

Blue City Investments 1 Limited  
Walker House  
87 Mary Street  
George Town  
Cayman Islands  
KY1-9002

28 January 2010

**By Fax +1 441 296 3140 & Airmail**

AXIS Speciality Limited  
92 Pitts Bay Road  
Pembroke HM 08  
Bermuda

**Attention: Richard Bullen/General Counsel**

To Whom it May Concern

**Reference: Policy Number 1131780106PR**

In accordance with section 7.1(a) of the captioned policy (the "Policy"), the undersigned, in its capacity as the Insured under the Policy, for the avoidance of any doubt hereby provides notice to AXIS Speciality Limited as the underwriter of the Policy (the "Underwriter") of a Potential Loss.

Unless otherwise defined therein, all capitalised terms used in this notice shall have the meanings set forth under the Policy.

The undersigned, as an Officer of the Insured, certifies that to the best of its knowledge that the information contained herein is true and correct in all material respects.


Event giving rise to a Potential Loss:	See the attached correspondence from Blue City Company 1 SAOC dated 25 January 2010
Date of event giving rise to a Potential Loss:	As per the attached correspondence
Date of next insured principal payments as per Exhibit B:	7 November 2011
Principal payment due on this date:	US\$73,500,000.00
Limit of Liability as per Exhibit A with respect to this principal payment:	US\$57,000,000.00
Adjusted Limit of Liability as per the Adjusted Liability Schedule (if applicable):	N/A

A copy of the communication received from the Borrower in respect of a Potential Loss is, as referred to above, attached hereto.

Should the event giving rise to a Potential loss, as set out above, (or any other event) give rise to a Loss then the undersigned hereby agrees to submit a Claim as set forth in section 7.1 of the Policy.

Furthermore, the undersigned agrees to provide to the Underwriter any further communications received from the Borrower in respect of the event giving rise to a Potential Loss as set out above consistent with our obligations under the Policy.

Yours faithfully



**Feron Bartley-Davis**  
Director of Blue City Investments 1 Limited  
28 January 2010

25 January 2010

To : Blue City Investments 1 Limited  
Walker House, 87 Mary Street  
George Town, Grand Cayman KY1-9002  
Cayman Islands

Attention : Mr. David Lloyd

To : The Bank of New York  
101 Barclay Street  
New York, NY 10286  
United States of America

Attention : Mr. Anthony Bausa / Mr. David Kerr  
Corporate Trust Administration – Global Structured Finance

Ref : BC/A10/BoNY/RR/10/LTR0962

Subj. Notice received from Al Sawadi Investment and Tourism Co. LLC

Dear Sir

Please note the contents of Notice received from Al Sawadi Investment & Tourism Company LLC.

Yours faithfully,  
For and on behalf of Blue City Company 1. SAOC



Richard P. Russell, P.E  
Managing Director & CEO

Encl : ASIT Notice (2 pages)

Cc : Bank Muscat S. A. D. G.  
AXIS Speciality Limited  
Latham & Watkins (representative of certain Class A Note holders, namely, Merrill Lynch International,  
Mizuho International Plc, Nomura International Plc and UBS Investment Bank AG)  
Essdar Investments Limited



Blue City Company 1

Blue City Company 1

Blue City Company 1

المدينة الزرقاء

AL MADINA A'ZARQA

Blue City Company 1

Blue City Company 1

Blue City Company 1



شركة السواحي للاستثمار والسياحة ش.م.م. Al Sawadi Investment & Tourism Co. LLC

## NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that Al Sawadi Investment & Tourism Company L. L. C. (the "Company") has called a Meeting of the Board of Directors to be held on Wednesday, 3<sup>rd</sup> February, 2010 at 4:30 p.m.

### AGENDA

1. Roll Call
2. Consider the following resolution to file a petition for dissolution of the Company and each of its subsidiaries.

"WHEREAS, at this meeting and at prior meetings, the Board of Directors (the "Board") of Al Sawadi Investment & Tourism Company L. L. C. (the "Company") has extensively reviewed the alternatives available to the Company and its direct and indirect subsidiaries incorporated in the Sultanate of Oman, namely, Blue City Company 1 S. A. O. C., Blue City Company 2 S.A.O.C., Blue City Company 3 S.A.O.C., Blue City Company 4 S.A.O.C., Blue City Company 5 S.A.O.C., Blue City Company 6 S.A.O.C and Blue City Company 7 S. A. O. C. (the "Filing Subsidiaries") and has determined that the commencement of a dissolution of the Company and the Filing Subsidiaries presents the only opportunity for preserving and maximizing the value of these entities for the benefit of the Company's stakeholders and other interested parties in accordance with Article 14 (D) of the Commercial Companies Law issued by the Royal Decree 4/74 as amended from time to time (the "Act") since the Company (including Filing Subsidiaries) has lost all of its capital and have no reasonable expectation to meet their debt payment obligations when due.

The Board of Directors should take note of certain important provisions of the Act:

1. In accordance, Article 16 of the Act, the powers of the Board of Directors of the Company shall cease upon the dissolution of the Company. However, the Board of Directors are required to continue their work and consequently shall be liable as trustees of the Company's assets until a liquidator is appointed and assumes his functions.
2. The Chairman should make an application to the Authority for the Settlement of Commercial Disputes to appoint a Liquidator of the Company in accordance with Article 17 of the Act.
3. All contracts, receipts, notices and any other documents issued by the Company after its dissolution shall indicate that the Company is "under liquidation" in accordance with Article 20 of the Act.

