

IN THE GRAND COURT OF THE CAYMAN ISLANDS

CAUSE NO. 379 OF 2012

IN THE MATTER OF THE REGISTERED LAND LAW (2004 REVISION)

AND IN THE MATTER OF SPOTTS, BLOCK 24B, PARCEL 145H7
AND IN THE MATTER OF SAVANNAH, BLOCK 27C, PARCEL 569

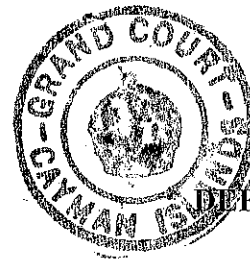
BETWEEN:

CAYMAN NATIONAL BANK LTD

PLAINTIFF



KENNETH CLARK



DEFENDANT

ORIGINATING SUMMONS

TO: KENNETH CLARK of PO Box 10471, Grand Cayman KY1-1004

LET THE DEFENDANT, KENNETH CLARK, within 14 days after service of this Summons on him, counting the day of service, return the accompanying Acknowledgement of Service to the Court Office, P. O. Box 495, George Town, Grand Cayman KY1-1106.

BY THIS SUMMONS which is issued on the application of the Plaintiff, Cayman National Bank Ltd., Elgin Avenue, George Town, Grand Cayman KY1-1102, the Plaintiff seeks relief pursuant to the provisions of the Registered Land Law (2004 Revision) as follows:-

1. On or about 23rd February 2007 the Defendant as Chargor and the Plaintiff as the Chargee executed a Charge (the "Charge") in respect of the property registered at the Lands and Survey Department as Spotts, Block 24B, Parcel 145H7 ("Parcel 145H7").
2. The Charge provided, inter alia, that:

- 2.1 The Chargee would lend and the Chargor would borrow the principal sum of Two Hundred Thousand CI Dollars (CI\$200,000.00) which was to be secured as a Charge on Parcel 145H7.
 - 2.2 Interest on the principal sum would accrue at the rate of 1.00% per annum above the Chargee's Prime Lending Rate for CI Dollars.
3. Further on or about 23rd February 2007 the Defendant as Chargor and the Plaintiff as the Chargee executed a Collateral Charge ("the Collateral Charge") in respect of the property registered at the Lands and Survey Department as Savannah, Block 27C, Parcel 569 ("Parcel 569").
4. The Collateral Charge provided, inter alia, that:
 - 4.1 The Chargee would lend and the Chargor would borrow the principal sum of Two Hundred Thousand CI Dollars (CI\$200,000.00) which was to be secured as a Collateral Charge on Parcel 569.
 - 4.2 Interest on the principal sum would accrue at 1.00% per annum above the Cayman Islands Dollar Prime Lending Rate.
5. The Charges also provided that:-

"Sections 72 and 75 of the above law shall be varied in their application to this Charge and of any instrument of variation executed pursuant to this Charge so as to entitle the Chargee immediately upon default by the Chargor in payment of the Principal Sum or any interest payable hereunder or in the performance or observance of any agreement expressed or implied herein to serve on the Chargor notice in writing to pay the moneys owing or due or to perform or observe the agreement as the case may be and further so as to provide that if the Chargor does not comply within one month of the date of service of such notice the Chargee may thereupon either appoint a receiver of the income of the Charged Property or sell the Charged Property by private treaty as well as by public auction or by tender or to foreclose on the Charged Property"
6. Since from or about November 2011 the Defendant has failed to pay the full amount of the monthly instalments due in respect of the principal sum loaned and in respect of interest.
7. By letters dated 7th December 2011, the Plaintiff duly served notice on the Defendant pursuant to Section 64(2) and Section 72(1) of the Registered Land Law (2004 Revision) indicating that the sum secured by the Charges was repayable three months after the service of the Section 64(2) notice and indicating that pursuant to Section 72(1) unless the balance of the sum secured by the Charges was

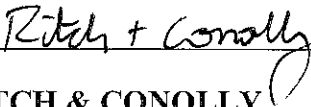
repaid proceedings would be taken by posting the notices on the properties on 21st and 23rd December 2011 and publishing the notices in issue numbers 03/2012, 04/2012 and 05/2012 dated 30th January 2012, 13th February 2012 and 27th February 2012 of the Cayman Islands Gazette.

8. The notices demanded payment of the balance of the principal sum outstanding and accrued interest.
9. The Defendant has failed to make the required payments in respect of the principal sum outstanding and/or accrued interest as demanded.
10. The Registered Land Law (2004 Revision) provides that once a notice of demand has been served pursuant to Section 64 (2) the total amount of outstanding principal and interest becomes due and payable three months after service of that notice. Therefore the Plaintiff avers that the demand letters constituted such a notice pursuant to Section 64(2) and that the total amount outstanding became due on 27th May 2012.
11. The Registered Land Law (2004 Revision) by virtue of Section 72(1) provides that once there is a default in the payment of the principal, or any other periodical payments, and if such default continues for three months, the Chargee may serve on the Chargor notice in writing to pay the money owing, or to perform and observe the terms of the Legal Charge as the case may be.
12. The Registered Land Law (2004 Revision) by virtue of Section 72(2) provides that if a Chargor has not complied, within three months after the date of service of the notice served on him under Section 72(1), the Chargee may sell the Charged Property. Therefore, on or since 27th May 2012 there has accrued a right to the Plaintiff to sell the properties and the Plaintiff now seeks an order that it may do so.
13. In the premises, the Plaintiff seeks an Order pursuant to the provisions of the Registered Land Law (2004 Revision) that:
 - 13.1 The variations in the Legal Charge referring to the provisions of Section 72 of the Registered Land Law (2004 Revision) be allowed.
 - 13.2 That an order for possession be made.
 - 13.3 The Plaintiff shall be entitled to sell the properties either by private treaty or public auction in good faith and having regard to the interests of the Defendant.

13.4 The Plaintiff shall have leave pursuant to Grand Court Rules Order 45 Rule 3(1) and (2) to issue a Writ of Possession in this matter in respect of the properties.

14. The Plaintiff also seeks an Order that if after any sale of Parcels 145H7 and 569 there should be any shortfall in the amount due and owing to the Plaintiff that the Plaintiff be at liberty to enter judgment for such shortfall, together with interest and costs.

Dated the 6th day of September 2012



RITCH & CONOLLY
Attorneys for the Plaintiff

If the Defendant does not acknowledge service, judgement may be given, or made against, or in relation to him, as the Court may think just and expedient.

NOTE: This Summons may not be served later than 4 calendar months (*or if leave is required to effect Notice out of the jurisdiction, 6 months*) beginning with that date, unless renewed by Order of the Court.

IMPORTANT: Directions for acknowledgement of service are given with the accompanying forms.