

COOLEY GODWARD KRONISH LLP
1114 Avenue of the Americas
New York, New York 10036
Telephone: (212) 479-6000
Facsimile: (212) 479-6275
Lawrence C. Gottlieb
Jeffrey L. Cohen
Richelle Kalnit

Attorneys for Debtor and Debtor in Possession

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

----- X
In re : Chapter 11
: :
CRABTREE & EVELYN, LTD., : :
: :
Debtor. : Case No. 09-14267 (BRL)
: :
: :
----- X

**NOTICE OF PRESENTMENT OF ORDER APPROVING LEASE TERMINATION
AGREEMENT BETWEEN THE DEBTOR AND 520 MADISON OWNERS, L.L.C.
PURSUANT TO SECTIONS 105(a) AND 363 OF THE BANKRUPTCY CODE**

PLEASE TAKE NOTICE that Crabtree & Evelyn, Ltd., as debtor and debtor in possession (the “Debtor”), will present for signature the annexed proposed order (the “Proposed Order”) approving a lease termination agreement between the Debtor and 520 Madison Owners, L.L.C. pursuant to sections 105(a) and 363 of the Bankruptcy Code to the Honorable Burton R. Lifland, United States Bankruptcy Judge, Room 623 of the United States Bankruptcy Court for the Southern District of New York, Alexander Hamilton Custom House, One Bowling Green, New York, New York 10004, on **December 28, 2009 at 12:00 noon (prevailing Eastern Time)**.

PLEASE TAKE FURTHER NOTICE that objections, if any, to the Proposed Order must be made in writing and received in the Bankruptcy Judge’s Chambers and by the

undersigned not later than **11:30 a.m. (prevailing Eastern Time) on December 28, 2009.**
Unless received by that time, the Proposed Order may be signed.

Dated: December 18, 2009
New York, New York

Respectfully submitted,

By: /s/ Lawrence C. Gottlieb
Lawrence C. Gottlieb

COOLEY GODWARD KRONISH LLP
1114 Avenue of the Americas
New York, New York 10036
Telephone: (212) 479-6000
Facsimile: (212) 479-6275
Lawrence C. Gottlieb (LG 2565)
Jeffrey L. Cohen (JC 2556)
Richelle Kalnit (RK 3728)

Attorneys for Debtor and Debtor in
Possession

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

----- x
: **Chapter 11**
: **Case No. 09-14267 (BRL)**
: **Debtor.**
:
:
----- x

**ORDER APPROVING LEASE TERMINATION AGREEMENT BETWEEN THE
DEBTOR AND 520 MADISON OWNERS, L.L.C. PURSUANT TO
SECTIONS 105(a) AND 363 OF THE BANKRUPTCY CODE**

The Court having considered the Lease Termination Agreement (the “Lease Termination Agreement”) dated December 18, 2009 between 520 Madison Owners, L.L.C. (the “Landlord”) and the above-captioned debtor and debtor in possession (the “Debtor”); and it appearing that the Court has jurisdiction to approve the Lease Termination Agreement in accordance with 28 U.S.C. §§ 157 and 1334; and it appearing that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and after due deliberation, and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The Lease Termination Agreement, attached hereto as Exhibit A, is approved.
2. The Debtor is authorized to terminate the Lease (as defined in the Lease Termination Agreement) effective as of December 31, 2009 pursuant to sections 105(a) and 363 of the Bankruptcy Code.
3. The Debtor is authorized to take any action necessary, to effectuate the terms of this Order and the Lease Termination Agreement without further order of the Court.

4. The ten-day stay set forth in Bankruptcy Rule 6004(h) shall be, and hereby is, waived.

5. Upon the Termination Date, Claim Number 320 filed by Landlord in Tenant's chapter 11 case shall be deemed satisfied and expunged from the claims register in this chapter 11 case.

6. This Court shall retain jurisdiction regarding the implementation or interpretation of this Order or the Lease Termination Agreement.

Dated: _____, 2009
New York, New York

HONORABLE BURTON R. LIFLAND
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT A

(Lease Termination Agreement)

LEASE TERMINATION AGREEMENT

This Lease Termination Agreement (the “**Agreement**”) is dated as of December 16, 2009, by and between **520 MADISON OWNERS, L.L.C.**, a Delaware limited liability company (“**Landlord**”), having an address at c/o Tishman Speyer Properties, L.P., 45 Rockefeller Plaza, New York, New York 10111, and **CRABTREE & EVELYN, LTD.**, a Connecticut corporation (“**Tenant**”) having an office at 102 Peake Brook Road, Woodstock, Connecticut 06281. Landlord and Tenant may hereafter be collectively referred to as “**Parties**” or singularly as “**Party.**”

WHEREAS, by Lease made as of April 14, 1993 (the “**Original Lease**”), between Tishman Speyer 520 Venture (“**Venture**”) (Landlord’s predecessor-in-interest), as landlord, and Tenant, as tenant, as thereafter modified and amended by that certain First Amendment of Lease made as of May 28, 1993 (the “**First Amendment**”) between Venture and Tenant, and that certain Second Amendment to Lease dated as of December 22, 2006 between Landlord and Tenant (the “**Second Amendment**,” and together with the Original Lease and the First Amendment, the “**Lease**”), Tenant leases commercial space on a portion of the ground floor (as more particularly described in the Lease, the “**Initial Premises**”) and storage space in the basement (as more particularly described in the Lease, the “**Additional Premises**,” and together with the Initial Premises, the “**Premises**”) of the building located at 520 Madison Avenue, New York, New York 10022. The Fixed Expiration Date, as such term is presently used in the Lease, is April 30, 2018; and

WHEREAS, on July 1, 2009 (the “**Petition Date**”), Tenant filed a voluntary petition for relief under Chapter 11 of Title 11 of the United States Code, 11 U.S.C. §§ 101 - 1330 (the “**Bankruptcy Code**”) in the United States Bankruptcy Court for the Southern District of New York (the “**Bankruptcy Court**”). Tenant continues to operate and manage the Premises pursuant to Sections 1107 and 1108 of the Bankruptcy Code. No trustee has been appointed in Tenant’s Chapter 11 case; and

WHEREAS, Landlord and Tenant now desire to terminate the Lease upon the terms and conditions set forth herein.

NOW, THEREFORE, IN CONSIDERATION OF THE FOREGOING, THE MUTUAL PROMISES AND COVENANTS CONTAINED IN THIS AGREEMENT AND FOR OTHER GOOD AND VALUABLE CONSIDERATION, THE MUTUAL RECEIPT AND SUFFICIENCY OF WHICH ARE HEREBY ACKNOWLEDGED, IT IS HEREBY AGREED:

1. Notwithstanding anything to the contrary in the Lease, effective as of December 31, 2009 (the “**Termination Date**”), the term of the Lease and the leasehold estate created thereby shall terminate and expire as if the Termination Date were set forth therein as the Fixed Expiration Date (as such term is defined in the Lease), in accordance with, and subject to, the provisions of this Agreement. Any and all rights that Tenant may have under the Lease to extend or renew the term thereof are hereby waived.

2. In exchange for Tenant relinquishing its leasehold interest in and vacating the

Premises as of the Termination Date, and Landlord releasing Tenant from its obligations under the Lease as of the Termination Date as provided herein, Landlord and Tenant and each of their respective successors, heirs, executors, administrators, affiliates, shareholders, members, direct and indirect partners, officers and directors and the successors and assigns of each of them, as applicable and only in their capacity as such (the “**Release Parties**”), forever releases and discharges and agrees to hold harmless each other and each of their respective successors, heirs, executors, administrators, and assigns, as applicable and only in their capacity as such, from and against any and all actions, claims, causes of action, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, damages, judgments, and demands whatsoever, in law or equity, known or unknown, matured or unmatured, foreseeable or unforeseeable, which any of the Release Parties ever had, now have or hereafter can, shall or may have against each other for, upon or by reason of any matter, cause or thing related to or concerning the Lease and Tenant’s occupancy of the Premises (other than the rights arising under, and the transactions contemplated by, this Agreement), including, without limitation, claims arising under sections 365, 502 and/or 503 of the Bankruptcy Code; provided, however, notwithstanding anything in this Agreement to the contrary, Article 35 of the Lease (except for Section 35.1(iv)) shall remain in full force and effect and survive the Termination Date, and Landlord expressly reserves all claims under said Article 35 (except for Section 35.1(iv)) which accrued prior to the Termination Date.

3. Notwithstanding anything contained in the Lease to the contrary, from and after the date hereof through and including the Termination Date, Landlord shall be permitted to market the Premises to prospective tenants for occupancy and to show the Premises to prospective tenants or to enter the Premises for any other reasonable business purpose. Tenant shall grant Landlord and its agents and invitees reasonable access to the Premises upon reasonable prior notice to Tenant by electronic mail to the following e-mail addresses: (a) ssincerbeaux@crabtree-evelyn.com (Scott Sincerbeaux); (b) ccording@crabtree-evelyn.com (Colleen Cording, Esq.) and (c) lsmith@crabtree-evelyn.com (Liesl Smith, Esq.). Nothing herein shall be deemed to be consent by Tenant for Landlord or its agents or invitees to access the Premises.

4. Tenant shall convey and relinquish all of Tenant’s rights, title, and interest in the Lease and the Premises to Landlord in “broom clean” condition, without representation or warranty of any kind from Tenant, in full and final satisfaction of all claims against Tenant, except as otherwise provided herein. Any personal property remaining in the Premises after the Termination Date shall be deemed abandoned by Tenant and Landlord or its designees may immediately take possession thereof and retain the same as Landlord’s property or dispose of same in any manner Landlord or its designees determine without accountability therefor to Tenant.

5. Tenant hereby covenants, represents and warrants to Landlord that: (i) Tenant has good right to surrender the Premises; (ii) Tenant has not committed, permitted or suffered any act or deed whereby the Premises or the Lease have been, or may be, pledged, hypothecated, encumbered, assigned, conveyed or otherwise transferred; (iii) Tenant has not sublet, underlet, licensed or otherwise transferred, in any manner whatsoever, any present or future possessory, use or occupancy right in or to all or any portion of the Premises; (iv) the Premises, on or before the Termination Date, will be free of all tenants, subtenants, licensees and other occupants and

all leases and licenses, and there are no other persons or entities claiming, or who or which may claim, any rights of possession or use of the Premises or any portions thereof; (v) Tenant is not a party to any agreement for the performance or making of any alterations, installations, additions, improvements or other work to or in the Premises or any portion thereof, or for the furnishing or supplying of materials or supplies, services or utilities to the Premises or any portion thereof; and (vi) Tenant shall not commit, permit or suffer any act or deed referred to in this Paragraph. Tenant represents, warrants and agrees that the foregoing covenants and representations will be true both as of the date of this Agreement and on the Termination Date. Tenant covenants and agrees to indemnify and hold Landlord harmless from and against all liabilities, suits, obligations, fines, damages, penalties, claims, losses, costs, charges and expenses (including, without limitation, all reasonable attorneys' fees, actual litigation and court costs, actual expenses and actual disbursements for which Landlord is liable), that are paid by, imposed upon, incurred by or asserted against, Landlord arising under or out of, or in connection with, or resulting from, the breach of any covenant, representation or warranty in this Paragraph.

6. (a) Tenant represents and warrants to Landlord that it has not dealt with any broker in connection with this Agreement other than Keen Consultants/KPMG Corporate Finance, LLC ("**Tenant's Broker**") and that, to the best of its knowledge, no other broker negotiated this Agreement or is entitled to any fee or commission in connection herewith. Tenant shall pay Tenant's Broker any commission which may be due in connection with this Agreement and shall indemnify, defend, protect and hold Landlord harmless from and against any and all losses, liabilities, damages, claims, judgments, fines, suits, demands, costs, interest and expenses of any kind or nature (including reasonable attorneys' fees and disbursements) incurred in connection with any claim, proceeding or judgment and the defense thereof which Landlord may incur by reason of any claim of or liability to any broker, finder or like agent (other than Landlord's Broker, defined below) arising out of any dealings claimed to have occurred between Tenant and the claimant in connection with this Agreement, or the above representation being false. The provisions of this paragraph shall survive the expiration or earlier termination of the term of the Lease.

(b) Landlord represents and warrants to Tenant that it has not dealt with any broker in connection with this Agreement other than Tishman Speyer Properties, L.P. ("**Landlord's Broker**") and that, to the best of its knowledge, no other broker negotiated this Agreement or is entitled to any fee or commission in connection herewith. Landlord shall pay Landlord's Broker any commission which may be due in connection with this Agreement and shall indemnify, defend, protect and hold Tenant harmless from and against any and all losses, liabilities, damages, claims, judgments, fines, suits, demands, costs, interest and expenses of any kind or nature (including reasonable attorneys' fees and disbursements) incurred in connection with any claim, proceeding or judgment and the defense thereof which the Tenant may incur by reason of any claim of or liability to any broker, finder or like agent (other than Tenant's Broker) arising out of any dealings claimed to have occurred between the Landlord and the claimant in connection with this Agreement, or the above representation being false. The provisions of this paragraph shall survive the expiration or earlier termination of the term of the Lease.

7. Notwithstanding anything appearing to the contrary in this Agreement, the officers, directors, agents, managers, employees, and direct and indirect shareholders, partners, members and owners of Landlord including but not limited to Tishman Speyer Properties, L.P.,

(or any officer, director, agent, manager, personal representative, trustee or employee of any direct or indirect shareholder, partner, member or owner of Landlord) (collectively, the “**Landlord Parties**”) shall not be personally liable for any debts or other obligations of Landlord or in respect of any claims against Landlord arising under this Agreement, and any such debts, obligations or claims shall be satisfied solely out of the interest of Landlord in the Building (and the rents, issues and profits derived therefrom and, in the event of a sale thereof, the proceeds of any such sale provided that such proceeds have not then been distributed). No personal judgment shall be sought or obtained against any of the Landlord Parties.

8. The Parties shall execute any additional documents requested by Tenant or Landlord to effectuate the foregoing, if necessary.

9. This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof, and all understandings and agreements heretofore or simultaneously had between the parties are merged in and are contained in this Agreement.

10. This Agreement shall be construed without regard to any presumption or other rule requiring construction against the Party causing this Agreement to be drafted. In the event of any action, suit, arbitration, dispute or proceeding affecting the terms of this Agreement, no weight shall be given to any deletions or striking out of any of the terms of this Agreement contained in any draft of this Agreement and no such deletion or strike out shall be entered into evidence in any such action, suit, arbitration, dispute or proceeding nor given any weight therein.

11. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors, assigns, heirs, and legal representatives including any subsequent trustee that may be appointed in Tenant’s chapter 11 case or subsequent proceedings commenced under chapter 7 of the Bankruptcy Code.

12. This Agreement may be executed in several counterparts, each of which shall be deemed an original but all of which shall constitute one and the same agreement.

13. Each Party to this Agreement shall pay all of the expenses incurred by it in connection with this Agreement including, without limitation, its legal and accounting fees and expenses, commissions, fees and expenses of any person employed by it to bring about, or to represent it in, the transactions contemplated hereby.

14. The Parties hereto may amend, modify, and supplement this Agreement only in such manner as may be agreed upon by them in writing.

15. This Agreement shall not be effective until approved by the Bankruptcy Court. The Parties expressly consent to the jurisdiction of the Bankruptcy Court to interpret this Agreement and resolve any and all disputes arising hereunder.

16. This Agreement shall be interpreted in accordance with the laws of the laws of the State that govern the terms of the Lease.

IN WITNESS WHEREOF, Landlord and Tenant have executed this Agreement as of the date first above written.

LANDLORD:

520 MADISON OWNERS, L.L.C.
a Delaware limited liability company

By: Michael B. Benner *MB*
Name: Michael B Benner
Title: Vice President and Secretary

TENANT:

CRABTREE & EVELYN, LTD.
a Connecticut corporation

By: _____
Name:
Title:

IN WITNESS WHEREOF, Landlord and Tenant have executed this Agreement as of the date first above written.

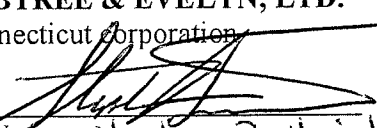
LANDLORD:

520 MADISON OWNERS, L.L.C.
a Delaware limited liability company

By: _____
Name:
Title:

TENANT:

CRABTREE & EVELYN, LTD.
a Connecticut corporation

By: 
Name: Stephen Bestwick
Title: Acting President