

**Bailiffs Condition Precedent**

As a condition precedent to **Our** obligation to indemnify **You** for any claim arising directly or indirectly from or relating to the wrongful arrest, false imprisonment, unlawful detention, malicious prosecution or the exercise of unlawful distraint against or the conversion of property, the exercise of unlawful distraint against or the conversion of property, **You** must satisfy **Us** that **You** exercised due diligence and did all that reasonably could have been done to ensure that any property submitted to or taken by **You** for sale was the sole and unencumbered property of the person/s by whom the property was delivered up to or from whom the property was taken by **You**.