors of TOUSA, Inc., et al vs. Tennenbaum Multi-Strategy Master Fund, et al*, Adversary Proceeding No. 10-02242-JKO for the limited purpose of effecting service of process on defendants Fall Creek CLO Ltd. and Tennenbaum Capital SPC, Cayman entities, and providing such other ancillary legal services as may be required in the Cayman Islands. I and Solomon Harris are experienced in matters of the type for which the Committee seeks to employ us.

5. Neither I, Solomon Harris, nor its members or associates have any interest adverse to the Committee, the Debtors or the Debtors' estates with respect to the matters on which we are to be employed.

6. Neither I, Solomon Harris, nor its members or associates to my knowledge represent or have any connection with the Committee, the Debtors, any creditor or other party-in-interest in this case, the defendants in the Adversary Proceeding, their respective attorneys or accountants, the United States Trustee or any person employed in the Office of the United States Trustee.

7. Subject to the Court's approval, I will be the lead attorney at Solomon Harris representing the Committee in connection with the adversary proceeding. Attached hereto as Exhibit 1 is the engagement letter detailing the terms of the Committee's engagement of Solomon Harris and me in this matter. As shown in the engagement letter, my normal hourly billing rate is \$595. I will be assisted by Craig Powles whose normal hourly billing rate is \$525, and, as needed, paralegals whose normal hourly billing rates are \$225. If it is necessary to involve other attorneys

^{2/} The Committee consists of the following seven (7) members: Wilmington Trust Co., as indenture trustee; HSBC Bank USA, N.A., as indenture trustee; Trapeza CDOX, LTD.; Capital Research and Management Company; SMH Capital Advisors, Inc.; Geotek, Inc./Geotek Insite, Inc.; and SelectBuild Arizona.

within the firm to assist in this matter, their services will be provided at their normal billing rates.

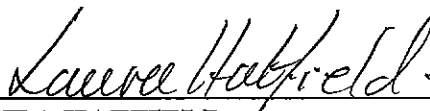
8. Solomon Harris and I acknowledge that payment of such compensation is subject to determination by the Bankruptcy Court upon the filing of an appropriate application for allowance of compensation pursuant to the applicable provisions of the Bankruptcy Code, Bankruptcy Rules, Local Rules and Orders of this Court.

9. Neither Solomon Harris nor I have shared nor agreed to share any compensation received from the Debtors' estates with any entity.

10. Neither I nor Solomon Harris has or will represent any other entity in connection with the Debtors' cases or the Adversary Proceeding, and neither I nor Solomon Harris will accept any fee from any other party or parties in this case, except the Debtors' estates.

Under the penalties of perjury, I, LAURA HATFIELD, declare that I have read the foregoing Declaration and that the facts stated therein are true and correct.

Dated this 10th day of February, 2010.



LAURA HATFIELD

Lhatfield@solomonharris.com

SOLOMON HARRIS

First Caribbean House

P.O. Box 1990

Grand Cayman KYI-0014

Cayman Islands

Telephone: 345-949-0488

Fax: 345-949-0364

191392.1

EXHIBIT 1

SOLOMON HARRIS
ATTORNEYS - AT - LAW

First Caribbean House Tel: 345-949-0488
PO Box 1990 Fax: 345-949-0364
Grand Cayman KY1-1104 www.solomonharris.com
Cayman Islands

Writer's Direct Email:
lhathfield@solomonharris.com

5 February 2010

Attention: Kelly Melchiondo, Esq

By Email and Post

The TOUSA Creditors' Committee
c/o Stearns Weaver Miller Weissler Alhadeff & Sitterson, P.A.
150 West Flagler Street, Suite 2200
Miami, Florida 33130
U.S.A.

Dear Sirs,

Re: Service of Proceedings on: Fall Creek CLO and its directors, Andrew Dean and Carrie Bunton and Tennenbaum Capital SPC

Further to your email of 4 February 2010 thank you for your instructions to act for the TOUSA Creditors' Committee ("TOUSA") in order to effect service of Florida Court Documents on Fall Creek CLO, its directors, Andrew Dean and Carrie Bunton as well as Tennenbaum Capital SPC (the "Defendants"). We confirm that we would be pleased to accept your instructions and that Laura Hatfield will be responsible for the conduct of this matter. The purpose of this letter is to set out the terms on which we will deal with this matter on your behalf.

Responsibility for our Fees

In regard to this matter we consider that TOUSA is our client and is responsible for instructing us as to what work is to be carried out and for payment of our fees for such work, whether or not TOUSA is the ultimate recipient of the benefit of the work done and whether or not TOUSA is able to collect our fees from a third party from whom they may be seeking to collect them. We understand that in this matter TOUSA have authorised the firm of Stearns Weaver to give instructions on its behalf and in particular Patricia Redmond and Kelly Melchiondo, and this is acknowledged by TOUSA by way of signature of a copy of this letter.

Responsibility for your work

Laura Hatfield will be the lawyer responsible for the work. If Ms. Hatfield is absent from the office her secretary Claudia Packer will take a message and, where possible, contact Ms. Hatfield, if necessary. Alternatively, please feel free to speak to Ms. Hatfield's colleague, Craig Powles.

Work to be undertaken

We understand that our work will involve arranging to personally serve copies (original documents not being necessary for good service under the applicable law) of the Court Documents in the matter titled United States Bankruptcy Court, Southern District of Florida, Fort Lauderdale Division Case No: 08-

10928-JKO which are attached to the email of Kelly Melchiondo dated 4 February 2010 and will be printed by us for service as follows:

- Fall Creek CLO, Ltd. and its directors, Andrew Dean and Carrie Bunton, all at the company's registered office: Maples Finance Limited, Queensgate House, PO Box 1093GT, South Church Street, Grand Cayman, Cayman Islands.
- Tennenbaum Capital SPC at registered office Maples Finance Limited, PO Box 1093, Boundary Hall, Cricket Square, Grand Cayman KY1-1102, Cayman Islands.

Fees and disbursements

Our Standard Terms of Engagement, attached, explain the basis upon which we charge for work done and obtain payment for disbursements incurred on our clients' behalf.

Our fees are calculated mainly by reference to the time spent. Time spent on your matter is recorded regularly by reference to the date upon which the work was carried out and an up to date position on the costs of work done can be obtained quickly if required.

Laura Hatfield will be the principal member of the firm working on this matter whose normal charging rate will be US\$595.00 per hour. In addition Craig Powles will be involved in this case and his normal charge out rate is US\$525.00 per hour. Any paralegal work on this matter will be charged at US\$225 per hour. It may also be necessary to involve other lawyers within the firm in order to handle this engagement in the most efficient manner but you will be informed should this become necessary. Our charge rates are reviewed from time to time and any change would be notified to you.

The figures mentioned above exclude disbursements, which will be added to the fees. The way in which disbursements are incurred and charged is fully explained in our Standard Terms of Engagement but examples of disbursements that will be included are overseas phone calls and faxes, all courier charges, printing and photocopying, barristers' fees, fees of expert witnesses, Court fees, Company Filing and Search fees and Land Registry fees.

Our invoices will be expressed in US Dollars in the case of work done by our Cayman Islands office and Euro in the case of work done by our Swiss office. We refer you to our Standard Terms of Engagement for the treatment of payment of an invoice in a currency other than that in which it is invoiced.

We may request you to put us in funds before incurring or paying any disbursement on your behalf.

Estimates

We will estimate, where it is meaningful and possible or where requested, the costs involved in providing advice or carrying out your instructions. Such estimates may be difficult to give accurately and may to a large extent depend on the response of the other parties involved in the matter, providing services or information. Any estimate given is only a guide to the costs this firm anticipates, given the information available at the time of the estimate, will be involved in providing the advice requested or carrying out your instructions. The actual costs of providing the advice requested or carrying out your instructions may be significantly different to any estimate provided but, nevertheless, you will be responsible for all costs involved for providing the advice requested or carrying out your instructions calculated in accordance with the terms of this letter and our Standard Terms of Engagement.

At this time we would estimate that the cost for the work that will be involved for service of Court Documents as set out in this letter, in the absence of any unforeseen circumstances, would be in the range US\$1,500.00 to US\$2,000.00.

Estimates may change as the case progresses but you will be informed of any new estimates for work necessary as and when they arise. You may, if you wish, set a limit on costs to be incurred without further agreement. Please let me know if you would like to discuss this possibility further.

Retainers and Payment Terms

Fees will be invoiced monthly or, more frequently, if appropriate e.g. where a significant amount of chargeable time has been spent within a short period. Invoices are due within 14 days of receipt of invoice. We refer you to our Standard Terms of Engagement for the firm's policy if any client invoices are outstanding for more than 30 days.

We normally request a sum on account of fees and expenses as a retainer at the outset of any matter. The amount depends on the nature of the case and the amount of work likely to be involved. We may also ask for further sums on account as the matter proceeds, in particular to cover any other advisers fees, for which we are professionally responsible, and our estimated costs of concluding a matter. At this time we would ask that you arrange to deposit with us the sum of US\$1500.00 by way of retainer.

In addition as a result of the Court Fees Rules from the Grand Court of the Cayman Islands parties to litigation are charged significant fees for various Court filings, hearings etc. In order that we may make these disbursements on our clients' behalf without delays caused by requesting funds as and when the fees are payable we request a retainer on account of these disbursements appropriate to the case. We do not anticipate any Court Fees being incurred in the foreseeable future and so no retainer is needed specifically for such disbursements at this time.

Court Orders for Costs

In the Grand Court of the Cayman Islands the unsuccessful Party to litigation is usually ordered by the Court to pay the successful party's legal costs. The amount of legal costs will be "taxed" if not agreed between the parties. Taxation is a process where the Court assesses the reasonableness of the legal costs sought to be recovered by reference to time spent, rates charged, complexity and urgency of the case, etc.

Unfortunately, such assessment rarely provides anything like a full indemnity. The order for costs, which follows on from an assessment, does not necessarily mean that the party that is ordered to pay will do so. This is important because whether or not you recover any cost from an unsuccessful party you will remain responsible to us for payment of your fees and expenses in full, including the fees and expenses incurred in trying to obtain payment of costs pursuant to any costs order. You should also be aware that you will be liable to pay this firm's bills, which will be submitted regularly on an interim basis, in advance of possibly recovering any costs from any unsuccessful party to the litigation.

Before a case is tried by the court or concluded in another way, there may be one or more preliminary hearings. If you are unsuccessful at any of those preliminary hearings, you may have to pay a proportion of your opponent's costs of the hearing in question. The appropriate proportion may be assessed at the hearing and you may be unable to proceed with your case until the sum in question has been paid. Alternatively, the amount will be assessed at the conclusion of the case and taken into account when calculating the final liabilities of the parties.

If you lose the case at the final hearing it is likely that you will be ordered to pay the successful party's costs of the whole action, to be taxed if not agreed, subject to deduction of any orders for costs made in your favour at preliminary hearings.

In some instances a party to a case will have to bear their own costs of the litigation even if successful in getting the Orders sought. This usually occurs where there is no other party to the litigation or where any other party to the litigation can not be said to have brought the litigation upon themselves or to have "lost" the case.

Terms of engagement

Accompanying this letter are the details of the Standard Terms of Engagement upon which Solomon Harris acts for its clients, which include terms for billing on a basis other than our usual rates for time spent in urgent matters.

If you have any questions on any of the Terms or the contents of this letter please do not hesitate to contact me. Please sign the attached copy of this letter as acknowledgement of receipt and acceptance of these terms and conditions.

Thank you once again for your instructions and we look forward to working with you.

Yours faithfully



SOLOMON HARRIS

Encl. Standard Terms of Engagement
Wiring Instructions

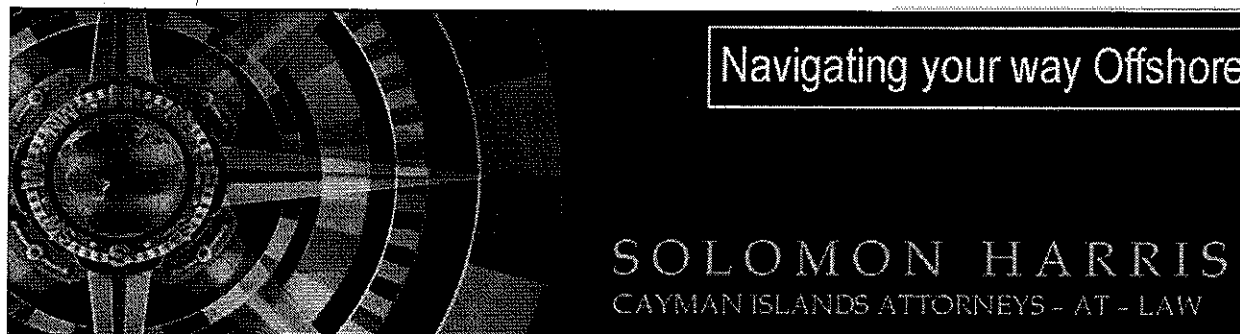
Signed for and on behalf of:-

TOUSA Creditors' Committee

Signature of Authorised Signatory

Name of Authorised Signatory (please print)

Date



PO Box 1990, FirstCaribbean House
Grand Cayman KY1-1104, Cayman Islands
Tel: 345 949 0488 Fax: 345 949 0364

E-Mail: info@solomonharris.com Web: www.solomonharris.com

Standard Terms of Engagement

1. INTRODUCTION:

Our objective at all times is to provide you with a high quality, prompt and cost effective service. These Terms of Engagement, and any written communication varying or supplementing them, set out the basis upon which our services are provided. By instructing us, or continuing to instruct us, following receipt of these Terms of Engagement and any such communication, you are deemed to accept that these Terms of Engagement and any such communication comprise the terms upon which our services are provided.

2. INSTRUCTIONS:

We will agree with you at the outset the scope of our instructions. As you will appreciate, we are not responsible for failing to advise or comment on any matter which falls outside the scope of your instructions. With regard to the Cayman Islands' anti-money laundering legislation, we take seriously our obligation of "know your client". Therefore, we may require you to provide appropriate due diligence documentation before accepting or acting on your instructions or at any time throughout the engagement if, in our sole discretion, we deem it appropriate. We will almost always require due diligence in the case of instructions to form a Cayman Islands company, partnership or trust. Where we are instructed to form a Cayman Islands company, we have no obligation to advise the shareholder(s), any directors or other officer(s) or the beneficial owner(s) of the company in their capacity as such and shall have no liability to such persons in such capacity.

3. FEES:

As our time and expertise are the key elements of our service, our fees are calculated by reference to the normal hourly rates of the lawyers concerned. Other factors may be taken into account, notably, complexity, value, urgency or the necessity for out of hours working, and an increased fee charged.

Any estimate given should be treated as a guide to assist you in budgeting and not as a firm quotation. Where a transaction or matter aborts we will charge for the work done up to the point it aborts.

4. DISBURSEMENTS:

In appointing us to act on your behalf you are authorizing us to incur such disbursements as we consider necessary in connection with the matter.

Disbursements we pay to third parties including, but not limited to Companies Registry, Courts, experts, counsel and other advisors on your behalf will be invoiced by us to you at the amount paid by us.

We also treat the cost of overseas phone calls and faxes, and courier charges, document management, storage and electronic copying costs as disbursements and these are invoiced to you at the cost to us. In addition, printing, photocopying and scanning are disbursements which are charged at US\$0.20 per page.

Cost of travel and accommodation whilst on client business will be invoiced to you at the cost to us.

On occasion your instructions may involve us in incurring disbursements of an unforeseen nature. If such disbursement is reasonably expected to exceed US\$100.00, we will discuss the need for, and cost of, the disbursement with you.

We may request you to put us in funds before incurring or paying any disbursement on your behalf.

5. CURRENCY EXCHANGE ON PAYMENT:

Our invoices will be expressed in US Dollars or Euros. If you pay our invoice in a currency other than that in which it is invoiced, and our bank's applicable exchange rate means we receive less than the converted amount, we reserve the right to seek payment of the balance from you. If our bank's applicable exchange rate means we receive more than the invoiced amounts we will account to you for the balance if it is over US\$100.00 or currency equivalent.

6. TRANSFER OF MATTERS:

If you instruct us that you wish us to cease work on a matter, in regard to which you have engaged us as your attorneys, and transfer the matter to another attorney, or to you, then you will be charged for all time and disbursements, including document management, storage and electronic copying costs incurred by us in carrying out those instructions in accordance with the terms of the original engagement letter and these Standard Terms of Engagement.

7. REQUEST FOR WORK POST COMPLETION/TERMINATION:

If you request us to carry out work, provide information or documents on a matter which has been completed or in regard to which you previously instructed us to cease work, then you will be charged for all time and disbursements, including, document management, storage and electronic copying costs incurred by us in carrying out those instructions in accordance with the terms of the original engagement letter and these Standard Terms of Engagement.

8. OTHER WORK REQUIRED DUE TO REQUEST:

If it is necessary for us to spend time regarding a matter in which we are, or were previously, carrying out work for you, due to a request from a regulatory authority, by order of a Court or as a result of any dispute in which you are involved, then you will be charged for all time and disbursements, including document management, storage and electronic copying costs incurred by us in carrying out the necessary work in accordance with the terms of the original engagement letter and these Standard Terms of Engagement.

9. INVOICING:

You will be invoiced at regular intervals (usually monthly). Invoices are due for settlement on the 14th day after the date of receipt of invoice. Invoices will usually be sent by electronic mail and post. We reserve the right to charge interest on overdue invoices from the date of invoice at a rate per annum of 4% above LIBOR or EURIBOR, accruing on a daily basis, and to retain documents and papers relating to the

matter in question, or any other matter on which you have instructed us, until all sums due to us pursuant to the terms of our engagement have been paid.

If we receive instructions from an intermediary (e.g. a lawyer, accountant, bank or other financial institution, company manager, company formation agent, consultant or the like) our fees and disbursements will, unless otherwise agreed by us in writing, be invoiced to such intermediary who will be responsible for payment of such fees and disbursements.

If we receive instructions from, or on behalf of, more than one person, firm or company to deal with any particular matter, each person, firm or company from whom we received instructions can be held jointly and separately responsible for payment of our fees and disbursements.

10. CLIENT MONIES:

Monies received from, or on behalf of, a client of the Firm ("Client Monies") will be deposited in the Firm's general client account. Except as mentioned in the next paragraph, the Firm will not account to a client for interest earned on Client Monies.

Where Client Monies to be held by the Firm for a particular client will exceed US\$25,000 or currency equivalent and are likely to be held by the Firm for more than 30 days, the client may prior to depositing such Client Monies with the Firm, or at any time thereafter, whilst such Client Monies are held by the Firm, request that such Client Monies be placed on fixed rate deposit with the Firm's bank, for such period as shall be appropriate having regard to when the Client Monies are likely to be required and the period(s) for which the Firm's bank offers fixed rate deposits at the relevant time. Following maturity of any such fixed rate deposit the Firm will account to the client for the relevant interest received from the Firm's bank less bank charges and the Firm's reasonable administrative costs.

11. COMPLAINTS:

If you have any complaint about the service we provide and do not wish to discuss the matter with the lawyer acting for you, we would request that you speak to the Firm's Managing Partner, Sophia Harris.

12. FOREIGN LAW:

We are not qualified to advise or comment upon the laws of any jurisdiction other than the Cayman Islands and shall, under no circumstances, have any liability with regard to the laws of any other jurisdiction or be taken to have advised on the laws of any other jurisdiction. Therefore, if we are requested to review or comment upon any document which is governed by the law of any jurisdiction other than the Cayman Islands, we will do so on the basis that it is assumed that the applicable provisions of the governing law are the same as Cayman Islands law in all material respects. Since there could be significant differences between such laws, you should, in such circumstances, always consider instructing other legal counsel qualified to advise upon the governing law of the document.

It is important that you seek professional advice in your home and/or other relevant jurisdictions to ensure that any steps to be undertaken in the Cayman Islands do not infringe or give rise to adverse consequences or reporting or other obligations under the laws (including tax laws) in force in such jurisdiction(s).

13. ELECTRONIC COMMUNICATION:

We may communicate with you by email or other electronic means. As you will be aware, the electronic transmission of information cannot be guaranteed to be secure or error free and such information could be intercepted, corrupted, lost, destroyed, arrive late or incomplete or otherwise be adversely affected or unsafe to use. We will use reasonable endeavours to check for the most commonly known viruses at the relevant time before sending information electronically but shall not have any liability to you arising from or in connection with any electronic communication of information to you.

14. GOVERNING LAW AND JURISDICTION:

These Terms of Engagement and any other terms agreed between you and us are governed by, and shall be construed in accordance with, the laws of the Cayman Islands.

The Grand Court of the Cayman Islands shall have exclusive jurisdiction to settle any dispute which may arise between us. To this end, you and we irrevocably agree to submit to the jurisdiction of the Grand Court of the Cayman Islands and irrevocably waive any objection to any action or proceedings being brought in that Court or any claim that any such action or proceedings have been brought in any inconvenient forum. Judgment in any suit, action or proceedings brought in the Grand Court of the Cayman Islands shall be conclusive and binding and may be enforced in the courts of any other jurisdiction.