

**THE STATE OF NEW HAMPSHIRE**

**MERRIMACK, SS**

**SUPERIOR COURT**

**Docket No. 03-E-0106**

**In the Matter of the Liquidation of  
The Home Insurance Company**

**LIQUIDATOR'S MOTION FOR APPROVAL OF  
LEASE AGREEMENT AND LEASE TERMINATION AGREEMENT**

Roger A. Sevigny, Insurance Commissioner for the State of New Hampshire, as Liquidator ("Liquidator") of The Home Insurance Company ("Home"), hereby moves that the Court enter an order approving (1) a Lease Termination Agreement with 1870 Associates terminating the lease at 286 Commercial Street, Manchester, New Hampshire, and (2) a Lease Agreement with Langer Place, Inc., for space at 55 South Commercial Street, Manchester, New Hampshire (and authorizing the Liquidator to amend the agreement to allow for a move in July if that proves possible). The Liquidator has entered the two agreements, subject to Court approval, to reduce costs by moving the Home liquidation's operations in New Hampshire from 286 Commercial Street to a smaller space at 55 South Commercial Street. As further reasons therefor, the Liquidator states as follows:

1. Home has long had an office in Manchester, New Hampshire, and it has leased space at 286 Commercial Street since 1993. In 2003, the Liquidator entered a lease for 14,311 square feet on the third floor at 286 Commercial Street which, after exercise of an extension option, currently runs through July 31, 2010. The lease also provides for a second option to extend the term of the lease for another three year period, through July 31, 2013. Affidavit of

Peter A. Bengelsdorf, Special Deputy Liquidator, in Support of Motion for Approval of Lease Agreement and Lease Termination Agreement (“Bengelsdorf Aff.”) ¶ 2.

2. The amount of space required for the liquidation operations in Manchester has decreased due to reductions in liquidation staff and reduced need for storage. To address this issue, the Liquidator approached the landlord, 1870 Associates, in the fall of 2007 to inquire whether the landlord would take back some of the space at 286 Commercial Street. In April 2008, the landlord advised that it would like to take back the entire space. Bengelsdorf Aff. ¶ 3.

3. The Liquidator accordingly investigated available properties in the Manchester area through a real estate broker and the internet. Liquidation staff visited approximately fifteen properties, including office parks and other premises on Commercial Street. The Special Deputy Liquidator and staff visited the three final properties and selected the second floor space at 55 South Commercial Street as the most suitable. It provided the desired amount of space in a recently renovated building in a convenient location with ample parking. It was also the least expensive. Bengelsdorf Aff. ¶ 4.

4. The Liquidator accordingly entered into negotiations with Langer Place, Inc., the landlord at 55 South Commercial Street, for that space. The Liquidator also entered negotiations with 1870 Associates regarding termination of the lease at 286 Commercial Street. The Liquidator has now entered into the Lease Agreement with Langer Place, Inc., and the Lease Termination Agreement with 1870 Associates. Copies of the Lease Agreement and Lease Termination Agreement are attached as Exhibits A and B to this motion, respectively. Both agreements are subject to approval by the Court. Lease Agreement § 21; Lease Termination Agreement § 7. Bengelsdorf Aff. ¶ 5. See RSA 402-C:25.

5. Under the Lease Agreement, the Liquidator will lease 6,300 square feet on the second floor of 55 South Commercial Street for a term of five years commencing August 1, 2008. Lease Agreement §§ 2, 3(a). The Liquidator has an option to extend the term for an additional two years and five months (to December 31, 2015) at the fair market rental value of the space as of August 1, 2013. Id. § 3(c). The Liquidator may also choose to surrender either an 1800 or 2700 square foot portion of the space for the extended term. Id. § 3(d). This will permit a reduction in lease costs if the liquidation does not then require the full leased space. Bengelsdorf Aff. ¶ 6.

6. The Lease Agreement provides for an annual base rent of \$47,250. Lease Agreement § 4(a). It is a modified gross lease, and the annual base rent includes the tenant's pro rata share of real estate taxes, common area charges, maintenance and utilities (except for electricity and voice/data transmission services). Id. § 4(b). The rent is subject to an annual adjustment based on the consumer price index. Id. § 4(d). Bengelsdorf Aff. ¶ 7.

7. The other provisions of the agreement, including covenants and insurance requirements, are set forth in the Lease Agreement. See Exhibit A. The Lease Agreement provides for assignment of the lease or subletting of all or a portion of the space on the written consent of the landlord, which consent shall not be unreasonably withheld. Lease Agreement § 6(g). Bengelsdorf Aff. ¶ 8.

8. The Lease Termination Agreement provides for the Home liquidation to vacate the space at 286 Commercial Street between July 1 and August 15, 2008 upon seven days notice to the landlord. Lease Termination Agreement § 2. The lease for those premises will terminate on the date the premises are vacated, and the base monthly rent will be pro rated as of that date. Id. The Lease Termination Agreement acknowledges that an air conditioning unit and fire

suppression system installed by Home will become the property of the lessor. Id. § 3. It provides that neither party will have any future obligations under the lease as of the termination date except for specified provisions (including responsibility for operating expenses pro-rated through the termination date and an indemnity with respect to liability arising from any claim based on an occurrence on the leased premises). Id. § 4. The other provisions, including mutual releases, are set forth in the Lease Termination Agreement. See Exhibit B. Bengelsdorf Aff. ¶ 9.

9. Together, the agreements provide for the Home liquidation to vacate the 286 Commercial Street space and move into the 55 South Commercial Street space on or before August 15, 2008. The Lease Termination Agreement allows some flexibility as to when the move will actually occur because the build-out at 55 South Commercial Street, including installation of a data transmission line, will need to be completed before the move can occur. The Liquidator and both landlords want the move to take place as soon as possible. In the event that it proves possible to move into the new space before August 1, 2008, the Liquidator and Langer Place, Inc., intend to amend the Lease Agreement to provide an earlier occupancy date for a pro rated portion of monthly rent charges. Bengelsdorf Aff. ¶ 10.

10. The agreements provide for the Home liquidation operations in New Hampshire to move to a space that is more appropriately sized to for the liquidation's present and future needs. The square footage will be reduced from 14,311 to 6,300. The agreements will also result in significant savings for the Home estate. The annual base rent will be reduced from \$175,309 under the existing lease for 286 Commercial Street to \$47,250 under the Lease Agreement for 55 South Commercial Street. Comparison of the base rents actually understates the annual savings because the base rent in the Lease Agreement includes heat and common area maintenance charges that were added to base rent under the old lease. Even adding in the

\$81,000 one time charge for the build-out (which is not included in base rent, Lease Agreement § 2), the Home estate will achieve significant savings in the first year of the Lease Agreement. Taking into account the differing items included in base rent, the savings over the remaining term of the existing lease (through July 31, 2010) are projected to be over \$350,000. Including the option period through July 31, 2013, the savings would be approximately \$1 million. The rent under the Lease Agreement is a fair market rent for the space at 55 South Commercial Street, and the terms of the Lease Agreement are commercially reasonable. See Bengelsdorf Aff. ¶ 11.

11. For these reasons, the Liquidator submits that the Lease Agreement and the Lease Termination Agreement are fair and reasonable and in the best interests of the Home liquidation and of the policyholders and creditors of Home. See Bengelsdorf Aff. ¶ 12.

WHEREFORE, the Liquidator respectfully requests that the Court:

- (a) Grant this motion;
- (b) Enter an order in the form submitted herewith approving the Lease Agreement and the Lease Termination Agreement and, in the event that it proves possible to move into 55 South Commercial Street before August 1, 2008, authorizing the Liquidator to amend the Lease Agreement to provide an earlier occupancy date for a pro rated portion of monthly rent charges; and
- (c) Grant such other and further relief as justice may require.

Respectfully submitted,

ROGER A. SEVIGNY, INSURANCE  
COMMISSIONER OF THE STATE OF  
NEW HAMPSHIRE SOLELY AS  
LIQUIDATOR OF THE HOME  
INSURANCE COMPANY,

By his attorneys,

KELLY A. AYOTTE  
ATTORNEY GENERAL

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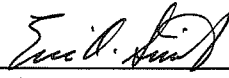
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Eric A. Smith (#16952)  
Rackemann, Sawyer & Brewster P.C.  
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Boston, MA 02110  
(617) 542-2300

June 2, 2008

**Certificate of Service**

I hereby certify that a copy of the foregoing Liquidator's Motion for Approval of Lease Agreement and Lease Termination Agreement, the supporting Affidavit of Peter A. Bengelsdorf, and the Proposed Order, were sent, this 2<sup>nd</sup> day of June, 2008, by first class mail, postage prepaid to all persons on the attached service list.

  
\_\_\_\_\_  
Eric A. Smith

THE STATE OF NEW HAMPSHIRE

MERRIMACK, SS.

SUPERIOR COURT

In the Matter of the Liquidation of  
The Home Insurance Company  
Docket No. 03-E-0106

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**LEASE AGREEMENT**

This Lease Agreement is dated as of the 30<sup>th</sup> day of May, 2008 (the "Lease"),  
by and among the parties listed below:

**1. PARTIES**

LANDLORD: LANGER PLACE, INC. (the "Landlord")  
55 SOUTH COMMERCIAL ST  
MANCHESTER NH 03101

TENANT: THE HOME INSURANCE COMPANY BY ITS LIQUIDATOR,  
ROGER A. SEVIGNY, COMMISSIONER OF INSURANCE FOR  
THE STATE OF NEW HAMPSHIRE, SOLELY IN HIS CAPACITY  
AS LIQUIDATOR (the "Tenant")  
286 Commercial Street  
Manchester, NH 03101

**2. DEMISED PREMISES**

The Landlord hereby leases to the Tenant and the Tenant hereby leases from  
the Landlord, upon and subject to the terms and provisions of this Lease, the space  
containing approximately 6,300 square feet on the second floor, as set forth on the floor  
plan attached hereto as Exhibit A (the "Demised Premises"), said space being a part of  
the building and improvements located at 55 South Commercial Street in Manchester,

New Hampshire (the "Property"). Not later than the Commencement Date (as defined below), the Landlord shall complete the improvements to the Demised Premises set forth on Exhibit B, Exhibit B1 and Exhibit B2, attached hereto (the "Improvements"). Upon delivery of the Demised Premises by the Landlord to the Tenant on the Commencement Date, the Tenant shall pay the Landlord by check the sum of Eighty One Thousand Dollars (\$81,000) for the Improvements (the "Improvements Consideration"), subject to the Improvements having been completed in a workmanlike manner to the Tenant's satisfaction in accordance with the plans and specifications.

### **3. TERM**

a) **Original Term**: The original term of this Lease shall be for a period of five (5) years, commencing on August 1, 2008 (the "Commencement Date") and terminating on July 31, 2013 (the "Original Term").

b) **Occupancy**: The Tenant shall be entitled to take occupancy of the Demised Premises upon the Commencement Date provided that the Improvements have been completed by the Landlord by that date. In the event that the Landlord fails to complete the Improvements to the Tenant's satisfaction by the Commencement Date, the Tenant shall either be entitled to (a) complete same, on the express understanding and agreement of the Landlord that (i) any cost incurred by the Tenant in effecting such completion shall be debited against the Improvements Consideration otherwise payable to the Landlord hereunder; and (ii) the Tenant shall be entitled to a full rent abatement until the Improvements have been completed and occupancy of the Demised Premises is taken by the Tenant; or (b) take occupancy of the Demised Premises while the

Landlord completes any punch-list items outstanding with respect to the Improvements on the express understanding and agreement of the Landlord that the Tenant shall be entitled to a full rent abatement until completion of the Improvements; or (c) declare this Lease null and void and of no force or effect, with no rights or entitlements hereunder or any recourse whatsoever attaching to the Landlord by reason thereof.

c) Option to Extend: The Landlord hereby grants to the Tenant an option to extend the Original Term for an additional period of two (2) years and five (5) months (from August 1, 2013 through December 31, 2015 (the "Extension Term"). All terms of this Lease shall apply during the Extension Term, provided, however, that the Rent, as defined in Paragraph 4 hereof, for the Extension Term shall be adjusted as of the first day of the Extension Term to the fair market rental value of the Demised Premises as of that date. Within ten (10) days of the Landlord's receipt of the Tenant's notice of extension, as provided herein, the Landlord shall notify the Tenant of the then fair market rental value of the Demised Premises. If the Tenant notifies the Landlord in writing within ten (10) days following receipt of Landlord's notice of fair market rental value that it disagrees with the Landlord's determination, then the Landlord shall, at its sole cost and expense, obtain an appraisal of said fair market rental value from an appraiser mutually agreed to by the parties. In the event the parties fail to agree on an appraiser within five (5) days of Tenant's notice of disagreement, then the Landlord shall appoint either Fremeau Appraisal, Inc. of Manchester, New Hampshire, or Crafts Appraisal Associates, Ltd. of Bedford, New Hampshire as the appraiser. The appraiser shall be instructed to deliver its appraisal to the Landlord within thirty (30) days and Landlord shall notify the Tenant in writing immediately of such appraisal. Unless the

Tenant notifies the Landlord in writing that the Tenant rejects such appraisal and withdraws the Tenant's notice of extension within seven (7) days, such appraisal of fair market rental value shall determine the Rent, subject to adjustment under Section 3 (d) below, during the Extension Term. If the Tenant has withdrawn its notice of extension, this Lease shall terminate on the last day of the Original Term. The option for the Extension Term shall be exercised by written notice delivered by the Tenant to the Landlord at least one hundred twenty (120) days before the expiration of the Original Term (the "Extension Notice"). If the Tenant fails to deliver the Extension Notice to the Landlord within the prescribed time period, such option shall lapse, and there shall be no further right on the Tenant's part to extend the Original Term.

d) **Surrender of Space**: If the Tenant exercises its option to extend the Original Term in accordance with Section 3 (c), the Tenant also shall have the right and option to surrender to the Landlord a portion of the Demised Premises consisting of either 1800 square feet or 2700 square feet. If the Tenant elects to exercise its right to surrender, it shall notify the Landlord accordingly in the Extension Notice and indicate whether it is surrendering an 1800 square foot portion, or a 2700 square foot portion of the Demised Premises (the "Surrender Space") as such portions are indicated by the shaded areas set forth on the floor plan attached hereto as Exhibit C. The surrender of any such portion of the Demised Premises shall be effective as of the commencement of the Extension Term ("Surrender Date"), and the Annual Base Rent shall be reduced on a proportionate basis to reflect that portion of the Demised Premises so surrendered. On or before the Surrender Date, Tenant shall vacate from and surrender the Surrender Space to Landlord and the estate and interest of the Tenant in and to the

Surrender Space shall be wholly extinguished as of the Surrender Date.

#### 4. RENTAL

a) Subject to Paragraph 3 (b), the Tenant shall pay without notice or demand and without abatement, deduction or set-off, the "Annual Base Rent" (also referred to as "Rent") in equal monthly installments (the "Monthly Base Rent"), in advance, on the first day of each calendar month, payable to the Landlord and sent to 55 So. Commercial St., Manchester NH 03101 or such other place or places as the Landlord may designate in writing. If the Commencement Date shall occur on a day other than the first day of a month, the Tenant shall pay a pro rata share of the Monthly Base Rent for the first month of the Original Term. For purposes of this Lease, the "Annual Base Rent" or "Rent" for the first Lease year (August 1, 2008 through July 31, 2009) shall be Forty Seven Thousand Two Hundred Fifty Dollars (\$ 47,250) and the Monthly Base Rent shall be Three Thousand Nine Hundred Thirty Seven Dollars and Fifty Cents \$ 3,937.50, and thereafter subject to adjustment in accordance with Paragraph 4 (d) hereof.

b) This Lease is a modified gross lease, and the Annual Base Rent shall include the Tenant's pro rata share of real estate taxes, common area charges, maintenance, and utilities, with the exception of electricity, and voice and data transmission services, for which the Tenant shall be responsible. .

c) **Late charges:** In the event the Tenant fails to make any payment within ten (10) calendar days after the Tenant's receipt of written notice by the Landlord of non-payment (with TIME BEING OF THE ESSENCE), the Tenant shall incur a late charge

of five percent (5%) of such payment not made on its due date. The Landlord and the Tenant agree that this late charge is reimbursement for the Landlord's costs in tracking, accounting for, and collecting any late payments.

d) Rent adjustment (CPI-U): Annually, effective each anniversary of the Commencement Date, (each, an "Adjustment Date"), the Annual Base Rent for the next Lease year shall be adjusted to the product of (x) Monthly Base Rent as of the Commencement Date (or, in the case of the Extension Term, the commencement date of the Extension Term), multiplied by (y) the greater of (i) the following fraction: CPI as of the Adjustment Date divided by CPI as of the Commencement Date (or, in the case of the Extension Term, the commencement date of the Extension Term), or (ii) one. "CPI" means the Consumer Price Index for all Urban Consumers, Boston-Brockton-Nashua, MA-NH-ME-CT area, new series, all items, not seasonally adjusted.

## **5. COVENANTS OF THE TENANT**

a) **Use:** The Tenant shall not use or occupy the Demised Premises for any purpose other than to conduct the Tenant's business. The Tenant's use and occupation of the Demised Premises shall conform to all applicable local, state, and federal ordinances, regulations, and laws. The Tenant shall indemnify and save the Landlord harmless from and against all claims, demands, liabilities, costs, and expenses, including reasonable counsel fees arising out of or by reason of any breach or violation by the Tenant of any provision of this section.

b) **Utilities, equipment, etc:** The Landlord shall be responsible for all charges of utilities to the Demised Premises including, but not limited to, and where available,

gas, fuel, oil, water, sewerage and other items directly used by the Tenant, except for electricity and voice and data transmission services for which the Tenant shall be responsible. The Tenant's use of electricity in the Demised Premises shall not at any time exceed the capacity of any of the electrical conductors or equipment in or otherwise serving the Demised Premises.

c) **Maintenance and security**: The Tenant agrees to keep the Demised Premises in a neat, orderly, and safe condition, and shall not allow them to suffer strip or waste. The Tenant shall also be responsible for securing and maintaining the Demised Premises in as good condition and repair as exists at the Commencement Date, reasonable wear and tear, damage by fire or other casualty excepted.

d) Alterations: The Tenant may, with the prior written approval of Landlord, which approval shall not be delayed or unreasonably withheld, make such alterations, additions or improvements to the Demised Premises as it shall deem necessary or desirable; provided, however:

i) No such alteration, addition or improvement shall lessen the fair market rental value of the Demised Premises;

ii) Any such alteration, addition or improvement shall be made in accordance with previously prepared plans and specifications, and if the estimated cost of such alterations, addition, or improvement exceeds Ten Thousand Dollars (\$10,000), such plans and specifications shall have the written approval of the Landlord before any work thereon shall be commenced;

iii) That prior to the commencement of work on any such alteration, addition or improvement, the Tenant shall procure, at its own cost and expense, all



necessary permits; furthermore, the plans and specifications covering the same shall have been submitted to and approved by (i) all municipal or other governmental departments or agencies having jurisdiction over the subject matter thereof; and (ii) any mortgagees having an interest in or lien upon the Demised Premises if required by the terms of the mortgage, it being understood that the Landlord will not unreasonably refuse to join in any application to any such mortgagee to obtain such approval with respect to any alteration, addition or improvement;

iv) In carrying out all such alterations, addition or improvements, the Tenant agrees to comply with the standards, guidelines and specifications imposed by all municipal or other governmental departments and agencies having jurisdiction over same, including without limitation, all building codes;

v) Upon the expiration or termination of this Lease, the Tenant may, but shall not be obligated to, remove any alteration, addition or improvement made by the Tenant and shall restore the Demised Premises to their condition as at the Commencement Date, reasonable wear and tear, taking by eminent domain and casualty excepted. In the event the Tenant fails to remove any such alteration, addition or improvement it shall become and remain the property of the Landlord.

e) **Machinery and equipment – Trade Fixtures**: The Tenant agrees that all machinery and equipment, and appurtenances thereto, installed in the Demised Premises by it or by any employee, agent or subcontractor of the Tenant, or sublessee of the Tenant, which cannot be removed from the Demised Premises without permanent or substantial damage to the Demised Premises shall be and become part of the realty and shall be and become the property of the Landlord and shall not be

removed from the Demised Premises without the written consent of the Landlord. The Landlord agrees that (i) all machinery and equipment, and appurtenances thereto, installed in the Demised Premises by the Tenant, or by any employee, agent or subcontractor of Tenant, or by any sublessee of the Tenant, which may be removed from the Demised Premises without permanent or substantial damage to the Demised Premises; and (ii) all furniture, furnishings, computers and accessory equipment and movable trade fixtures installed in the Demised Premises, shall be deemed to remain personal property and that all such machinery, equipment, appurtenances, furniture, furnishings and movable trade fixtures of the Tenant or of any employee, agent, subcontractor or sublessee of the Tenant, may be removed prior to the expiration of this Lease or its earlier termination for any cause herein provided for; but the Tenant shall repair any damage occasioned by such removal and shall restore the Demised Premises to their condition as at the Commencement Date, reasonable wear and tear, taking by eminent domain, and damage due to fire or other casualty insured against excepted.

f) **Liability**: The Tenant shall indemnify and save the Landlord harmless from and against any and all suits, claims, and demands of any kind or nature, by and on behalf of any person, firm, association, or corporation, arising out of or based upon any incident, occurrence, injury, or damage which shall or may happen on or about the Demised Premises, and from and against any matter, thing, occupation, or use of the Demised Premises which was done or caused to be done by the Tenant, its agents, servants, employees, licensees, and/or invitees.

g) **Assignment and subletting**: The Tenant shall not pledge or assign this Lease or sublet all or any part of the Demised Premises without the prior written consent of the Landlord, which consent shall not be unreasonably withheld. In the event of an assignment or subletting of the Demised Premises, the obligation of the Tenant shall not be relieved or diminished. In the event the Tenant defaults on the payment of the Annual Base Rent under the terms of this Lease, the Tenant is encouraged and agrees to actively market and sublet the Demised Premises in order to minimize the loss both to the Tenant and to the Landlord.

h) **Subordination and power of attorney**: The Tenant agrees, any provision of this Lease to the contrary notwithstanding, that it shall subordinate the lien of this Lease to any mortgage or mortgages which now exist or which may hereafter be placed upon the Property, and to any renewal, extension, or modification of such mortgages. The Tenant shall execute and deliver, upon demand, to the Landlord, at the Landlord's expense, such instrument or instruments as may be reasonably required to effect such subordination. In the event that the Tenant shall fail or neglect to execute, acknowledge, or deliver any such subordination instrument, the Landlord, in addition to any other remedies, may, as the agent of the Tenant, execute, acknowledge, and deliver the same, and the Tenant hereby nominates, constitutes, and appoints the Landlord as the Tenant's proper legal attorney-in-fact for such purposes. The subordination of this Lease shall be conditioned upon the execution and delivery by the mortgagee or trustee of an agreement that so long as the Tenant is not in default under the terms of this Lease, the mortgagee or trustee, or any such person succeeding to the rights of the mortgagee or trustee, or any purchaser at a foreclosure sale under said

mortgage or deed of trust (i) shall assume the Landlord's liabilities and obligations under this Lease; (ii) shall not disturb the peaceful possession of the Tenant hereunder; and (iii) shall not adversely affect the Tenant's rights, liabilities and financial considerations enumerated in this Lease.

i) **Landlord's right to enter**: The Tenant agrees, any provision of this Lease to the contrary notwithstanding, that the Landlord may enter the Demised Premises from time to time, when reasonable under the circumstances and upon prior written notice, to inspect the Demised Premises and to make any necessary repairs, improvements or replacements therein, and to allow the Landlord to show the Demised Premises to prospective tenants for a period beginning six (6) months prior to the termination of this Lease.

j) **Hazardous waste**: The Tenant shall not cause or permit any hazardous substance to be used, stored, generated or disposed of on or about the Demised Premises or the Property. The Tenant shall indemnify and hold harmless the Landlord from any and all claims, damages, fines, judgments, penalties, costs, liabilities or losses (including, without limitation, any and all costs associated with the removal and clean-up of same, a decrease in value of the Demised Premises, damages caused by loss or restriction of rentable or usable space, and any and all sums paid for settlement of claims, reasonable attorney's fees, consultant and expert fees) arising during or after the expiration of this Lease and resulting from or arising out of Tenant's breach of the foregoing covenant. As used herein, "hazardous substance" means any substance that is regulated by any local government, the State of New Hampshire or the United States Government. "Hazardous substance" includes any and all material or substances that

are defined a "hazardous substance" pursuant to state, federal or local government law. "Hazardous substance" includes, but is not limited to PCBs, petroleum, and other volatile organic compounds (VOCs).

k) **Aesthetics, signs, etc**: In order to preserve the aesthetic quality and integrity of 55 South Commercial St., the Tenant shall not erect, affix, or display any antenna, awning, or other equipment or apparatus on the exterior of the Demised Premises or the Property, including, without limitation the building or any of the surrounding grounds or parking areas without the prior written consent of the Landlord, which consent shall not be unreasonably withheld. The Tenant may erect only such signs as the Landlord shall approve prior to installation of said sign or signs and as are necessary to advertise the location of the Tenant's business.

l) **Insurance**: The Tenant shall carry, throughout the term of this Lease, including throughout an Extension Term, at its own expense, comprehensive liability insurance on the Demised Premises and its use and occupation thereof with an insurance company authorized to do business in New Hampshire. Such insurance shall be carried in the name of and for the benefit of the Tenant, with Landlord as an additional insured, shall provide coverage of at least \$2,000,000 in case of death or injury to one person, and at least \$1,000,000 in case of loss, destruction or damage to property. Such insurance shall also cover the Tenant's property, improvements and betterments to the Demised Premises. The Tenant shall furnish to the Landlord certification or proof of insurance within twenty (20) days after the Commencement Date, which shall provide that the insurance indicated therein shall not be canceled without at least ten (10) days written notice to Landlord.

m) **Attornment**: In the event of a sale by the Landlord or a foreclosure by any mortgagee holding a mortgage upon all or any part of the Demised Premises, the Tenant shall, upon written notice from the Landlord, attorn to and accept such purchaser or his assignee as the direct Landlord for the balance then remaining of the term of this Lease.

## 6. COVENANTS & MATTERS REGARDING THE LANDLORD

a) **Quiet enjoyment**: The Landlord covenants, warrants and represents that it has full right and power to execute and perform this Lease and to grant the premises herein and covenants that the Tenant, on paying the Rent as provided in Paragraph 4 hereof, and on performing the Tenant's covenants and agreements hereof, shall peaceably and quietly hold and enjoy the Demised Premises and all rights, appurtenances and privileges thereto during the full term of this Lease.

b) **Utilities**: The Landlord will furnish reasonable heat to the Demised Premises, and heat and electricity to the hallways, corridors and public lavatories during normal business hours, on regular business days and additional weekend hours as may be requested by the Tenant, and to provide all sewerage and water as reasonably required for the Tenant's use. The Landlord shall be in no way liable to the Tenant for any interruption in the supply of heat, power, electricity, gas, water, sewerage, or other utilities occasioned by any accident, repair, alteration, improvement, labor difficulty, or shortage of fuel, electricity, or other utilities from the sources where usually obtained or for any other cause beyond the control of the Landlord.

c) **Repairs and maintenance**: The Landlord covenants that it will maintain in good repair the roof, elevators and exterior walls of the Property, the structural beams, structural columns and other structural and mechanical parts of the Property and the Demised Premises and that it shall make all necessary structural repairs caused by the design or faulty repairing, replacement or maintenance activity. The Landlord shall not be obligated to make any repairs or replacements necessitated by the misuse, neglect, or abuse of the Tenant, its agents, servants, employees, or business invitees within or about the Demised Premises or the Property.

d) **Disturbance or damage**: If the Demised Premises and/or the Property are damaged by fire or other casualty which damage in the opinion of the Landlord may be repaired or restored within one hundred twenty (120) days from the date of such damage, then this Lease shall continue in effect and the Landlord shall repair or restore the Demised Premises and/or the Property within said one hundred twenty (120) days as closely as practicable to their original size, shape, and condition. Until such repairs or restoration shall have been accomplished, a portion of the Rent shall abate equal to the proportion of the Demised Premises rendered unusable by the damage, if any. In the event the Landlord has not repaired or restored the Demised Premises and/or the Property within said one hundred twenty day (120) period, then the Tenant may, at its option, terminate this Lease effective upon written notice to Landlord. The Landlord may terminate this Lease upon written notice to Tenant if the cost of such repair or restoration shall exceed the sum of the insurance payable to it and released to it by any mortgagee or mortgagees. In the event the Demised Premises or the Property shall be

so damaged as to require in the opinion of the Landlord more than one hundred twenty (120) days to be repaired or restored, or in the event the Demised Premises or the Property shall be totally destroyed by fire or other casualty, then the Landlord or Tenant may, at either's option, terminate this Lease by giving written notice within ten (10) days of such destruction or damage and upon such termination, each party shall be relieved of any further obligation to the other except for the pro rata return of any advance Rent, to the Tenant and the payment to the Landlord of a pro rata share of any Rent in arrears.

e) **Eminent domain**: If all of the Demised Premises and the Property of which they are a part shall be taken for public purpose by eminent domain, then this Lease shall terminate as of the date on which the condemnor takes possession of the Demised Premises or the Property, and the parties shall be under no further obligation to one another hereunder except for the pro rata return of any advance Rent, to the Tenant and the payment to the Landlord of a pro rata share of any Rent in arrears. If a portion of the Demised Premises or Property shall be so taken such that, in the opinion of the Tenant, the Demised Premises are no longer suitable for the intended use by the Tenant, then this Lease shall terminate upon the terms and conditions set forth in the preceding sentence. All damages awarded for any such taking, whether for whole or part of the Demised Premises shall belong to and be the sole property of the Landlord, and the Tenant hereby assigns to the Landlord all its right, title, and interest thereto, provided, however, that the Tenant shall be entitled to receive and retain any amounts which may be specifically awarded to it for diminishing the value of its leasehold, including by reason of the loss of its furniture, furnishings, machinery, equipment,



appurtenances or trade fixtures constructed or installed by the Tenant or for business interruption expenses or necessary moving expenses incidental thereto. The Tenant shall execute and deliver any document necessary or desirable to confirm the Landlord's rights hereunder.

f) **Insurance:** The Landlord shall procure at its expense and continue in force during the term of this Lease fire and extended coverage insurance upon the facilities constructed, erected or installed on the Property, including the Demised Premises, on a full value, repair or replacement basis. The Landlord also shall procure and carry at its expense and continue during the term of this Lease comprehensive primary and umbrella liability insurance on the Demised Premises with an insurance company authorized to do business in New Hampshire. Such insurance shall be carried in the name of and for the benefit of the Landlord, with the Tenant named as an additional insured. The primary insurance shall be written on an aggregate bodily injury and property damage basis; and shall provide coverage of at least Two Million Dollars (\$2,000,000), and the umbrella insurance shall provide at least Five Million Dollars (\$5,000,000) of coverage excess of the primary insurance limits on an aggregate bodily injury and property damage basis. The Landlord shall furnish to the Tenant a certificate of such insurance which shall provide that the insurance indicated therein shall not be canceled without at least ten (10) days prior written notice to the Tenant.

## 7. DEFAULT:

a) **Events of default**: The Tenant shall be deemed in default under the terms and conditions of this Lease if the Tenant shall fail to perform any of the following:

i) Payment of any installment of Rent or other payment required to be made by the Tenant hereunder within ten (10) days after the date on which it is due if such default remains within five (5) days after the Landlord's written notice to the Tenant to cure same;

ii) Performance or observance of any other covenant or condition of this Lease (except for payment of rent as recited above) and such default remains unremedied for thirty (30) days after written notice thereof has been given to the Tenant by the Landlord, if such default may be cured within said thirty (30) day period.

Otherwise, within a reasonable period of time thereof; provided that within said thirty (30) day period, the Tenant commences and proceeds continuously and with due diligence to remedy the same until a cure has been effected.

b) **Landlord's remedies**: Once the Tenant is in default of its obligation hereunder and has failed to cure same as provided above, the Landlord shall be entitled, at its option, to do any, some, or all of the following:

i) **Reclaim the Demised Premises**: Immediately, or at any time thereafter, with demand or notice, enter the Demised Premises or any part thereof and repossess the same and expel the Tenant and those claiming through or under the Tenant and remove their effects, without being deemed guilty of any manner of trespass and without prejudice to any remedies which might be otherwise used for arrears of Rent or preceding breach of covenant in order to protect the Demised Premises or to mitigate

damages. Upon such entry, this Lease shall terminate and Tenant covenants that in case of such termination, the Tenant shall remain liable to the Landlord in an amount equal to the total Rent reserved for the balance of the Lease, less the net amount (after deducting the expenses of repair, renovation, or demolition) which the Landlord realizes from the re-letting of the Demised Premises, plus any and reasonable attorney's fees and costs incurred by the Landlord in enforcing any of its rights and powers under this Lease;

ii) Eviction of the Tenant: Proceed with an eviction of the Tenant's right to possession in accordance with the statutory laws and remedies of the State of New Hampshire and to regain possession of the Demised Premises to re-let same in an effort to protect the Demised Premises and to mitigate damages as recited herein;

iii) Litigation against Tenant: Commence one or more actions at law or equity for reimbursement of all the Landlord's expenses, costs and damages arising out of the Tenant's default and in addition thereto, for all payments of Rent presently due and owing and that shall become due and owing for the remainder of this Lease in accordance with the Landlord's remedies hereunder and remedies available to Landlord at law or in equity;

iv) Acceleration of Rent: If the Landlord is forced to bring suit against the Tenant to collect any outstanding amounts due Landlord pursuant to the terms of this Lease, and if the expiration of the Lease is less than six (6) months from the date that a final judgment is rendered by a court of competent jurisdiction, then the Landlord shall be entitled to receive as part of any court award the remaining Rent from the Tenant.

v) Re-let the Demised Premises: If a sufficient sum shall not be realized

as a result of the Landlord's re-let of the Demised Premises to yield the Rent due under this Lease, the Tenant agrees to satisfy and pay all deficiencies as they may become due during each month of the remaining term of this Lease.

c) **Mitigation of damages**

i) The Tenant shall have the primary responsibility to insure that the Demised Premises are re-let for the remaining term of this Lease in the event of Tenant's default. Tenant will cooperate with the Landlord and shall undertake all reasonable activity to mitigate Landlord's damages and to provide an acceptable substitute tenant under the terms and conditions recited herein;

ii) The Landlord shall have the secondary duty and shall exercise reasonable diligence to re-let the Demised Premises and shall contract with a licensed real estate broker who shall provide the Tenant with periodic reports of such releasing activity and be available to Tenant with a concerted effort to mitigate damages hereunder.

**8. HOLDING OVER**

If the Tenant shall remain in possession of the Demised Premises after expiration of the Original Term or the Extension Term of this Lease, without the Landlord's written consent, the Landlord may take such steps as may be required to remove the Tenant from the Demised Premises. Such holdover by the Tenant shall not extend the term of this Lease, but shall create a month to month tenancy on all the terms stated herein.

## **9. PROPERTY REMAINING UPON DEFAULT**

If, upon the expiration or earlier termination of this Lease, the Tenant fails to remove from the Demised Premises any personal property of whatever nature, said property may be removed by the Landlord and stored for the account of the Tenant, and if the Tenant shall fail to repossess said property within thirty (30) days after such expiration or earlier termination, such property shall be deemed to have been abandoned by the Tenant and may be appropriated, sold, destroyed, or otherwise disposed of by the Landlord without notice to the Tenant and without obligation to account therefore. The Tenant shall pay to the Landlord the cost incurred by the Landlord in removing, storing, selling, destroying, or otherwise disposing of any such property.

## **10. NOTICES**

Any written notice, request or demand required or permitted hereunder shall, until either party shall notify the other in writing of a different address, be properly given if sent by certified or registered mail, postage prepaid, or by overnight delivery service, addressed to the parties hereto at the addresses stated below or if given in hand by one party to the others and the other parties acknowledge receipt of such notice in writing.

If to Landlord: Langer Place, Inc.

55 South Commercial Street

Manchester, NH 03101

Attn: Jan Langer

If to Tenant: The Home Insurance Company in Liquidation

59 Maiden Lane, 5<sup>th</sup> Floor

New York, NY 10038

Attn: Peter A. Bengelsdorf, Special Deputy Liquidator

#### **11. SUCCESSION**

This Lease shall be binding upon and inure to the benefit of the parties hereto, their heirs, successors, administrators, and assigns, provided, however, that the foregoing shall not permit the Tenant to assign and/or sublet its interest in the Demised Premises other than in accordance with the requirements of this Lease.

#### **12. WAIVER**

Any consent, express or implied, by the Landlord to any breach by the Tenant of any covenant or condition of this Lease shall not constitute a waiver by the Landlord of any prior or succeeding breach by the Tenant of the same or any other covenant or condition of this Lease. Acceptance by the Landlord of Rent or other prepayment with knowledge of a breach or default under any term hereof by the Tenant shall not constitute a waiver by the Landlord of any breach or default.

### **13. GOVERNING LAW**

This Lease shall be construed and interpreted in accordance with the laws of the State of New Hampshire.

### **14. WAIVER OF SUBROGATION**

The Landlord and the Tenant hereby release each other (and each person and legal entity claiming through each of them) from any and all liability or responsibility to the other (and each person and legal entity claiming through the other) by way of subrogation or otherwise for any loss or damage to property caused by fire or any of the extended coverage casualties, or by sprinkler leakage, even if such fire, other casualty, or such leakage shall have been caused by the fault or negligence of the other party or anyone for whom such party may be responsible, provided, however, that its release shall be applicable and in force and effect only with respect to loss or damage occurring during such time as the releasor's policies shall contain a clause or endorsement to the effect that any such release shall not adversely affect or impair the coverage of said policies or prejudice the right of the releasor to recover thereunder. If extra costs shall be chargeable therefore, each and the other party, at its election, may pay the same but shall not be obligated to do so.

## **15. DELAYS**

In any case where the parties hereto are required to do any act, the time for performance thereof shall be extended for a period equal to any delay caused by or resulting from any act of God, war, civil commotion, fire casualty, labor difficulties, shortages of labor, materials or equipment, governmental regulations, or other causes beyond such party's reasonable control, whether such time be designated by a fixed date, a fixed time, or a "reasonable time".

## **16. LANDLORD'S DEFAULT**

In no case shall the Landlord be deemed to be in default under this Lease, unless the Tenant shall have first given notice in writing, within ten (10) days following the occurrence or the date of its reasonable discovery, specifying the nature of the default complained of and the Landlord shall have failed to cure said default within a reasonable period of time after such notice.

## **17. COMMON AREAS**

The Tenant shall have the right to use the common areas in conjunction with other tenants of the Landlord and business invitees. Common areas shall be defined as those portions of the building, parking areas, walkways, internal corridors and stairways, elevators, bathrooms and other internal common areas, etc, as they may exist from time to time which are open to the general public and not specifically leased



to any one tenant. The Tenant shall have no authority, express or implied, to use the common areas for its exclusive use or for advertising or storage purposes. The Landlord shall furnish janitor service and utilities to said common areas.

## **18. COUNTERPARTS**

This Lease may be executed in counterparts, each of which shall be deemed an original and all collectively but one and the same instrument.

## **19. COURT APPROVAL OF LEASE**

a) Notwithstanding any provision of this Lease to the contrary, this Lease is conditioned upon the approval (the "Court Approval") of the Superior Court of Merrimack County, New Hampshire (the "Court"), in connection with Tenant's liquidation proceeding entitled *In the matter of the Liquidation of The Home Insurance Company*, Docket No. 03-E0106.

b) The Tenant shall apply to the Court for the Court Approval within seven (7) business days following the date of execution by both parties to this Agreement and shall use its commercially reasonable efforts to obtain the Court Approval as soon as reasonably practicable and shall furnish Landlord with a copy of the Court Approval upon receipt thereof. If, despite such commercially reasonable efforts, the Tenant does not obtain the Court Approval on or prior to July 15, 2008, then either party shall have the right upon written notice to the other, to terminate this Agreement *ab initio*, in which event this Lease shall be null and void and of no force or effect, with no rights or entitlements attaching to either party by reason of such termination.

IN WITNESS WHEREOF, the parties have executed this Lease as of the day  
and year first above written.

**LANGER PLACE, INC.**

**Landlord**

By: William Langer  
Name:  
Title: president LANGER PLACE

**THE HOME INSURANCE COMPANY BY ITS LIQUIDATOR, ROGER A. SEVIGNY,  
COMMISSIONER OF INSURANCE FOR THE STATE OF NEW HAMPSHIRE,  
SOLELY IN HIS CAPACITY AS LIQUIDATOR**

**Tenant**

By: Peter Bengelsdorf  
Name: Peter Bengelsdorf  
Title: Special Deputy Liquidator

Exhibit A – Demised Premises

6,300 Sq. Ft.

The Home Insurance Company in Liquidation  
55 S. Commercial Street – 2<sup>nd</sup> Floor  
Manchester – NH 03101



Prepared by Richard Durant/Giampaolo Cinquegrana

May 21, 2008

## Exhibit B: Improvements

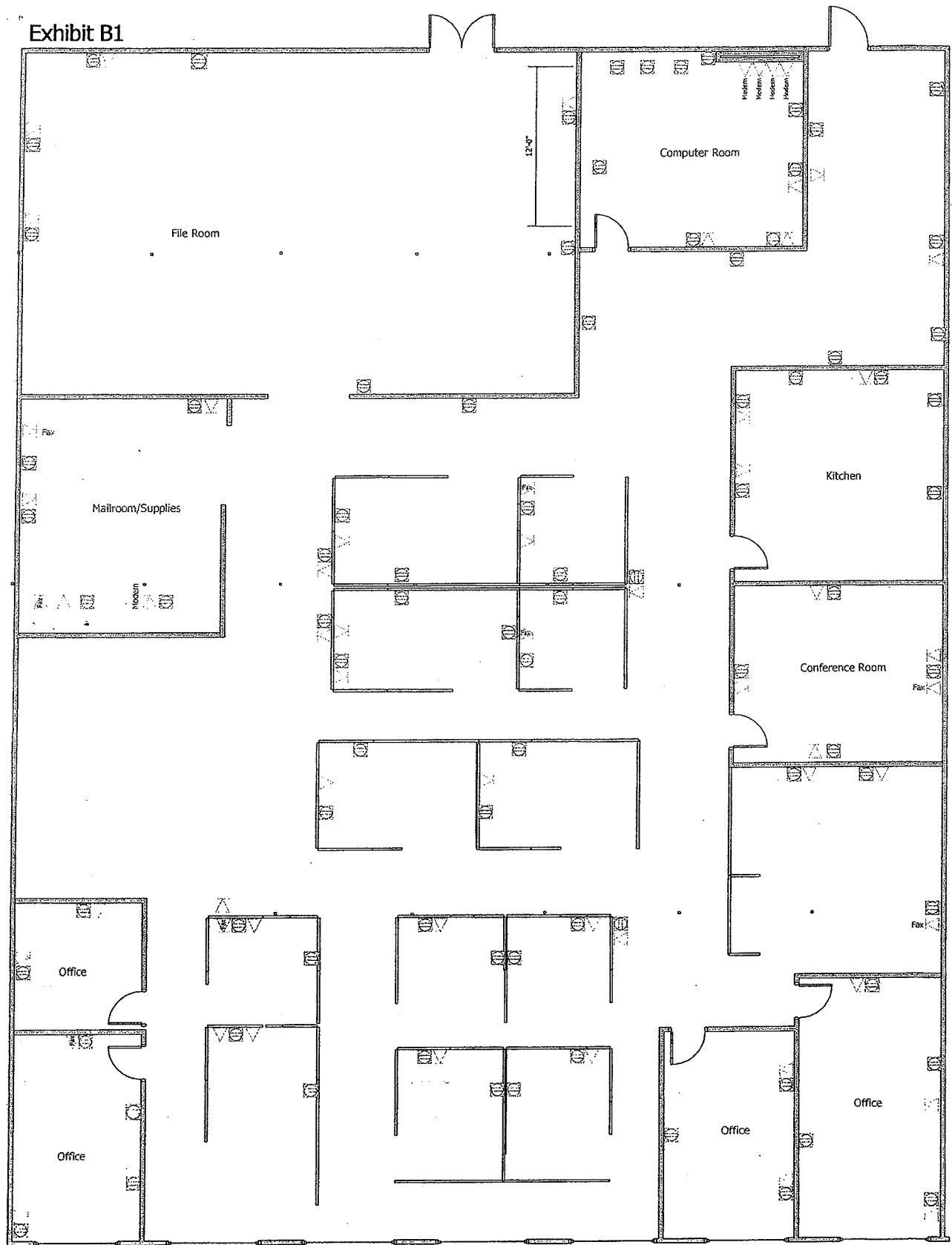
### I. Improvements for the Data Center/Electrical/Telephone Room

1. Drop ceiling (Landlord to discuss with Tenant prior to completion)
2. Flooring (not carpet)
3. 4 – 30 amp outlets
4. 5 – 15 amp outlets
5. Ground wiring for PBX
6. 4 by 8 ft plywood for PBX mounting
7. Fire suppression equipment, sprinkler heads installed away from the top of the server racks
8. A/C unit with the 4 ton condenser installed on the roof
9. Data Center equipment power and cooling requirements are attached in separate document.
10. Provide all electrical wiring and outlets and Data/Voice jacks per floor plan specifications. See attached floor plan. Please note the equipment (desktops, printers, scanners and telephones) on individual workstations and outside the offices. Canon Copier requires 20 amp outlet and the three Lexmark printers require 15 amp outlets.

### II. General Improvements

1. Provide general office lighting for entire space.
2. Provide general flooring allowance of \$11.00 per square yard using either carpet or non carpet alternative per tenant's request.
3. Paint all walls and trim.
4. Erect demising walls pursuant to the floor plan specifications to include areas labeled kitchen, conference room, four offices, file room and Data Center (computer room) to floor plan specifications
5. Install cabinetry in kitchen along left wall that includes a sink w/countertop.
6. Install card readers at front door and entrance to IT room using existing Home equipment)
7. Install door locks for:
  - IT room
  - Large corner office
  - Front door
8. Install doorbell/buzzer at front door.

Exhibit B1



**Note:**  
● Electrical Outlet  
□ Data/Voice Jac

The Home Insurance Company in Liquidation  
55 S. Commercial Street - 2<sup>nd</sup> Floor  
Manchester - NH 03101



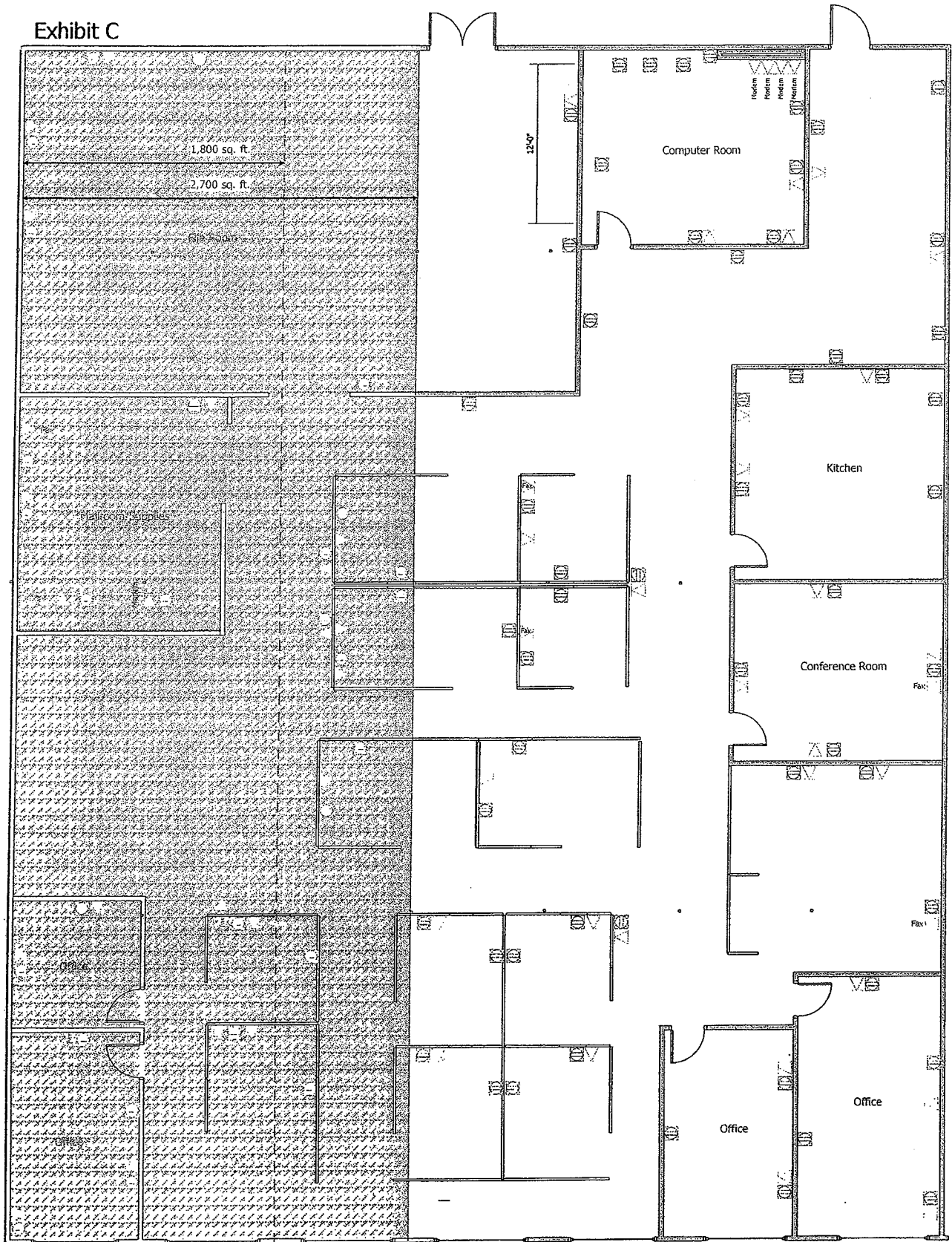
Prepared by Richard Durant/Glampaulo Cinquegrana

# Exhibit B2

## Data Center Equipment - Power and Cooling Requirements

Server/Device Name	Description	Model	Model #	BTU Max	Watts	Input KVA
Manchester						
Manchester	Server	xSeries 235	8671-41X	1,875	549	784
ManReferee	Server	xSeries 235	8671-7AX	1,875	549	784
Monitor			6734-HB0			
Tape Drive	B/U Manchester	Adic	FastStor2	229	67	96
Tape Drive	B/U ManReferee	DW/XGB/DX-XC	98-6152-01	229	67	96
Autoview	KVM Switch	Avocent	2000R			
Tape Drive	B/U HomeImage1	Adic	FastStor2	229	67	96
Tape Drive	B/U Schedule	Adic	FastStor2	229	67	96
DR HomeImage1	DR Server	xSeries 346	8840-41U	1,619	474	677
ManImage	Server	xSeries 346	8840-01U	1,619	474	677
DR HomeBios	DR Server	xSeries 346	8840-22U	1,619	474	677
DR Schedule	DR Server	xSeries 346	8840-22U	1,619	474	677
DR HomeWeb	DR Server	xSeries 346	8840-41U	1,619	474	677
DR Great Plains 1	DR Server	xSeries 346	8840-41U	1,619	474	677
DR Wincoins	DR Server	xSeries 346	8840-41U	1,619	474	677
Monitor	Console	ThinkVision	6636-AB1			
DR HomeSntp	DR Server	xSeries 346	8840-22U	1,619	474	677
DR HomeClaims	DR Server	xSeries 346	8840-22U	1,619	474	677
DR HomeMail	DR Server	xSeries 365	8862-6RX	1,923	563	804
DR HomeCitrix2	DR Server	xSeries 365	8862-6RX	1,923	563	804
SmartUPS 3000 XL - 1	APC Ups	SU3000RMXL	SU3000RMXL3U			
Battery Pack - 1	APC Ups	SU48XLBP	SU48R3XLBP			
Sun StorEdge L8	B/U	Adic	FastStor2	229	67	96
SunFire V880				3,787	1,109	1,584
SmartUPS 3000 XL - 2	APC Ups	SU3000RMXL	SU3000RMXL3U			
Battery Pack - 2	APC Ups	SU48XLBP	SU48R3XLBP			
SmartUPS 3000 XL - 3	APC Ups	SU3000RMXL	SU3000RMXL3U			
Battery Pack - 3	APC Ups	SU48XLBP	SU48R3XLBP			
Monitor	Console		6734-HB0			
AvTech Room Alert		Room Alert 24E				
Alcatel OmniStack 6148	NW Switch	6148	6148	413	121	173
Alcatel OmniStack 6124	NW Switch	6124	6124	413	121	173
Alcatel OmniStack 6148	NW Switch	6148	6148	413	121	173
Paradyne FrameSaver	WorldCom WOG49475	SLV				
Cisco 3600	ZA Connection	3600		205	60	86
Paradyne FrameSaver		iMarc				
Cisco 2600	UUNET	2600		260	76	109
Nokia IP350	Firewall Primary	IP350	350	137	40	57
US Robotics V90 Modem						
Cisco 2600	UUNET	2600		260	76	109
Nortel PBX	Telephone System		NTAK1130	3,074	900	1,285
<b>Total</b>				<b>32,274</b>	<b>9,449</b>	<b>13,498</b>

Exhibit C



**Note:**  
● Electrical Outlet  
○ Data/Voice Jac

The Home Insurance Company in Liquidation  
55 S. Commercial Street - 2<sup>nd</sup> Floor  
Manchester - NH 03101



Prepared by Richard Durant/Giampaulo Cinquegrano

**LEASE TERMINATION AGREEMENT**

This Lease Termination Agreement (the "Termination Agreement"), is by and between **1870 ASSOCIATES**, a New Hampshire limited partnership with a place of business at 340 Commercial Street, Manchester, New Hampshire, 03101, ("Lessor"), and **THE HOME INSURANCE COMPANY**, a New Hampshire corporation with a principal place of business at 286 Commercial Street, Manchester, NH, 03101, by its liquidator, Roger A. Sevigny, Commissioner of Insurance for the State of New Hampshire, solely in his capacity as Liquidator, ("Lessee"), parties to the "Indenture of Lease" dated July 18, 2003 as supplemented by countersigned letter dated June 13, 2007, relating to Leased Premises situated at 286 Commercial Street, Manchester, NH, (the "Lease"). Lessor and Lessee hereby agree as follows:

1. All terms in this Termination Agreement not otherwise defined herein shall, for the purposes hereof, have the same meanings as ascribed to them in the Lease.
2. Upon at least seven (7) days prior written notice but not before June 23, 2008, Lessee shall notify Lessor of the date Lessee shall vacate the Leased Premises, remove all Lessee's property therefrom and deliver possession of the Leased Premises to Lessor in accordance with section 23.1 of the Lease. Subject to section 7, below, Lessee shall give such notice to Lessor on or before August 8, 2008. On the date Lessee vacates the Leased Premises, which date



shall not be later than August 15, 2008 (the "Termination Date"), the Lease shall terminate and Lessee shall have no further obligations thereunder except as set forth herein. Lessor and Lessee agree that the Base Monthly Rent shall be pro rated as of the Termination Date.

3. Lessor acknowledges that the following items installed by Lessee: (i) the computer room air conditioning unit and the associated condensing unit on the roof of 286 Commercial Street, and (ii) the halon fire suppression system located on the Leased Premises shall remain on the Leased Premises, shall not be removed by the Lessee on or after the Termination Date, and therefore, shall become the property of Lessor as provided in section 9.1 (G) of the Lease.

Lessor further acknowledges and agrees that Lessee shall have no responsibility, obligation or liability whatsoever arising from or out of the existence, function, or operation of such equipment on the Leased Premises following the Termination Date. Lessor hereby agrees to release and hold Lessee harmless from any and all costs, expenses, claims, actions or liabilities relating to, or arising out of the existence, function or operation of the air conditioning equipment and the halon fire suppression system identified in clauses (i) and (ii) above following the Termination Date.

4. Between the date hereof and the Termination Date, both parties shall continue to fully perform their obligations under the Lease.

5. Effective as of the Termination Date, neither party shall have any further rights or obligations under the Lease except for:

a. Rights and obligations under this Termination Agreement;

b. Rights and obligations under section 4.3 of the Lease relating to Lessee's share of actual Operating Expenses, which shall be pro-rated as of the Termination Date, with Lessor to provide the written statement referred to therein to Lessee on or before the expiration of 30 days following the Termination Date;

c. Indemnity obligations under section 18.1 of the Lease.

6. Subject to the terms and conditions of this Termination Agreement, and in consideration of the surrender by Lessee of the Leased Premises and the acceptance of such surrender by Lessor, Lessee and Lessor do hereby mutually release each other, their respective shareholders, partners, members, affiliates, investors, officers, attorneys, representatives, successors and assigns of and from any and all claims, damages, obligations, liabilities, actions and causes of action, of every kind and nature whatsoever, known or unknown, arising under or in connection with the Lease after the Termination Date, except that nothing herein contained shall be deemed to constitute a release or discharge of Lessee or Lessor with respect to any obligation provided in this Termination Agreement.

7(a). Notwithstanding any provision of this Termination Agreement to the contrary, the effectiveness of this Termination Agreement is conditioned upon the approval (the "Court Approval") of the Superior Court of Merrimack County, New Hampshire (the "Court") in connection with Lessee's liquidation proceeding entitled In the Matter of the Liquidation of The Home Insurance Company, Docket No. 03 – E-0106.

7(b). Lessee shall apply to the Court for the Court Approval within seven (7) business days following execution of this Agreement by the parties hereto

and shall use its commercially reasonable efforts to obtain the Court Approval as soon as reasonably practicable and shall furnish Lessor with a copy of the Court Approval upon receipt thereof. If despite such commercially reasonable efforts Lessee does not obtain the Court Approval on or prior to July 15, 2008, unless the parties otherwise agree in writing, this Termination Agreement shall be null and void and of no force and effect, and the Lease shall remain in full force and effect.

8. Any notice given pursuant to this Termination Agreement shall be in accordance with the provisions of section 27.1 of the Lease with the proviso that a copy of the notice to Lessee also shall be sent as follows:

The Home Insurance Company in Liquidation  
59 Maiden Lane, 5<sup>th</sup> Floor  
New York, New York 10038  
Attn: Angela Anglum, Esq.  
Vice President Legal Affairs.

IN WITNESS WHEREOF, Lessor and Lessee have signed this Lease  
Termination Agreement as of the 30<sup>th</sup> day of May, 2008.

**1870 ASSOCIATES ("Lessor")**

BY: Robert M. Tuttle

Witness: Seth [Signature]

TITLE: GENERAL PARTNER

**THE HOME INSURANCE COMPANY by its liquidator, ROGER A. SEVIGNY,  
COMMISSIONER OF INSURANCE FOR THE STATE OF NEW HAMPSHIRE,  
SOLELY IN HIS CAPACITY AS LIQUIDATOR ("Lessee")**

BY: Peter [Signature]

Witness: [Signature]

TITLE: Special Deputy Liquidator