

Exhibit A
The Lease Modification

PARTIAL SURRENDER AND EXTENSION OF TERM AGREEMENT

PARTIAL SURRENDER AND EXTENSION OF TERM AGREEMENT (this "Agreement") dated as of the ___ day of October, 2003 by and between 59 MAIDEN LANE ASSOCIATES, LLC, a New York limited liability company, having an office at c/o AmTrust Realty Corp., 250 Broadway, New York, New York 10007 ("Landlord") and THE HOME INSURANCE COMPANY, IN LIQUIDATION, a New Hampshire corporation, having an office at 59 Maiden Lane, New York, New York 10038 ("Tenant").

WITNESSETH:**WHEREAS:**

A. Landlord's predecessor-in-interest, Mitchell E. Rudin, as Receiver for Olympia & York Maiden Lane Company, LLC, and Tenant heretofore entered into a certain lease dated as of December 22, 1998, which lease was amended by that certain letter agreement dated March, 1999, that certain letter agreement dated April 12, 1999, that certain letter agreement dated June 10, 1999, that certain letter agreement dated October 1, 1999, and that certain Substitution of Space and Extension of Term Agreement dated as of November 14, 2001 (the "Substitution Agreement"; such lease, as the same has been amended, is hereinafter called the "Lease"), with respect to a portion of the building known as 59 Maiden Lane, New York, New York (the "Building") for a term expiring on December 31, 2006 or on such earlier date upon which said term may expire or be terminated pursuant to any conditions of limitation or other provisions of the Lease or pursuant to law;

B. Pursuant to the provisions of the Lease, Tenant currently occupies the entire rentable portion of the fifth (5th) and seventeenth (17th) floors and a portion of the basement in the Building (collectively, the "Demised Premises"); and

C. The parties hereto desire to modify the Lease to provide for: (i) the termination of the Lease with respect to and the surrender by Tenant to Landlord of the portion of the Demised Premises located on the seventeenth (17th) floor of the Building; and (ii) the extension of the term of the Lease, all on such terms, provisions and conditions as are more particularly hereinafter set forth.

NOW, THEREFORE, in consideration of the premises and mutual covenants hereinafter contained, the parties hereto agree as follows:

1. All terms contained in this Agreement and not otherwise defined herein shall, for the purposes hereof, have the same meanings ascribed to them in the Lease.
2. The term of the Lease is hereby extended to and including December 31, 2008 and the "Expiration Date" as set forth in the Lease shall be December 31, 2008.
3. Subject to the terms and conditions of this Agreement, Tenant hereby surrenders to Landlord the portion of the Demised Premises located on the seventeenth (17th) floor of the Building (the "Surrender Space") effective as of October 31, 2003 (the "Surrender Date") for the remainder of the term of the Lease, and the estate and interest of Tenant in and to the Surrender Space shall be wholly extinguished as of the Surrender Date. On or before the Surrender Date, Tenant shall vacate from and surrender the Surrender Space to Landlord in the

condition required by Section 22.1 of the Lease; provided, however, that Tenant shall not remove from the Surrender Space the furniture, fixtures and equipment set forth on Exhibit A annexed hereto (the "FF&E"), which FF&E shall become the property of Landlord. If Tenant does not surrender the Surrender Space on or before the Surrender Date, Landlord shall be entitled to exercise all of the rights and remedies available to Landlord as a result of such holding over under the Lease, at law, in equity or otherwise, including, without limitation, under the provisions of Paragraph 22.2(a) of the Lease. The parties acknowledge and agree that the value of the FF&E is nominal and that Tenant is not receiving any consideration therefor (except for the release described in Section 6 of this Agreement). Tenant represents and warrants to Landlord that Tenant has good title to the FF&E which Tenant owns free and clear of all claims, liens and encumbrances of any kind or nature and Tenant has not and will not take or permit any action whereby the FF&E will be encumbered and no party other than Tenant has acquired or will acquire any right, title or interest in or to the FF&E or any portion thereof. Contemporaneously herewith, Tenant shall execute and deliver to Landlord a Bill of Sale for the FF&E in the form annexed hereto as Exhibit B.

4. In consideration for Landlord's entering into this Agreement and accepting the surrender of the Surrender Space, contemporaneously with the execution of this Agreement, Tenant shall pay to Landlord fixed rent and additional rent for Taxes and Operating Expenses attributable to the Surrender Space, through December 31, 2003, in the sum of One Hundred Forty Three Thousand Seven Hundred Seventy-Five and 00/100 (\$143,775.00) Dollars. Upon (i) such payment to Landlord, (ii) the surrender of the Surrender Space in accordance with the provisions of Section 3 of this Agreement, (iii) the giving by Landlord to Tenant of notice

that Landlord has received the Mortgagee Consent (as hereinafter defined), and (iv) receipt by Tenant of the Court Approval (as hereinafter defined), the Lease shall terminate with respect to the Surrender Space.

5. Tenant hereby represents and covenants that nothing has been or will be done or suffered whereby the Lease, or the term or estate thereby granted or the Surrender Space, or any part thereof, or any alterations, decorations, installations, additions and improvements in and to the Surrender Space, or any part thereof, have been or will be encumbered in any way whatsoever, and that Tenant owns and will own the Lease and has and will have good right to surrender the same with respect to the Surrender Space in accordance with the terms of this Agreement, and that no party other than Tenant has acquired or will acquire through or under Tenant any right, title or interest in or to the Lease or the Surrender Space, or any part thereof, or in or to said alterations, decorations, installations, additions and/or improvements or any part thereof. The provisions of this Section 5 shall survive the Surrender Date.

6. Subject to the terms and conditions of this Agreement, Landlord shall accept the surrender of the Surrender Space in accordance with the terms of this Agreement as of the Surrender Date. In consideration of such surrender by Tenant and the acceptance of such surrender by Landlord, Tenant and Landlord do hereby mutually release each other, their respective shareholders, members, affiliates, investors, officers, attorneys, 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 Surrender Space after the Surrender Date, except that nothing herein contained shall be deemed

to constitute a release or discharge of Tenant with respect to: (i) any obligation under the Lease except as provided in this Agreement with respect to the Surrender Space; and (ii) any obligation pursuant to this Surrender Agreement.

7. (a) Landlord and Tenant agree that as of the Surrender Date, the Demised Premises shall be deemed to contain 48,302 rentable square feet consisting of the following:

Entire 5 th Floor -	37,719 rentable square feet
Basement -	<u>10,583 rentable square feet</u>
Total	48,302 rentable square feet

(b) During the period commencing on the Surrender Date and for the remainder of the term of the Lease:

(1) the fixed rent payable by Tenant to Landlord for the Demised Premises shall be at the rate of ONE MILLION THREE HUNDRED FORTY-SIX THOUSAND EIGHT HUNDRED NINETY-THREE and 50/100 (\$1,346,893.50) DOLLARS per annum allocated as follows:

<u>Premises</u>	<u>Annual Fixed Rent</u>
Entire 5 th Floor -	\$1,188,148.50
Basement -	<u>\$ 158,745.00</u>
Total	\$1,346,893.50

(2) with respect to the additional rent payable by Tenant pursuant to Article 4 of the Lease:

(a) “Tenant’s Proportionate Tax Share” as set forth in Section 4.1(d) of the Lease shall mean 4.826%; and

(b) “Tenant’s Proportionate Operating Share” as set forth in Section 4.7(d) of the Lease shall mean 4.826%.

8. Simultaneously with the execution of this Agreement, Landlord and Tenant are completing and executing the (a) New York State Combined Real Estate Transfer Tax Return Credit Line Mortgage Certificate (TP-584) and (b) The New York City Real Property Transfer Tax Return. Landlord shall file such returns, with the New York State Department of Taxation and Finance and the New York City Department of Finance, respectively. Tenant hereby agrees to pay to the extent imposed with respect to the surrender of the Surrender Space and this Agreement any New York State Real Estate Transfer Tax (hereinafter called “Transfer Tax”) and any New York City Real Property Transfer Tax (“RPT Tax”). Tenant agrees to indemnify and hold Landlord harmless from any obligation for any such Transfer Tax and/or RPT Tax and any loss, liability, cost or expense that Landlord may incur by reason of Tenant’s failure to pay same in a timely manner. The provisions of this Section 8 shall survive the Surrender Date.

9. Each of Tenant and Landlord covenants, represents and warrants to the other that neither party has had any dealings or communications with any broker or agent in connection with this Agreement and the surrender contemplated hereby. Each of Tenant and Landlord covenants and agrees to pay, hold harmless and indemnify the other from and against any and all cost, expense (including reasonable attorneys’ fees and court costs), loss and liability

for any compensation, commissions, or charges arising from a breach of the foregoing representation. The provisions of this Section 9 shall survive the Surrender Date.

10. Except as modified by this Agreement, the Lease and all covenants, agreements, terms and conditions thereof shall remain in full force and effect and are hereby in all respects ratified and confirmed.

11. This Agreement shall not be binding upon Landlord unless and until it is signed by Landlord and a fully executed counterpart thereof is delivered to Tenant.

12. Each of the persons executing this Agreement on behalf of Landlord and Tenant represents that he or she has been so duly authorized by Landlord and Tenant.

13. This Agreement contains the entire agreement between the parties, and any executory or oral agreement hereinbefore or hereafter made shall be ineffective to change, modify, discharge or effect an abandonment of it in whole or in part unless such agreement is made after the date hereof and is in writing and signed by the party against whom enforcement of the change, modification, discharge or abandonment is sought.

14. The covenants, agreements, terms and conditions contained in this Agreement shall bind and inure to the benefit of the parties hereto and their respective successors and, except as otherwise provided in the Lease, their respective assigns.

15. This Agreement shall be governed by and interpreted in accordance with the laws of the State of New York.

16. This Agreement may be executed in any number of counterparts, each of which shall, when executed, be deemed to be an original and all of which shall be deemed to be one and the same instrument. The transmission by telecopier of a copy of the signature page from this Agreement executed by the transmitting party, together with instructions that same may be attached to a copy of this Agreement being held by the recipient of such transmission, shall constitute execution and delivery of this Agreement by the transmitting party.

17. If any provisions of this Agreement or the application thereof to any person or circumstance shall, for any reason and to any extent, be invalid or unenforceable, the remainder of this Agreement and the application of that provision to other persons or circumstances shall not be affected but rather shall be enforced if and to the extent permitted by law.

18. This Agreement shall be construed without regard to any presumption or other rule requiring construction against the party causing this Agreement to be drafted.

19. All terms and words used in this Agreement, shall be deemed to include the singular where plural form is used, the plural where singular form is used, and any other gender, all as the context may require,

20. (a) Notwithstanding any provision of this Agreement to the contrary, this Agreement is conditioned upon: (i) receipt by Landlord of the consent (the "Mortgagee Consent") of GEMSA Loan Services, L.P., as agent for Landlord's mortgage lender, La Salle Bank National Association, as Trustee, under that certain Pooling and Servicing Agreement dated as of May 1, 2001 for GE Capital Commercial Mortgage Corporation Commercial

Mortgage Pass-Through Certificates Series 2001-1 (the "Mortgagee") and (ii) 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-E-0106.

(b) Landlord has submitted a request to the Mortgagee for the Mortgagee Consent and shall notify Tenant promptly following Landlord's receipt of the Mortgagee Consent. If Landlord does not receive the Mortgagee Consent on or prior to the Surrender Date, then Landlord shall have the right, upon notice to Tenant, to terminate this Agreement at any time prior to Landlord's receipt of the Mortgagee Consent. In the event this Agreement is so terminated, this Agreement and the Bill of Sale shall be null and void ipso facto, and of no force and effect, the amounts paid by Tenant pursuant to Section 4 of this Agreement shall be applied to fixed rent and additional rent for Taxes and Operating Expenses attributable to the Surrender Space for the period from October 1, 2003 through and including December 31, 2003, and the Lease shall remain in full force and effect.

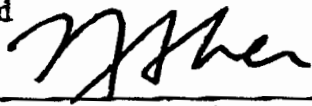
(c) Tenant shall make a true and complete application to the Court for the Court Approval within two (2) days following the date of this Agreement and shall use its best efforts to obtain the Court Approval as soon as reasonably practicable and shall furnish Landlord with a copy of the Court Approval upon receipt thereof. If, despite such best efforts, Tenant does not obtain the Court Approval on or prior to the Surrender Date, then Landlord shall have the right, upon notice to Tenant, to terminate this Agreement at any time prior to Tenant's obtaining of the Court Approval. If Landlord does not terminate this Agreement and the Court Approval is

not obtained by November 30, 2003, then either party shall have the right, on notice to the other, to terminate this Agreement at any time prior to Tenant's obtaining of the Court Approval. In the event this Agreement is so terminated, this Agreement and the Bill of Sale shall be null and void ipso facto, and of no force and effect, the amounts paid by Tenant pursuant to Section 4 of this Agreement shall be applied to fixed rent and additional rent for Taxes and Operating Expenses attributable to the Surrender Space for the period from October 1, 2003 through and including December 31, 2003, and the Lease shall remain in full force and effect.

21. Any notice (as defined in the Lease) given pursuant to this Agreement shall be given in accordance with the provisions of Section 30.1 of the Lease.

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

59 MAIDEN LANE ASSOCIATES, LLC,
Landlord

By: 
Name: Nathan Aber
Title: Manager

THE HOME INSURANCE COMPANY, IN
LIQUIDATION, Tenant

By: _____
Name:
Title:

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

59 MAIDEN LANE ASSOCIATES, LLC,
Landlord

By: _____
Name: Nathan Aber
Title: Manager

THE HOME INSURANCE COMPANY, IN
LIQUIDATION, Tenant

By: Peter Bengtsson
Name: Peter Bengtsson
Title: special Deputy Liquidator

EXHIBIT A

Furniture, Fixtures and Equipment

Furniture and Equipment - 17th Floor

Furniture	Quantity
Mahogany Executive Desks	3
Mahogany Executive Credenza	1
Mahogany Executive Credenza (Open)	1
Mahogany Bookcases with Doors	2
4 Shelf Mahogany Bookcases	4
4 Shelf High Mahogany Bookcase	1
Brown Executive Desk	1
Brown Executive Credenza	1
Brown Small Executive Credenza	1
Brown 3 Shelf Bookcase	1
Brown 2 Drawer Cabinets	3
Brown Coffee Table	1
Brown Round Table	1
5 Shelf Brown Bookcases	2
4 Shelf Brown Bookcases	2
4 Shelf Cherry Bookcases	2
Executive Desk with Computer Table and Drawer Attachment	1
Matching Executive Credenza	1
Matching 3 Shelf Bookcase	1
Computer Tables	4
Sofas	2
High back chairs for office	2
Side chairs for office	6
Low leather side chairs	2
Conference Rooms (2)	
Large Conference Tables	2
7 Shelf Wall Units	6
Blue Sled Chairs	20
6 Shelf Wall Unit (Outside Conf. Rm.)	1

File Cabinets (148)

5 drawer metal	114
4 drawer metal	7
Metal overheads	26
5 Drawer verticle	1

Chairs

Executive chairs	4
Desk chairs for cubicles	32
Task chairs	3
Sled chairs (7 purple, 4 red, 1 blue)	12
Side chairs	2

Tables (29)

Rectangular tables - various sizes	10
Round tables for managers offices	17
Oval table	1

Kitchen

Refrigerator	1
Microwave	1
Cabinet for supplies	1
Garbage can	1
Round table	1
Purple chairs	2
Wall cabinets	2
Counter surface with 2 cabinets and 2 drawers	1