

# WEIL, GOTSHAL & MANGES

DMC/DM/27526.0003

21 January 2010

**By E-mail & Airmail**

AXIS Speciality Limited  
92 Pitts Bay Road  
Pembroke HM 08  
PO Box HM 1254  
Hamilton HM FX  
Bermuda

**For the attention of Richard Strachan**

Dear Sirs

**Blue City Investments 1 Limited**

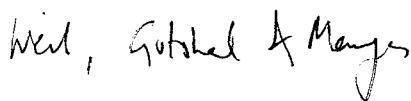
We refer to your letter dated 11 January 2010. We are writing to record our disagreement with certain assertions in that letter.

We are of course aware that the Insured has obligations under the Policy and the Insured will continue to fulfil these obligations. We do not accept that Axis is entitled under the terms of the Policy to cancel it whether for the reasons stated in your letter or at all. In our letter of 8 January we asked you to state whether you are asserting that there have been or may have been any breaches of the terms of the Policy and for full particulars of any such assertions together with copies of relevant documents. You did not address this request in your reply.

As regards your request in paragraph 4 of your letter concerning a BONY letter of 1 October 2009, we have asked for further information and will endeavour to provide this in due course.

In our letter of 8 January 2010 we attached a draft standstill agreement dated 23 October 2009 and described it as the latest draft. We have subsequently been informed by Latham and Watkins that there is a later draft which was provided to you on 18 December 2009. If you wish to receive an additional copy, please let us know.

Yours faithfully



**Weil, Gotshal & Manges**

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Weil, Gotshal & Manges is a partnership of registered foreign lawyers and solicitors. A list of the names and professional qualifications of the partners is available at the above address.  
Regulated by the Solicitors Regulation Authority

# WEIL, GOTSHAL & MANGES

cc The Bank of New York Mellon  
101 Barclay Street 8 West  
New York, NY 10286  
USA

For the attention of David M. Kerr

Blue City Company 1 S.A.O.C.  
P.O. Box 3619  
112 Ruwi  
Sultinate of Oman

For the attention of Richard Russell