

STEWART TITLE LIMITED

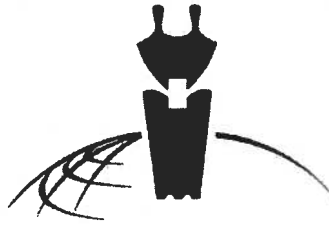
DEFECTIVE TITLE



KEY FACTS

AND

INDEMNITY POLICY



STEWART TITLE LIMITED

Stewart House Pynes Hill Exeter Devon EX2 5AZ

DEFECTIVE TITLE INDEMNITY POLICY

The Insured has made a Proposal and paid the Premium to the Company for the indemnity set out in this Policy of Insurance. The full particulars of the Proposal form the basis of and are incorporated within the Policy and the Company hereby grants the insurance subject to the terms conditions and exclusions set out in this Policy and any Memoranda endorsed upon it.

Signed for and on behalf of
STEWART TITLE LIMITED

A handwritten signature in black ink, appearing to read 'P. M. H. S.', with a long horizontal line extending from the end of the signature.

Authorised Signatory

DEFINITIONS

In this Policy the words and phrases listed below shall have the following meanings:

Claim:	A claim against the Insured notified by any third party which seeks to enforce a right estate or interest in or over the Property where the Defect prevents the Insured from rebutting such claim.
Company:	Stewart Title Limited whose registered office is at Stewart House Pynes Hill Exeter Devon EX2 5AZ registered in England No. 2770166.
Consent:	Written consent.
Defect:	The defect in title detailed in the Schedule.
Insured:	<p>The party named as such in the Schedule to the Policy together with:</p> <ul style="list-style-type: none"> (i) the Insured's mortgagees (ii) the Insured's bona fide successors in title and their mortgagees (iii) any lessee of the Insured or of the Insured's successors in title and the mortgagees of such lessees <p>Providing always that the Maximum Liability is restricted to the extent of the Insured's interest in the Property.</p>
Insured Use	The use specified in the Schedule.
Market Value	The average of the estimates from two independent valuers of the open market value (as defined from time to time in the guidelines issued by the Royal Institution of Chartered Surveyors).
Maximum Liability:	As specified in the Schedule or the extent of the Insured's interest whichever is the lesser.
Policy Date:	The date specified in the Schedule.
Property:	The Property as detailed in the Schedule.
Proposal:	The written information provided to the Company by the Insured (whether or not in a prescribed form).
Relevant Date:	The date of any final court order by which the Insured is dispossessed or the date of the

surrender of the Property to the claimant (where such surrender is with the Consent of the Company).

Works: The works disclosed to the Company in the Proposal being works to be carried out at the Property.

COVER

Where:

- (i) any person enforces or seeks to enforce any right estate or interest in or over the Property which adversely affects or derogates from the Insured's title to the Property, and
- (ii) such right estate or interest existed and was capable of being enforced as at the Policy Date, and
- (iii) the Defect prevents the Insured from rebutting such right, estate or interest.

the Company will

- (a) indemnify the Insured (subject to the Maximum Liability) against:
 - (i) the Market Value of the Property as at the Relevant Date where the Insured is dispossessed of the whole of the Property.
 - (ii) the loss attributable to the diminution in Market Value as at the Relevant Date by reason of the Defect where the Insured is dispossessed of part of the Property or deprived of the Insured Use of the Property (or part thereof).
 - (iii) any damages or compensation (including costs and expenses) awarded against the Insured in any proceedings brought against him.
 - (iv) any sums paid with the Consent of the Company or by Order of the Court to free the Property from the adverse estate right or interest being enforced against the Insured.
 - (v) the cost of any Works carried out on the Property (or part thereof) from which the Insured is dispossessed which were commenced or contracted for prior to the notification of a Claim.
 - (vi) all other costs and expenses incurred by the Insured with the Consent of the Company.
- (b) assume responsibility for dealing with any Claim made against the Insured.

EXCLUSIONS

The following matters are expressly excluded from the coverage of this Policy and the Company will not pay any loss or damage, costs, fees or expenses that arise by reason of:

- (i) any Claim following any communication (written or verbal) made by the Insured or by a party acting on behalf of the Insured to any third party believed by the Insured to have a right, estate or interest in the Property or to know or act on behalf of such person without the Consent of the Company, irrespective of whether such communication was made prior to or after the Policy Date.

CONDITIONS

1. The Insured shall not at any time disclose the existence of this Policy of Insurance to any third party other than a prospective successor in title under the Policy.
2. The Insured shall notify the Company in writing immediately he becomes aware of any circumstances likely to give rise to a Claim under the Policy, giving full details of all known facts and shall continue to provide all reasonable assistance to the Company.
3. The Insured shall make no admission, promise of payment or indemnity without the Consent of the Company and shall enter into no communications with any third party believed to be entitled to any right, estate or interest in the Property. Any communications received by the Insured shall be passed to the Company immediately upon receipt.
4. The observance of the Conditions of this Policy by the Insured and by those acting on behalf of the Insured and the truth of the information given to the Company in writing shall be a condition precedent to the Company's liability under the Policy.
5. The Company shall be entitled to conduct in the name of the Insured the defence of any action brought against the Insured in respect of the Defect (including any settlement of such action) and shall be entitled to institute for its own benefit in the name of the Insured proceedings against any third party in respect of any matter arising from the Claim. The Insured will afford to the Company every reasonable assistance in the conduct of any proceedings.
6. If, when a Claim is made under the Policy, there is in existence any other Insurance under which the Insured is entitled to make a Claim in respect of the same risk as covered by this Policy the Company will be liable to pay or contribute towards such Claim pro rata with the other insurance.

7. If the Company has admitted liability but the Company and Insured cannot agree the amount to be paid under this Policy the matter shall be referred to an arbitrator to be appointed by the parties (or in default of agreement, in accordance with the law in force at the time). The making of an award by the arbitrator shall be a condition precedent to any right of action against the Company.
8. The Law applicable to this insurance contract shall be English Law.

COMPLAINTS PROCEDURE:

Any enquiry or complaint you may have regarding this insurance may be addressed to:

**Stewart Title Limited
Stewart House
Pynes Hill
Exeter EX2 5AZ
Telephone: 01392 680680**

If you are still dissatisfied with the way in which a complaint has been dealt with, you may contact the Financial Ombudsman Service for assistance whose address is:

**Financial Ombudsman Service
South Quay Plaza
183 Marsh Wall
London
E14 9SR**

STEWART TITLE LIMITED
DEFECTIVE TITLE INDEMNITY POLICY

SCHEDULE

POLICY NUMBER: DTIP/0600/11767

PREMIUM: £450.00 plus I.P.T.

POLICY DATE: 31 May 2005

MAXIMUM LIABILITY: £200,000.00

INSURED: David Alan Caldicott

PROPERTY:

Land at Fort Warden Road Totland Bay Isle of Wight shown edged red on the plan attached

TITLE NUMBER:

DEFECT:

The Insured has no documentary title to that part of the Property shown edged blue on the plan marked 'DAC' to the Statutory Declaration dated 20th May 2005 made by David Alan Caldicott.

INSURED USE:

Commercial Holiday chalets

WORKS (where applicable):

Erection of two chalets out of a development of 48 chalets and other associated buildings of which the Property forms part

Examined: 



MEMORANDUM OF ENDORSEMENT

for Policy Number DTIP/0600/11767

Dated 31 May 2005

It is a condition of the cover granted under this Policy that the Works/Insured Use of the Property adheres strictly in all material respects to the Planning Consent dated 20th May 2005, reference TCP/15752/X-P/01077/04 and any other statutory consent.

Where there is a Claim by one or more than one claimant or potentially more than one claimant under this Policy the total amount of Cover provided under the terms of this Policy and the Company's total liability at any time will not exceed the Maximum Liability.

It is a condition precedent of the Cover granted under this Policy that no application for registration of the title to the land shown edged blue on the plan marked 'DAC' exhibited to the Statutory Declaration at the Land Registry is to be undertaken without the prior Consent of the Company.

The continuation of this insurance is conditional upon the Insured and /or the owner for the time being of the Property providing an updated Statutory Declaration as to the continued adverse possession prior to his disposal of his interest in the Property

H.M. LAND REGISTRY			TITLE NUMBER
			W32046
ORDNANCE SURVEY PLAN REFERENCE	SZ 3287	SECTION E	Scale 1/1250 Enlarged from 1/2500
COUNTY ISLE OF WIGHT	DISTRICT SOUTH-WIGHT		© Crown copyright 1891

