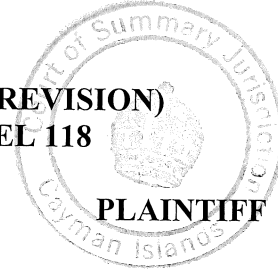


CAUSE NO. 52 OF 2003

**IN THE GRAND COURT OF THE CAYMAN ISLANDS**

**IN THE MATTER OF THE REGISTERED LAND LAW (1995 REVISION)  
AND IN THE MATTER OF SAVANNAH, BLOCK 28C, PARCEL 118**



**BETWEEN: CAYMAN NATIONAL BANK LTD**

**PLAINTIFF**

**AND: CAROL MARIE SCOTT**

**DEFENDANT**

**ORIGINATING SUMMONS**

**TO: Carol Marie Scott whose address for service is PO Box 31832, Seven Mile Beach, Grand Cayman.**

**LET THE DEFENDANT, Carol Marie Scott, within 14 days after service of this Summons on her, counting the day of service, return the accompanying acknowledgement of service to the Court office, P. O. Box 495 GT, George Town, Grand Cayman.**

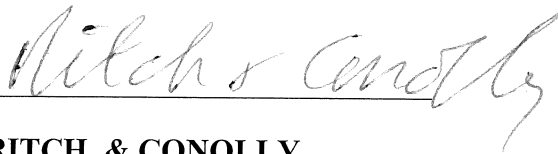
**BY THIS SUMMONS** which is issued on application of the Plaintiff, Cayman National Bank Ltd., the Plaintiff seeks relief pursuant to the Registered Land Law (1995 Revision).

1. On 5<sup>th</sup> November 1997 the Plaintiff as Chargee, and the Defendant as Chargor executed a legal charge (“the Legal Charge”) by way of transfer in respect of the land registered at the Lands and Survey Department as Savannah, Block 28C, Parcel 118 (“the Property”).
2. On the same day the legal charge was varied. The Variation of Charge provides, inter alia, that:
  - 2.1. The Plaintiff would lend and the Defendant would borrow the principal sum of One Hundred and Thirteen Thousand, Three Hundred and Thirty-Three Cayman Island Dollars and Thirty-Four Cents (CI\$113,333.34) (“the principal sum”) secured as a charge on the Property.
  - 2.2. Interest on the principal sum would accrue at the rate of 2% per annum below the Cayman Islands Dollar prime rate as determined by the Plaintiff from time to time.
  - 2.3. The Defendant will repay to the Plaintiff the principal sum together with any interest due, by way of monthly or other sums as the Plaintiff shall from time to time specify.

- 2.4. Immediately upon default by the Defendant in payment of the principal sum, or of any interest payable thereunder, the Plaintiff will be entitled to serve a notice on the Defendant requiring her to pay the money owing and if the Defendant does not comply within one month of the service of the notice the Plaintiff may demand immediate payment of the whole of the principal sum and interest and on non-payment may sell the property by private treaty or by public auction, without further notice.
3. On 18<sup>th</sup> June 1999 the Plaintiff, as Chargee, and the Defendant, as Chargor executed a Second Charge in respect of the property. The sum of Eleven Thousand Cayman Island Dollars (CI\$11,000) was secured by this Charge with interest accruing at a rate of 6% per annum above the Cayman Islands Dollar prime rate as determined by the Plaintiff from time to time. The remaining terms were as for the First Charge granted.
4. In or about July 2001 the Defendant failed to pay the monthly instalments due in respect of the principal sum and interest, and has failed to make any subsequent payments of either principal or interest.
5. By letter dated 1<sup>st</sup> February 2002, sent by registered post to the Defendant, the Plaintiff duly served Notice on the Defendant pursuant to the Registered Land Law (1995 Revision) demanding payment of the balance of the principal sum and accrued interest which, as at that date, amounted to CI\$108,457.52 (principal) and CI\$250.00 (interest and other charges).
6. On the same date, 1<sup>st</sup> February 2002, a further demand under the Registered Land Law (1995 Revision) was served demanding the same sums. Such demand was made pursuant to Section 72 of the Registered Land Law (1995 Revision), as amended by Clause N of the Schedule to the Variation of Charge and Clause 11 of the Schedule to the Second Charge.
7. On 22<sup>nd</sup> August 2002 the Plaintiff, through its attorneys, served a further notice on the Defendant demanding payment of the sums outstanding within one month of the date of the notice.
8. Despite service of these three Notices, the Defendant has failed to pay the balance due of the principal sum and accrued interest.
9. The provisions of the Registered Land Law (1995 Revision) provide that once a Notice of Demand has been served pursuant to Section 64 (2) the principal and interest becomes payable three months after service of that demand and the Plaintiff avers that the letter dated 1<sup>st</sup> February 2002 served on the Defendant by registered post constitutes Notice under Section 64 (2) of the Registered Land Law (Revised).

10. Section 72 of the Registered Land Law (1995 Revision) provides that if default is made in payment of the principal sum, or any interest, and continues for one month, the Chargee will then acquire a power to sell the property by public auction after three months have elapsed, from service on the Chargors of a second notice demanding payment. Such provisions are subject to variation with the approval of the Court to allow the Chargee to sell by either private sale or public auction, and to serve a second shorter notice period. The Legal Charges in this action contain such provisions, as set out at paragraph 2.4 and 4.4 above.
11. The relief the Plaintiff therefore seeks in these proceedings is an Order of the Court that:
  - 11.1. the variations in the charges to the provisions of the Registered Land Law (1995 Revision) be allowed, so that the Plaintiff is entitled to avoid the requirement to serve any further notice, having served notice under Section 64(2) of the Law and notice under the terms of the Legal Charges;
  - 11.2. the Plaintiff be entitled to sell the property and that such sale be by either private treaty or public auction in good faith and having regard to the interests of the Defendant;
  - 11.3. for the purposes of any such sale, the Plaintiff be entitled to possession of the property;
  - 11.4. after the sale of the said property in accordance with the order sought herein, should there be any shortfall in the amount due and owing to the Plaintiff that the Plaintiff be at liberty to enter judgment against the Defendant for the said shortfall, together with interest and costs;

Dated the 29<sup>th</sup> day of January 2003.

  
RITCH & CONOLLY

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.

IN THE GRAND COURT OF THE CAYMAN ISLANDS

IN THE MATTER OF THE REGISTERED LAND LAW (1995 REVISION)  
AND IN THE MATTER OF SAVANNAH, BLOCK 28C, PARCEL 118

BETWEEN: CAYMAN NATIONAL BANK LTD PLAINTIFF  
AND: CAROL MARIE SCOTT DEFENDANT

ACKNOWLEDGEMENT OF SERVICE  
OF ORIGINATING 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.

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

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

Yes  No

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Service of the Originating Summons is acknowledged accordingly.

(Signed) .....  
[Attorney] for  
[Defendant in person]  
Address for service:

*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.

**Please complete overleaf**

*Endorsement by Plaintiff's Attorney (or by Plaintiff if suing in person) of his name, address and reference, if any, in the box below*

Messrs. Ritch & Conolly  
PO Box 1994 GT  
Grand Cayman

Ref: CNB – #8803

*Endorsement 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 endorsement]