



ADMINISTRATION AGREEMENT

This Administration Agreement, dated as of February 1, 2016, is between **Garden City Group, LLC**, a Delaware limited liability company (the "Company"), and **Health Republic Insurance of New York, Corp.** (the "Client").

The Client desires to retain the Company to perform certain noticing, claims processing, and other administrative services for the Client in connection with a liquidation proceeding (the "Liquidation Proceeding") that is expected to be commenced by the Superintendent of Financial Services of the State of New York (the "Superintendent") in the Supreme Court of the State of New York, County of New York (the "Court"), pursuant to Article 74 of the New York Insurance Law. The Company desires to be so retained, in accordance with the terms and conditions of this Agreement.

In consideration of the mutual covenants herein contained, the parties hereby agree as follows:

1. Services. The Company agrees to provide the services necessary to perform the tasks specified in the pricing schedule that has been supplied to the Client and is attached hereto as Exhibit A, as such services may be requested from time to time by the Client, the Superintendent as liquidator of the Client (the "Liquidator"), or any of their respective agents, professional advisors, officers, or employees. Such services are hereinafter referred to as "Services." The Client agrees and understands that none of the Services constitutes legal advice.

2. Payment for Services; Expenses.

2.1. Compensation. As full compensation for the Services to be provided by the Company, the Client agrees to pay the Company its fees as outlined in the pricing schedule that has been supplied to the Client and is attached hereto as Exhibit A. In some instances, these fees include commissions and/or markups. Billing rates may be adjusted from time to time by the Company in its reasonable discretion, but no more frequently than on an annual basis, provided that the Client shall not be responsible for paying any increase in fees resulting from an increase in billing rates unless the Client has provided its prior written consent to such increase. The Client agrees to pay the Company a retainer of \$25,000 (which may be replenished from time to time with the prior written consent of the Client), to be applied against the contemporaneous and subsequent fees and expenses incurred by the Client in connection with Services rendered by the Company prior to the commencement of the Liquidation Proceeding. Within ten (10) days of entry of an order by the Court placing the Client into liquidation, the Company shall return to the Client any portion of the retainer not applied against pre-Liquidation Proceeding fees and expenses incurred by the Client in connection with the Services rendered by the Company.

2.2. Expenses. In addition to the compensation set forth in Section 2.1, the Client shall reimburse the Company for all out-of-pocket expenses reasonably incurred by the Company in connection with the performance of the Services (subject to Court approval in the event of an unresolved dispute). The out-of-pocket expenses will be billed on the expense (non-fee) portion of the Company's invoice to the Client and may include, but are not limited to, postage, banking fees, brokerage fees, costs of messenger and delivery service, travel, filing fees, staff overtime meal expenses, and other similar expenses. In some cases, the Company may receive a rebate at the end of a year from a vendor.

2.3. Billing and Payment. Except as provided in Section 2.2, or specifically set forth below in this Section 2.3, the Company shall bill the Client for its fees and expenses for Services on a

monthly basis, and the Client shall pay the Company within thirty (30) days of its receipt of each such bill in the ordinary course of business (subject to Court approval in the event of an unresolved dispute). Unless otherwise agreed to in writing, (i) postage expense, and certain other expenses, and (ii) fees for print notice and media publication (including any markups and/or commissions charged by the Company and included in those fees) must be paid within three (3) business days of the date of the Company's invoice.

3. Term and Termination.

3.1. Term. The term of this Agreement shall commence on the date hereof and shall continue until performance in full of the Services, as the Company shall be notified in writing by the Client, unless earlier terminated as set forth herein.

3.2. Termination.

(a) Either party hereto may terminate this agreement upon thirty (30) days written notice to the other party.

(b) Termination of this Agreement shall in no event relieve Client of its obligation to make any payments due and payable to the Company in respect of Services rendered prior to termination (subject to Court approval in the event of an unresolved dispute).

(c) As soon as practicable following termination of this Agreement, the Company shall forward all original proofs of claim to the Client. For all other documents in the Company's actual or constructive possession (including, but not limited to, letters, emails, facsimiles, other correspondence, and all undeliverable and returned mail), the Company shall retain paper or electronic copies for one (1) year following termination of this Agreement and shall forward such documents to the Client upon request.

4. Independent Contractor. It is understood and agreed that the Company, through itself or any of its agents, shall perform the Services as an independent contractor. Neither the Company nor any of its employees shall be deemed to be an employee of the Client. Neither the Company nor any of its employees shall be entitled to any benefits provided by the Client to its employees, and the Client will make no deductions from any of the payments due to the Company hereunder for state or federal tax purposes. The Company agrees that the Company shall be responsible for any and all taxes and other payments due on payments received hereunder by the Company from the Client. Nothing in this Agreement requires the Client to use the Company for any future work relating to the Services, and, in the event the Client decides to use another party for such future work, the Company agrees to cooperate fully with the Client to ensure a smooth transition to the new party.

5. Accuracy of Client Supplied Information. The Company is not responsible for the accuracy of any programs, data, or other information submitted to the Company. The Company may undertake to place such data and information into certain systems and programs in connection with the provision of the Services. The Company does not verify information provided by the Client.

6. Confidential Information.

6.1. Confidentiality. In connection with this Agreement, the Client may disclose to the Company confidential or proprietary information of the Client ("Confidential Information"), it being understood by the parties hereto that all information disclosed to the Company in connection with this Agreement or any of the Services is Confidential Information, unless the Company is instructed by the

Client, the Liquidator, or any agent or professional advisor of the Client or Liquidator to distribute or otherwise make such information available (including by posting such information on a website) to creditors of the Client. The Company (a) shall hold all Confidential Information in confidence and will use such information only for the purposes of fulfilling the Company's obligations hereunder, and for no other purpose, and (b) shall not disclose, provide, disseminate, or otherwise make available any Confidential Information to any third party other than for the purposes of fulfilling the Company's obligations hereunder, in either case, without the express prior written permission of the Client, the Liquidator, or any agent or professional advisor of the Client or the Liquidator. Notwithstanding the foregoing, the Company may disclose Confidential Information pursuant to a validly issued subpoena or order of a court of competent jurisdiction, provided, however, that the Company must provide the Client with prompt written notice of such subpoena or court order so that the Client may seek a protective order or other appropriate remedy, and the Company shall reasonably cooperate with the Client's efforts to obtain the same. The obligations in this Section 6.1 shall not apply to (a) information that is or becomes generally known or available by publication, commercial use, or otherwise through no fault of the Company; (b) information that is known by the Company prior to the time of disclosure by the Client, the Liquidator, or any agent or professional advisor of the Client or the Liquidator; (c) information that is obtained from a third party (*i.e.*, a party other than the Client, the Liquidator, or an agent or professional advisor of the Client or the Liquidator) who, to the Company's knowledge, has the right to make such disclosure without restriction and without violating any confidentiality or other obligations of such third party; (d) any disclosure required by applicable law (following prior written notice to the Client unless prohibited by applicable law); or (e) information that is released for publication by the Client, the Liquidator, or any agent or professional of the Client or the Liquidator.

6.2. Protection of Intellectual Property. The Client acknowledges that the Company's intellectual property, including, without limitation, the Company's inventions (whether or not patentable), processes, trade secrets, and know-how are of ultimate importance to the Company. Accordingly, the Client agrees to use its commercially reasonable efforts to protect such intellectual property, and shall not, either during the term of this Agreement, or subsequent to its termination, utilize (except in connection with the Services provided by the Company hereunder), reveal or disclose any of such intellectual property (other than to the Liquidator, or any agents or professional advisors of the Client or the Liquidator, in any case, in connection with the Liquidation Proceeding). The Client understands that the software programs and other materials furnished by the Company pursuant to this Agreement and/or developed during the course of this Agreement by the Company, are the sole property of the Company. The term "program" shall include, without limitation, data processing programs, check printing programs, specifications, applications, routines, sub-routines, procedural manuals and documentation. The Client further agrees that any ideas, concepts, know-how or techniques relating to the claims management software used or developed by the Company during the course of this Agreement shall be the exclusive property of the Company. The obligations in this Section 6.2 shall not apply to (a) information that is or becomes generally known or available by publication, commercial use, or otherwise through no fault of the Client; (b) information that is known by the Client prior to the time of disclosure by the Company; (c) information that is obtained from a third party (*i.e.*, a party other than the Company) who, to the Client's knowledge, has the right to make such disclosure without restriction and without violating any confidentiality or other obligation of such third party; (d) any disclosure required by applicable law (following written notice to the Company unless prohibited by applicable law); or (e) information that is released for publication by the Company.

6.3. Survival of Obligations. The obligations set forth under Sections 6.1 and 6.2 shall survive the termination of this Agreement.

7. Limitation of Liability; Limitation on Actions. The Company shall not be liable under any circumstances to the Client for special, incidental, punitive, or consequential losses or damages of any

kind whatsoever, including, but not limited to, lost profits, whether or not foreseeable, even if the Company or the Client has been advised of the possibility thereof and regardless of the form of action in which such damages are sought, and regardless of whether the party's claim is for breach of warranty, contract, tort (including negligence), strict liability, or otherwise. In no event shall the Company have liability to the Client, whether direct or indirect, arising out of or in connection with or related to this Agreement, including, without limitation, court costs and attorneys' fees, except to the extent the Client, the Liquidator, or any directors, officers, employees, affiliates, or agents of the Client or Liquidator suffer any loss arising out of or in connection with or related to the gross negligence or willful misconduct of the Company. In no event shall the Company's liability to the Client, whether direct or indirect, arising out of or in connection with or related to this Agreement, exceed the total amount billed or billable to the Client for the portion of the particular work that gave rise to the alleged loss. No action, regardless of form, relating to this Agreement or the Services related thereto, may be brought by the Client more than one (1) year after the cause of action has accrued. The limitations set forth in this Section 7 shall survive the termination of this Agreement.

8. Force Majeure. Whenever performance by the Company of any of its obligations hereunder is substantially prevented by reason of any act of God, strike, lock-out or other industrial or transportational disturbance, fire, lack of materials, law, regulation or ordinance, war or war conditions or by reason of any other matter beyond the Company's reasonable control, then such performance shall be excused and this Agreement shall be deemed suspended during the continuation of such prevention and for a reasonable time thereafter.

9. Notice. Any notice or other communication required or permitted hereunder shall be in writing and shall be delivered personally, or sent by registered mail, postage prepaid or overnight courier, or email. Any such notice shall be deemed given when so delivered personally, or, if mailed, five (5) days after the date of deposit in the United States mail, or, if sent by overnight courier, one (1) business day after delivery to such courier, as follows: if to the Company, to Garden City Group, LLC, 1985 Marcus Avenue, Suite 200, Lake Success, New York 11042, Attention: Kenneth Cutshaw, Interim Chief Executive Officer; and if to the Client, to Health Republic Insurance of New York, Corp., 30 Broad Street, New York, New York 10004, Attention: Ronald J. Vance, Jr., with a copy to Weil Gotshal & Manges, LLP, 767 Fifth Avenue, New York, New York, 10153, Attention: Danielle D. Donovan.

10. Governing Law. This contract will be governed by and construed in accordance with the laws of the State of New York (without reference to its conflict of laws provisions). The Court shall have exclusive jurisdiction with respect to any proceedings which may arise in connection with this Agreement, which court has personal jurisdiction and venue over the Company and Client for purposes thereof.

11. Severability. All clauses and covenants contained in this Agreement are severable and in the event any of them are held to be invalid by any court having competent jurisdiction, such clause or covenant shall be valid and enforced to the maximum extent as to which it may be valid and enforceable, and this Agreement will be interpreted as if such invalid clauses or covenants were not contained herein.

12. Assignment. This Agreement and the rights and obligations of the Company and the Client hereunder shall bind and inure to the benefit of any successors or assigns thereto, provided that the Company shall not assign any of its rights or obligations hereunder without obtaining the prior written consent of the Client.

13. General. This Agreement supersedes and replaces any existing agreement entered into by the Company and the Client relating generally to the same subject matter, and may be modified only in a writing signed by the Company and the Client. The paragraph headings in this Agreement are included

only for convenience, do not in any manner modify or limit any of the provisions of this Agreement and may not be used in the interpretation of this Agreement. Failure to enforce any provision of this Agreement shall not constitute a waiver of any term hereof. This Agreement contains the entire agreement between the parties with respect to the subject matter hereof. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one in the same instrument.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year set forth above.

Health Republic Insurance of New York, Corp. *Garden City Group, LLC*

By: _____

Name: Ronald J. Vance, Jr.

Title: Chief Restructuring Officer

By: _____

Name: Angela Ferrante

Title: Senior Vice President, Operations

EXHIBIT A

GCG Pricing

Unit Fees

Set-Up Claimant File

Set-up fee.....	Waived
Electronic import of claimant data	No per creditor charge

Noticing

Notice printing / copies	\$0.10 per page (volume discounts apply)
Electronic noticing (e-mail).....	Waived
Facsimile noticing (domestic facsimile).....	\$0.10 per page
Personalization/labels	\$0.05 each
Legal publication of notice	Quote
Processing undeliverables	\$0.25 each

Document Management

Document scanning	\$0.06 per image
Monthly document storage (paper).....	\$1.50 per box
(electronic).....	\$0.02 per image (waived for first three months)

Claims Administration

Association of claimant name and address to database	\$0.15 per claim
Claim acknowledgement postcards	\$0.10 each
Electronic (online) claims filing	No per claim charge

Web Site

Monthly maintenance fee (unlimited users)	Waived
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Contact Services

Case-specific voice-mail box for creditors	No charge
Interactive Voice Response ("IVR")	Set up waived \$0.34 per minute
Customer Service Representatives	\$0.95 per minute
Monthly maintenance charge	Waived



Hourly Billing Rates *

Title	Standard Hourly Rates
Administrative, Mailroom and Claims Control	\$30-45
Project Administrators	\$70-\$75
Project Supervisors	\$95-\$110
Graphic Support & Technology Staff	\$100-\$125
Project Managers and Senior Project Managers	\$100-\$150
Directors and above	\$190

Miscellaneous Expenses

Travel.....At cost

Postage, courier, P.O Box.....At cost

* The Company agrees to provide an additional 10% discount on its hourly billing rates and 20% discount on its printing costs, up to an aggregate discount of \$100,000 (the "Discount Cap"). Once the Discount Cap has been met, all hourly billing rates and printing costs will be invoiced at the rates set forth herein without further discount.