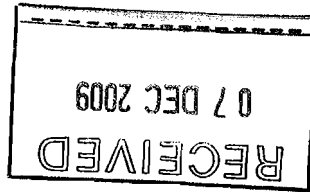


LANSDOWN INSURANCE BROKERS

Lansdown House, Pittville Circus Road,
Cheltenham, Gloucestershire, GL52 2QE
Tel: 01242 524498 Fax: 01242 221191
Email: enquiries@lansdowninsurance.com
Website: www.lansdowninsurance.com



Mr J Karim
Ringley Chartered Surveyors
Ringley House
349 Royal College Street
London
NW1 9QS

3 December 2009

Dear Mr Karim

Buildings Insurance: 67 Gloucester Street Limited
Zurich Policy No: 1/CH386429/41

The above policy becomes due for renewal on 1 January 2010 at a premium of **£1,711.99** (including 5% Insurance Premium Tax), based on the following sums insured which have been index linked by 1%:-

Buildings – Declared Value	£1,212,075
Buildings – Sum Insured	£1,616,060
Communal Contents	£25,000
Alternative Accommodation/Loss of Rent	£538,686

*NB – The Declared Value represents the current total rebuilding cost of your property:
the Sum Insured includes an automatic uplift to cover inflationary increases following a claim.*

Property policies no longer provide any element of Terrorism cover: full cover is available on payment of an additional premium of **£555.28** (including IPT and a £25 fee).

Please Note: Zurich's policy now carries a compulsory general Excess/Deductible of £250 from renewal.

Renewal documents for the coming year are enclosed and should be carefully perused: the Employers Liability Certificate must be kept for 40 years.

I have no hesitation in recommending renewal, as the policy continues to satisfy the Demands and Needs of a Residential Property Owner, i.e. cover with a leading UK Insurer, competitive premium, reliable claims service and exceptionally wide policy cover (up-to-date Summary attached).

It is important that the Insurers are informed of any "material" changes which occur, as failure to do so could invalidate the policy.

Incidentally, if your Insurers decide to survey your premises during the coming year, you would be required to implement any Risk Improvements within a given timescale.

You are welcome to pay by cheque (payable to Lansdown Insurance Brokers) or credit card over the phone.

Please contact me if you have any questions.

Kind regards

Yours sincerely


Darren Bee
Commercial Account Executive
darrenbee@lansdowninsurance.com

PS – If you have a Lift, may we provide a quotation for the Statutory Inspection Service and Insurance for Sudden and Unforeseen Damage and Breakdown? Our terms are very competitive.

Please visit our website at www.lansdowninsurance.com

Lansdown Insurance Brokers is authorised and regulated by the Financial Services Authority. Firm Reference No: 301778

SCHEDULE

Lansdown Insurance Brokers – Blocks of Flats arrangement in association with Zurich Insurance
(Authorised and regulated by the Financial Services Authority)

Insured: 67 Gloucester Street Limited

Risk Address: 67 Gloucester Street
London
SW1V 4DZ

Other Interests : All Lessees and Mortgagees Interests are automatically included

Policy No: 1/CH386429/41

Buildings - Declared Value	£1,212,075
Buildings - Sum Insured	£1,616,060
Communal Contents	£25,000
Loss of Rent/Alternative Accommodation	£538,686

Annual Premium : £1,711.99 (includes £81.52 Insurance Premium Tax)

Period of Cover : 01 January 2010 - 01 January 2011

POLICY COVER VARIABLES

Section 1 – Material Damage:-

1. Perils Insured: 1 to 15 inclusive.
2. General Excess £250/Subsidence Excess £2,500
3. Terrorism is excluded as per the attached Endorsement.
4. Insured Peril 8 is amended to read as follows:-
Storm or Flood excluding *damage*:
 - a) attributable solely to change in the water-table level
 - b) caused by frost, subsidence, ground heave or landslip
 - c) to garden landscaping and paving, garden furniture, trees and plants.

Section 2 – Property Owners Liability:-

- a) The Limit of Indemnity is increased to £10 million
- b) Cover excludes liability, loss, cost or expense directly or indirectly caused by, contributed to by, or arising out of any asbestos, asbestos fibres or any derivatives of asbestos including any product containing asbestos, asbestos fibres or derivatives.

Section 3 – Employers Liability:-

- a) The Limit of Indemnity is £10 million

Section 4a – Legal Expenses for the Eviction of Squatters:-

- a) The standard Limit of Indemnity is increased to £50,000

General Exclusion – Computer Virus Exclusion: See Endorsement attached.

CLAIMS HELPLINE 08457 023 076

Lansdown Insurance Brokers, Lansdown House, Pittville Circus Road, Cheltenham, GL52 2QE
Tel: 01242 524498 Fax: 01242 221191 Email: enquiries@lansdowninsurance.com

Certificate of Employers' Liability Insurance^(a)

(Where required by regulation 5 of the Employers' Liability (Compulsory Insurance) Regulations 1998 (the Regulations), one or more copies of this certificate must be displayed at each place of business at which the policy holder employs persons covered by the policy).

Policy No. **1/CH386429/41**

1. Name of policy holder **67 Gloucester Street Limited**

2. Date of commencement of insurance policy **01 January 2010**

3. Date of expiry of insurance policy **01 January 2011**

We hereby certify that subject to paragraph 2:

1. The policy to which this certificate relates satisfies the requirements of the relevant law applicable in Great Britain, Northern Ireland, the Isle of Man, the Island of Jersey, the Island of Guernsey and the Island of Alderney **(b)**
2. **(a)** the minimum amount of cover provided by this policy is no less than £5 million **(c)**

Signed on behalf of Zurich Insurance Company (Authorised Insurer).

Signature



Ian Stuart

Notes

Zurich Insurance Company
a limited company
incorporated in Switzerland
Registered in the canton of
Zurich
no. 3.749.620.01
UK branch registered in
England
no. BR 105
UK Head Office
Zurich House, Stanhope
Road
Portsmouth, Hampshire PO1
1DU

- (a) Where the employer is a company to which regulation 3(2) of the Regulations applies, the certificate shall state in a prominent place, either that the policy covers the holding company and all its subsidiaries, or that the policy covers the holding company and all its subsidiaries except any specifically excluded by name, or that the policy covers the holding company and only the named subsidiaries.
- (b) Specify applicable law as provided for in regulation 4(6) of the Regulations.
- (c) See regulation 3(1) of the Regulations and delete whichever of paragraphs 2(a) or 2(b) does not apply. Where 2(b) is applicable, specify the amount of cover provided by the relevant policy.

Authorised & Regulated by The Financial Services Authority

A member of the
Association of British
Insurers and
the Insurance Ombudsman
Bureau

Endorsement attaching to and forming part of the Policy.

The Insured

Year 2000 EXCLUSION

The Insurer shall not be liable under this Policy to make any payment for **Financial Loss** in respect of any **Claim** made against any **Insured Persons** arising from, based upon, attributable to or as a consequence of the failure of any computer or other equipment or system for processing storing or retrieving data, whether the property of the **Company** or not, and whether occurring before, during or after the year 2000

1. Correctly to recognise any data as its true calendar date
2. To capture save or retain, and/or correctly to manipulate, interpret or process and data or information or command or instruction as a result or treating any date otherwise than as its true calendar date.
3. To capture save retain or correctly to process any data as a result of the operation of any command which has been programmed into any computer software, being a command which causes the loss of data or the inability to capture save retain or correctly to process such data on or after any date.

**ENDORSEMENT FOR ATTACHMENT TO YOUR RESIDENTIAL
PROPERTY OWNERS POLICY**

The following Endorsement applies to your policy with effect from inception or the first renewal date on or after the 1st January 2003

The policy general definition and Special Provision on *your* Policy relating to terrorism are cancelled and replaced as follows

A - EXCLUSION IN RESPECT OF TERRORISM

- (a) This Policy does not cover *damage* to any property anywhere in the world or loss resulting from such *damage* arising from any act falling within sub-clause 1(b) below the use or threat of which is made for the purpose of advancing a political, religious or ideological cause and to intimidate or seek to intimidate the public or a section of the public.
- (b) An act falls within this sub-clause 1b) if it:-
 - (1) involves serious violence against a person; and/or
 - (2) involves serious *damage* to property; and/or
 - (3) endangers a person's life, other than that of the person committing the act; and/or
 - (4) creates a serious risk to health and safety of the public or a section of the public; and/or
 - (5) is designed seriously to interfere with or seriously to disrupt an electronic system.
- (c) This Policy does not cover *damage* to any property anywhere in the world or loss resulting from such *damage* arising from any act or acts of any person or persons acting on behalf of or in connection with any organisation which carries out activities directed towards the overthrowing or influencing by force or violence of any government which is in power by right or otherwise.
- (d) If *we* decide that by reason of this exclusion *damage* or loss resulting from such *damage* is not insured and *you* dispute *our* decision *you* must prove that this exclusion should not apply.

B - NORTHERN IRELAND EXCLUSION

This Policy does not cover *damage* to any property in Northern Ireland or loss resulting from such *damage* arising from civil commotion.

C – TERRORISM EXCLUSION CLAUSE (Property Owners Liability)

Section 2 – Property Owners Liability does not cover any consequence, arising directly or indirectly from terrorism.

For the purposes of this clause “terrorism” means any act

- (1) involving serious violence against a person; and/or
- (2) involving serious damage to property; and/or
- (3) endangering a person' life, other than that of the person committing the act; and/or
- (4) creating a serious risk to health and safety of the public or a section of the public; and/or
- (5) designed seriously to interfere with or seriously to disrupt an electronic system

the use or threat of which is made for the purpose of advancing a political, religious or ideological cause and to influence any government or to intimidate the public or a section of the public.

D – TERRORISM LIMITATION CLAUSE (Employers Liability)

The limit of liability payable under Section 3 – Employers' Liability – in respect of any one claim against or by *you* or series of claims against or by *you* arising directly or indirectly from terrorism shall be £5,000,000.

For the purposes of this clause “terrorism” means any act

- (1) involving serious violence against a person; and/or
- (2) involving serious damage to property; and/or
- (3) endangering a person' life, other than that of the person committing the act; and/or
- (4) creating a serious risk to health and safety of the public or a section of the public; and/or
- (5) designed seriously to interfere with or seriously to disrupt an electronic system

the use or threat of which is made for the purpose of advancing a political, religious or ideological cause and to influence any government or to intimidate the public or a section of the public.

GENERAL EXCLUSION

This Policy does not cover

(1) *damage* to any computer or other equipment or component or system or item which processes stores transmits retrieves or receives data whether tangible or intangible (including but without limitation any information or programs or software) and whether the property is insured or not where such *damage* is caused by Virus or Similar Mechanism or Hacking or Denial of Service Attack.

(2) consequential loss directly or indirectly caused by or arising from Virus or Similar

Mechanism or Hacking or Denial of Service Attack.

But this shall not exclude *damage* or consequential loss which results from an insured event (including the acts of thieves but excluding the acts of malicious persons which do not involve physical force or violence)

DEFINITIONS

For the purposes of this General Exclusion the following special meanings shall apply:

“Virus or Similar Mechanism” means program code programming instruction or any set of instructions intentionally constructed with the ability to damage interfere with or otherwise adversely affect computer programs data files or operations whether involving self-replication or not. The definition of Virus or Similar Mechanism includes but is not limited to trojan horses worms and logic bombs.

“Hacking” means unauthorised access to any computer or other equipment or component or system or item which processes stores transmits retrieves or receives data whether belonging to *you* or not.

“Denial of Service Attack” means any actions or instructions constructed or generated with the ability to damage interfere with or otherwise affect the availability of networks network services network connectivity or information systems. Denial of Service Attacks include but are not limited to the generation of excess traffic into network addresses the exploitation of system or network weaknesses and the generation of excess or non-genuine traffic between and amongst networks.

Employers' Liability Endorsement Corporate Manslaughter and Corporate Homicide Act 2007

Cover Under Section 3 – Employers Liability extends to indemnify the Insured in respect of legal costs and expenses incurred with the Insurer's prior written consent in connection with the defence of any criminal proceedings (including any appeal against conviction arising from any such proceedings) brought in respect of a charge and or investigations connected with a charge of corporate manslaughter or corporate homicide under the Corporate Manslaughter and Corporate Homicide Act 2007 or any equivalent legislation in the Isle of Man or the Channel Islands committed or alleged to have been committed during the Period of Insurance in the course of the business.

Provided always that:

- a) the Insurer's liability under this extension shall not exceed £5,000,000 in any one period of insurance. This limit will form part of and not be in addition to the limit of indemnity stated in the schedule
- b) this Extension shall only apply to proceedings brought in Great Britain, Northern Ireland, the Isle of Man or the Channel Islands
- c) the Insurer must consent in writing to the appointment of any solicitor or counsel who are to act for and on behalf of the Insured
- d) the Insured shall give to the Insurer immediate notice of any summons or other process served upon the Insured which may give rise to proceedings under this extension
- e) in relation to any appeal counsel has advised there are strong prospects of such appeal succeeding
- f) the Insurer shall be under no liability:
 - i) where the Insured has committed any deliberate or intentional criminal act giving rise to a corporate manslaughter or corporate homicide charge
 - ii) in respect of fines or penalties of any kind
 - iii) in respect of the defence of any criminal proceedings brought or in an appeal against conviction arising from such proceedings in respect of a breach of the Health and Safety at Work Act 1974 or the Health and Safety at Work Act (Northern Ireland) Order 1978 or any regulations made thereunder
 - iv) where indemnity for defence costs is available from any other source or is provided by any other insurance or where but for the existence of this extension indemnity would have been provided by such other source or insurance
- g) where the Insurer has already indemnified the Insured in respect of legal costs or expenses incurred in the defence of any criminal proceedings arising out of the same cause or occurrence which gave rise to the charge of and or investigation connected with corporate manslaughter or corporate homicide under another section of the policy the amount paid under that section will be taken into account in arriving at the Insurer's liability payable under this extension.

Public Liability Endorsement Corporate Manslaughter and Corporate Homicide Act 2007

Cover Under Section 2 – Property Owners Liability extends to indemnify the Insured in respect of legal costs and expenses incurred with the Insurer’s prior written consent in connection with the defence of any criminal proceedings (including any appeal against conviction arising from any such proceedings) brought in respect of a charge and or investigations connected with a charge of corporate manslaughter or corporate homicide under the Corporate Manslaughter and Corporate Homicide Act 2007 or any equivalent legislation in the Channel Islands or the Isle of Man committed or alleged to have been committed during the Period of Insurance in the course of the business.

Provided always that:

- h) the Insurer’s liability under this extension shall not exceed £5,000,000 in any one period of insurance or the Limit of Indemnity stated in the schedule whichever is the lesser. This limit will form part of and not be in addition to the Limit of Indemnity stated in the schedule
- i) this Extension shall apply only to proceedings brought in Great Britain, Northern Ireland, the Channel Islands or the Isle of Man
- j) the Insurer must consent in writing to the appointment of any solicitor or counsel who are to act for and on behalf of the Insured
- k) the Insured shall give to the Insurer immediate notice of any summons or other process served upon the Insured which may give rise to proceedings under this extension
- l) in relation to any appeal counsel has advised there are strong prospects of such appeal succeeding
- m) the Insurer shall be under no liability:
 - v) where the Insured has committed any deliberate or intentional criminal act giving rise to a corporate manslaughter or corporate homicide charge
 - vi) in respect of fines or penalties of any kind
 - vii) in respect of the defence of any criminal proceedings brought or in an appeal against conviction arising from such proceedings in respect of a breach of:
 - 1) the Health and Safety at Work Act 1974 or the Health and Safety at Work Act (Northern Ireland) Order 1978 or any regulations made thereunder
 - 2) the Food Safety Act 1990 or any regulations made thereunder
 - 3) the Consumer Protection Act 1987 or any regulations made thereunder
 - viii) where indemnity for defence costs is available from any other source or is provided by any other insurance or where but for the existence of this extension indemnity would have been provided by such other source or insurance
- n) where the Insurer has already indemnified the Insured in respect of legal costs or expenses incurred in the defence of any criminal proceedings arising out of the same cause or occurrence which gave rise to the charge of and or investigation connected with corporate manslaughter or corporate homicide under another section of the policy the amount paid under that section will be taken into account in arriving at the Insurer’s liability payable under this extension.

Summary of Cover

Zurich Residential Property Owners Policy for Lansdown Insurance Brokers

This leaflet provides a summary of the significant features, benefits and limitations of the cover provided by Zurich Insurance Company's Residential Property Owners policy subject to normal acceptance. For full details of the cover including complete terms, conditions and exclusions please refer to the policy document (copy available on request).

Type of Insurance and cover

This is a package policy for residential property owners, aimed at both single blocks and portfolios. The standard duration of this non-investment insurance contract is 12 months.

Significant features and benefits

- Current re-building cost enhanced by **33.3%** to cover post-loss inflation plus automatic index-linking at renewal.
- Additional costs incurred due to public authority requirements.
- Rent or alternative accommodation up to **33.3%** of buildings sum insured.
- Loss of metered water following damage at the premises up to **£5,000** (maximum £25,000 anyone period).
- Water damage tracing costs up to **£5,000** (maximum £25,000 anyone period).
- Re-letting costs up to **£5,000** any one period.
- Reasonable boarding-up costs included.
- Exceptional measures cover up to **£25,000**.
- Prevention of access cover up to **20%** of buildings sum insured.
- Non-damage prevention of access cover up to **£100,000 or 10%** of buildings sum insured, whichever is less.
- Removal of nests up to **£250** (maximum £5,000 anyone period).
- Tree felling/lopping/removal up to **£500** (maximum £2,500 anyone period).
- Public utilities cover up to **20%** of buildings sum insured.
- Capital additions up to **£500,000 or 20%** of buildings sum insured, whichever is less.
- Other interests/contracting purchasers' interests, are noted provided we are informed in the event of a loss.
- Temporary removal cover for cleaning, renovation or repair up to **£2,500**.
- Concern for welfare limit **£5,000** (maximum £15,000 in anyone period of insurance).
- Damage caused by Emergency Services including landscaped gardens.
- Theft of keys up to **£1,000**.
- Deeds and documents up to **£500**.

Material Damage

- Damage to property insured against fire and additional perils of lightning, explosion, aircraft, smoke, earthquake, subterranean fire, spontaneous fermentation, theft, riot & civil commotion, malicious persons, storm or flood, escape of oil or water, impact by vehicles or animals, breakage or collapse of communication aerials, subsidence and accidental damage.
- Wide definition of buildings including: landlords' fixtures and fittings, outbuildings, roads, garden machinery, garden furniture, trees and plants.
- Contents of common parts including: furniture, carpets, curtains, equipment and tenants' improvements up to a limit of **£25,000** - can be increased.

Property Owners' Liability

- Legal liability for injury to third parties or damage to their property, including injury or damage caused by goods sold or supplied.
- Legal costs relating to a claim, in addition to the limit of liability selected.
- Legal defence costs arising under the Health & Safety at Work Act 1974.
- Indemnity to principals, directors and employees.
- Legal liability arising under the Defective Premises Act 1972, in connection with premises disposed of.
- Liability to pay compensation for wrongful arrest.
- Limit of Indemnity: £10 million.

Employers' Liability: Protects employers against damages and legal costs which arise as a result of employees suffering an injury or disease due to, and during, their employment.

- Standard cover provides protection for legal liability world-wide for damages and legal costs up to £10 million.
- Indemnity limits up to £25 million available upon request.
- Indemnity for any director or employee if a claim is made against them personally.
- Indemnity to principal.
- Legal costs including those arising from criminal charges brought under the Health & Safety at Work Act 1974.

Legal Expenses for the Eviction of Squatters

- Reasonable fees, costs, expenses and disbursements which are not reimbursed, that are reasonably and properly incurred to secure eviction of squatters.
- Loss limit **£50,000**.

Significant and unusual exclusions or limitations:

Exclusions for Material Damage

- Excess - the amount specified in the schedule as the Excess in respect of the cost of each and every occurrence for which the Insured is indemnified (see Exclusions under section 1 – Material Damage).
- Mechanical or electrical breakdown (see Exclusions under Accidental Damage).
- Damage caused by faulty or defective design or workmanship (see Exclusions under Accidental Damage).
- Damage caused by wear and tear (see Exclusions under Accidental Damage).
- Damage caused by fraud or dishonesty (see General Provisions which apply to the whole policy for details). Theft from the contents of the common areas of the property unless there has been a forcible and violent entry (see Exclusions under Theft).
- Subsidence caused by the usual settlement or bedding down of structures or movement of made-up ground (see Exclusions under Subsidence).
- Pollution or contamination other than caused by a sudden, identifiable, unintended and unexpected incident (see Exclusions under section 1).
- Damage by terrorism is excluded but can be arranged on payment of an additional premium.

Exclusions for Property Owners' Liability

- Liability for liquidated damages, fines or penalties which apply solely due to a contract (see Exclusion section in the policy for details). Professional Indemnity (see Exclusion section).
- Product recall or guarantee (see Exclusions under section 2).
- Cover for circumstances where the Road Traffic Act liability applies (see Exclusions under section 2).
- Pollution or contamination not caused by a sudden, identifiable and unexpected incident (see Exclusions under section 2).
- Products sold or supplied to USA or Canada, unless specifically agreed (see sections 2 and 3 additional cover, extensions, provisions, condition(s) and exclusions).
- The first £100 of any claim for third party property damage (see Cover under section 2).
- Liability arising from any act of terrorism (an endorsement will be attached to the policy giving details).
- Any amount in excess of £2 million in respect of pollution or contamination (see limits of liability under section 2).
- Liability arising from any exposure to asbestos unless we have confirmed that the risk management procedures in place are adequate.

Exclusions for Legal Expenses (See Exclusions applicable to section 4a)

- Costs incurred in removing squatters where the incident occurred more than six months prior to the administrators being advised.
- Costs incurred in any action, made without prior consent of the administrators, made differently than agreed with professional advisers, made after a prejudicial delay.

Exclusions for Employers' Liability

- Cover for any employee on any offshore installation, support or accommodation for any offshore installation (see sections 2 and 3 additional cover, extensions, provisions, condition(s) and exclusions),
- Cover for any employee who is in transit to, from, or between any offshore installation, support, or accommodation vessel for any offshore installation (see sections 2 and 3 additional cover, extensions, provisions, condition(s) and exclusions),
- Any circumstance in which the Road Traffic Act applies (see Exclusions applicable to section 3),
- Where an employee is involved in tree felling or lopping; window cleaning, painting or similar tasks from cradles or hoists; provision, erection or dismantling of scaffolding; demolition, erection or structural alteration of, or addition to, new or existing buildings; any trade calling or profession other than property owner (see Exclusions applicable to section 3).

Cancellation rights

This policy entitles you to a 14-day cooling-off period.

Claims

To notify a claim please call 08457 023 076.