

Confidential – Pursuant to Settlement Discussions
SEPARATION AND MUTUAL RELEASE AGREEMENT

THIS SEPARATION AND MUTUAL RELEASE AGREEMENT (the “Agreement”) is made as of the ____ day of November, 2013, by and among, **B.R. GUEST PARENT HOLDINGS, LLC**, a Delaware limited liability company (and inclusive of the B.R. Guest Entities, as hereinafter defined, the “Company”), **SO F U.S. RESTAURANT CO-INVEST HOLDINGS, L.L.C.**, a Delaware limited liability company (“Starwood”), and **STEPHEN P. HANSON** (“Executive”), **SPH HOLDINGS, LLC**, a Delaware limited liability company (“Hanson Member”), **SPH FAMILY HOLDINGS SUB, LLC**, a Delaware limited liability company (“BRG Member”, and together with Executive and Hanson Member, the “Hanson Parties”, and together with the Company and Starwood, the “Parties”).

WHEREAS, Executive has been employed by the Company under terms set forth in that certain Employment Agreement dated as of February 23, 2007 (the “Executive Employment Agreement”), attached hereto as Schedule I, by and between Executive and B.R. Guest Holdings, LLC, a Delaware limited liability company (formerly known as elevenseven Holdings, L.L.C.) (“BRG Holdings Sub”);

On December 30, 2008, BRG Holdings Sub assigned its rights and obligations under the Executive Employment Agreement to the Company pursuant to that certain Novation Agreement, dated as of December 30, 2008, by and among Executive, the Company and BRG Holdings Sub;

SPH Enterprises, Inc. (f/k/a B.R. Guest, Inc.), a New York corporation, as predecessor-in-interest to BRG Member, Executive, as predecessor-in-interest to Hanson Member, and Starwood entered into that certain Limited Liability Company Agreement of the Company, dated as of December 30, 2008 attached hereto as Schedule II (as such agreement shall have been amended and supplemented from time to time prior to the date of this Agreement, the “LLC Agreement”);

Executive has decided to resign from the Company. The Company has requested of the Executive that he remain as a Consultant to the Company for a period following his resignation and the Executive has agreed to do so.

In addition, BRG Member and Hanson Member have agreed to sell to the Company their Interests (as such term is defined in the LLC Agreement) and the Company has agreed to purchase their Interests.

The Parties desire to enter into this Agreement in order to set forth the definitive rights and obligations to the Parties in connection with Executive's resignation (such resignation the "Separation") and sale by BRG Member and Hanson member of their Interests in the Company.

NOW THEREFORE, in consideration of the mutual covenants, commitments and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties intending to be legally bound hereby agree as follows:

1. **Termination of Employment.** Executive's employment with the Company shall end effective upon the execution of this Agreement by all of the Parties (the "Separation Date").

2. **Resignation of Offices.** Effective as of the Separation Date, Executive hereby resigns from all positions he holds as an employee or officer of the Company, and from any and all other offices which he holds as an officer or employee with any Investment Vehicle (as defined in the LLC Agreement, and used hereafter), or their respective successor entities or with any subsidiaries, investments or affiliates of the foregoing (the Company, each Investment Vehicle and their respective successor entities, subsidiaries, investments or affiliates of the foregoing (each a "B.R. Guest Entity" and collectively, the "B.R. Guest Entities"). For the avoidance of doubt, following Executive's resignation, the BRG Member shall continue to have all rights as members of the Company, including but not limited to BRG Member's right to appoint representatives to the Company's Management Committee, as such term is defined in the LLC Agreement.

3. **Engagement of Consultant.** The Company shall engage Executive as a Consultant to the Company on the terms set forth herein.

(i) The term of the Consulting relationship shall commence on the Separation Date and shall terminate on the earlier of termination by the Company following ten (10) days written notice of termination given by the Company to the Executive, or February 22,

2014.

(ii) During the term of the Consulting relationship:

(a) The Company may make reasonable requests of Executive to assist the Company. The Company intends to have Executive assist the Company in the design development phase of the reconfiguration and renovation by the landlord of the Blue Fin restaurant, the extension of the Company's lease of the Wildwood restaurant, and the redesign of the Ruby Foo's restaurant, and in the transition of management from the Executive.

The Company represents and warrants that its request for Executive's services shall not exceed his obligations as president of the Company and represents that most likely the services required of him, if any, after December 31, 2013 shall be nominal.

(b) The Executive agrees that, consistent with his other commitments, to make reasonable efforts to provide the Company the services the Company requests of him.

(c) The Company shall pay to the Executive the amount of one million dollars (\$1,000,000) per annum, pro rated during the actual term of the Consulting relationship, payment to be made in arrears every two (2) weeks. In addition, the Company shall provide to Executive the same benefits that Executive received while President, including health insurance, but exclusive of retirement benefits.

(d) The Company shall provide to Executive, at the Company's cost, the secretarial assistance and a car and driver as he received while president.

(e) The Company shall promptly reimburse to the Executive his reasonable, out of pocket costs incurred during the Consulting relationship.

4. **Relationship After the Separation.**

(a) **Indemnification Rights.** As a former officer of the Company, Executive (solely in such capacity as a former officer of the Company) shall remain entitled to any indemnification rights under any contract with or governing document of the Company in effect as of the Separation Date or under any applicable law, for events arising prior to the Separation

Date, in each case subject to the terms and any qualifications applicable thereto. Executive will promptly notify the Company of any actual or threatened claim that may implicate such indemnification rights. Executive explicitly acknowledges that any such right to indemnification does not extend to any action, suit or proceeding (including counterclaims) permitted by this Agreement brought against the Executive by any of the Company and Starwood Released Parties (as such term is defined below).

(b) LIC Lease. Notwithstanding anything to the contrary contained in that certain Sublease by and between 42-31 Ninth Street, LLC (As “Sublessor”) and L.I.C. Restaurant Group Operations, LLC (as “Sublessee”), dated as of March 1, 1998 (the “Sublease”), for the premises located at 4231/33 9th Street, Long Island City, NY, the Sublease shall terminate on the earlier of ninety (90) days after Tenant gives Landlord notice of its decision to terminate the Sublease or December 31, 2015, and for all purposes of such Sublease such date shall be the termination date.

(c) COBRA. Effective as of the Separation Date, as required by the continuation coverage provisions of Section 4980B of the Code, Executive will be offered the opportunity to elect continuation coverage under the group medical plan(s) of the Company. The existence and duration of Executive’s rights and/or the COBRA rights of any of Executive’s eligible dependents will otherwise be determined in accordance with Section 4980B of the Code. During the period of the Consulting relationship, the Company shall pay all of Executive’s costs for Cobra.

5. **Restrictive Covenants of the Executive.**

(a) Post Separation Restrictive Covenants of the Executive. The Parties agree that upon the Separation Date the restrictive covenants and other obligations under Section 6 of the Executive Employment Agreement and as set forth in the LLC Agreement shall be null and void and of no force or effect. Executive shall not be bound by any restrictive covenants except as specifically set forth in this Agreement.

(b) For a period of six (6) months commencing on the termination of the Consulting relationship (but in no event shall such date of commencement be later than February

23, 2014), (the “Restrictive Covenant Period”), Executive shall not:

(i) Noncompetition. Within the City of New York, New York, or the City of Atlantic City, New Jersey (the “Territory”), directly or indirectly, own, manage, operate, control, be employed by or participate in the ownership, management, operation or control of, more than one (1) restaurant, bar and/or nightclub business in the Territory which opens for business during the Restrictive Covenant Period. For the avoidance of doubt, neither the Company nor Starwood shall have any claim against Executive as relates to any restaurant, bar and/or nightclub which is open in the Territory at the Separation Date, regardless of Executive’s involvement in that business. During the Restrictive Covenant Period, the Executive shall be permitted to take all steps including but not limited to obtaining a lease, hiring staff, preparing menus, obtaining licenses, and all other steps necessary to prepare any number restaurants, bars, and nightclubs to open in the Territory after the termination of the Restrictive Covenant Period. Notwithstanding the foregoing, the Executive’s ownership of securities of two percent (2%) or less of any class of securities of a public company shall not, by itself, be considered to be competition with the Company or any of its subsidiaries or affiliates.

(ii) Non-hire. The Executive shall not employ or otherwise contract for the services of more than five (5) individuals who are employees of the Company or any of its subsidiaries on the Separation Date, unless the Company or its subsidiaries terminate the employment of such individual. For the avoidance of doubt, as long as Executive does not violate the prohibition of hiring set forth herein, the Executive is free to solicit during the Restrictive Covenant Period as many Company Employees he wishes, for hire after the end of the Restrictive Covenant Period.

After the Separation Date, except as set forth in this Agreement, the Executive shall not be subject to any restrictions as relates to competing with the Company, solicitation for hire or hiring any past or present employee of the Company; and any restrictions as to such acts or other covenants by the Executive set forth in the Employment Agreement or the LLC Agreement shall be null and void. Further, except as set forth in this Agreement, the Company and Starwood acknowledge that the Executive is free to negotiate, contract and/or join with any other person or person in business, including in businesses which compete with the Company,

including with persons who have expressed to Executive an interest in doing so prior to the Separation Date. Except as set forth in this Agreement, Executive shall have complete freedom to act without any obligation to the Company or Starwood, neither of which shall claim that Executive has taken for himself a corporate opportunity of the Company or otherwise violated his obligations to the Company or Starwood.

(c) Return of Company Property. The Company acknowledges and agrees that Executive has returned to the Company all Confidential Information, files, records, correspondence, memoranda, notes or other documents (including, without limitation, those in computer-readable form) or property relating or belonging to the Company and its subsidiaries and affiliates, whether prepared by the Executive or otherwise coming into his possession in the course of the performance of his services to the Company and that such materials shall be the property of the Company. Notwithstanding any other provision herein, the Executive may retain and use alone or with others: (i) his rolodex and similar address books; and (ii) recipes, employee manuals, operation manuals, and other manuals belonging to the Company.

(d) Compensation for the Executive's Post Separation Restrictive Covenants. The Company shall pay to Executive as compensation for the Executive's Restrictive Covenants set forth above in this Section 5, the amount of five hundred thousand dollars (\$500,000) in six (6) equal monthly installments of eighty three thousand six hundred six seven dollars (\$83,667) with the first payment due on the first day after the end of the term of the Consulting relationship and continuing monthly thereafter on the same date of each of the next five (5) months. Should the Company fail timely to make any payment on its due date, upon five (5) days notice from the Executive and the Company's failure to cure, the Executive, in addition to all other rights he may have, shall be released from all of his obligations under this Section 5.

6. **Sale of Interests.**

Upon the Separation Date;

(a) Each of Hanson Member and BRG Member (A) shall execute all documents necessary to, assign, transfer and convey its Interests to Starwood, (B) withdraw from the Company as a member of the Company, and shall thereafter cease to be a member of the

Company, (C) cease to have any rights or interest (legal, beneficial or economic) in the Company, any Investment Vehicle, any B.R. Guest Entity, the assets of the Company, any Investment Vehicle, any B.R. Guest Entity and/or under the LLC Agreement and (D) cease to be a party to the LLC Agreement and shall deliver such documents to Starwood. Thereafter, each of the Hanson Member and the BRG Member shall not have or exercise any right or power (including, without limitation, any right or power to appoint any Representative (as defined in the LLC Agreement) whatsoever as a member of the Company and/or under the LLC Agreement.

(b) Starwood shall pay to the Hanson Member and the BRG Member for their Interests the aggregate amount of two million dollars (\$2,000,000). Payment shall be made on the Separation Date by wire transfer of immediately available funds pursuant to written directions from Executive.

(c) Until Starwood shall amend the LLC Agreement (which it may do in its sole and absolute discretion), all references in the LLC Agreement to BRG, BRG Member and Hanson Member shall be deleted and replaced by the word Starwood.

7. **General Releases and Waiver.**

(a) **General Release by the Hanson Parties.** The Hanson Parties, for and on behalf of themselves and each of their respective heirs, executors, administrators, personal representatives, successors and assigns, to the maximum extent permitted by law, hereby acknowledge full and complete satisfaction of and ABSOLUTELY, IRREVOCABLY AND UNCONDITIONALLY FULLY AND FOREVER RELEASES, ACQUITS AND DISCHARGES the Company, all Investment Vehicles, the B.R. Guest Entities, and Starwood, each of their respective past and present parents, affiliates, subsidiaries and their respective direct and indirect stockholders, directors, members, managers, partners, officers, employees, attorneys, agents and representatives, and each of their respective heirs, executors, administrators, personal representatives, successors and assigns (all of the foregoing entities and individuals being individually and collectively, the "Company and Starwood Released Parties"), from any and all claims, demands, suits, causes of action, liabilities, obligations, judgments, orders, debts, liens, contracts, agreements, covenants and causes of action of every kind and

nature, whether known or unknown, suspected or unsuspected, concealed or hidden, vested or contingent, in law or equity, existing by statute, common law, contract or otherwise (“Claims”), which have existed, may exist or do exist, through and including the Separation Date, including, without limitation, any of the foregoing arising out of or in any way related to or based upon:

(i) Executive’s application for and employment with the Company, any Investment Vehicle, any B.R. Guest Entity or any B.R. Guest Party, his being an officer or employee of the Company, or any B.R. Guest Entity or any B.R. Guest Party;

(ii) Any and all claims in tort or contract, and any and all claims alleging breach of an express or implied, or oral or written, contract, policy manual or employee handbook;

(iii) Any alleged misrepresentation, defamation, interference with contract, intentional or negligent infliction of emotional distress, racism or other discrimination, negligence or wrongful discharge; or

(iv) Any federal, state or local law, statute, ordinance or regulation, including but not limited to all labor and employment discrimination laws; provided, however, that notwithstanding the foregoing, the Parties expressly acknowledge and agree that the waiver and release of Claims set forth in this Section 6(a) does not include the Company’s performance under this Agreement and does not include any Claims Executive or any other Hanson Party may have under the Age Discrimination in Employment Act of 1987, as amended by the Older Workers Benefit Protection Act and otherwise (the “ADEA”), to which the Company acknowledges it will remain subject notwithstanding the Hanson Parties’ execution of this Agreement.

(b) General Release by the Company and Starwood. Each of the Company and Starwood, and by executing this Agreement as to this Section 7(b), Barry Sternlicht, for and on behalf of himself or itself and each of his or its respective heirs, executors, administrators, personal representatives, successors and assigns, to the maximum extent permitted by law, hereby acknowledges full and complete satisfaction of and ABSOLUTELY, IRREVOCABLY AND UNCONDITIONALLY FULLY AND FOREVER RELEASES, ACQUITS AND

DISCHARGES the Hanson Parties, and each of their representatives, and each of their respective heirs, executors, administrators, personal representatives, successors and assigns (all of the foregoing entities and individuals being individually and collectively, the “Executive Released Parties”), from any and all claims, demands, suits, causes of action, liabilities, obligations, judgments, orders, debts, liens, contracts, agreements, covenants and causes of action of every kind and nature, whether known or unknown, suspected or unsuspected, concealed or hidden, vested or contingent, in law or equity, existing by statute, common law, contract or otherwise (“Claims”), which have existed, may exist or do exist, through and including the Separation Date, including without limitation, any of the foregoing arising out of or in any way related to or based upon:

(i) Any and all claims in tort or contract, including under, but not limited to, the Employment Agreement and any and all claims alleging breach of an express or implied, or oral or written, contract; or

(ii) Any alleged misrepresentation, defamation, interference with contract, intentional or negligent infliction of emotional distress, negligence or wrongful discharge.

(c) Acknowledgment of Waiver; Disclaimer of Benefits. Each of the Parties acknowledges and agrees that, except as otherwise contemplated by this Agreement, it is waiving all rights to sue or obtain equitable, remedial or punitive relief of any kind whatsoever from any and all Parties and: (i) in the case of the Hanson Parties, from the Company and Starwood Released Parties, including, without limitation, reinstatement, back pay, front pay, attorneys’ fees and any form of injunctive relief; and (ii) in the case of the Company and Starwood, from the Hanson Parties, including any form of injunctive relief. Notwithstanding the foregoing, Executive further acknowledges that he is not waiving and is not being required to waive any right that cannot be waived by law, including the right to file a charge or participate in an administrative investigation or proceeding of any government agency prohibiting waiver of such right; provided, however, that the Hanson Parties hereby disclaim and waive any right to share or participate in any monetary award resulting from the prosecution of such charge or investigation.

(d) Effect of Release and Waiver. The Parties understand and intend that this

Section 7 constitutes a general release of all claims and that no reference herein to a specific form of claim, statute or type of relief is intended to limit the scope of such general release and waiver.

(e) Waiver of Unknown Claims. Each of the Hanson Parties, the Company and Starwood, expressly waives all rights afforded by any statute which limits the effect of a release with respect to unknown claims. Each of the Parties understand the significance of their release of unknown claims and their waiver of statutory protection against a release of unknown claims.

(f) Obligations Pursuant to this Agreement. For the avoidance of doubt, the release and/or waiver of rights pursuant to this Section 7 shall not be applicable to the Parties' rights and obligations under this Agreement.

8. **Representations and Covenants.**

(a) By the Company and Starwood: No Cause for Termination; Cessation of Company Audit.

(i) The Company and Starwood acknowledge that an audit of Company financial records and practices (the "Audit") has been conducted, and that the Company's auditors have totally completed their review of approximately eighteen (18) months of Company records for the period preceding November 1, 2013. The Company and Starwood acknowledge that the Audit has not uncovered any wrongdoing by Executive. The Company will cease and desist from any further audit activities in this respect, except as may be required by law or as otherwise necessary to respond to the inquiries of any governmental authority. The Company's knowledge of Executive's expenditure policies and practices will be limited to the information developed by the Company's auditors to date. With respect to anything that has been found in the Audit, the Company has not found any basis for, and shall not file a Claim (as defined below) against or otherwise seek recompense from Executive for any expenditure, policy and practice.

(ii) Each of the Company and Starwood, for itself and on behalf of the Company and Starwood Released Parties, acknowledge and agree that it has no basis to allege a

right to terminate the Executive for "Cause," as such term is defined in the Employment, including with respect to those acts or omissions alleged in the Notice of Termination issued to Executive by the Company on October 30, 2013 (attached hereto as Schedule III), and which Notice of Termination has since been withdrawn, and the Company and Starwood acknowledge and agree that at no time prior to or contemporaneous with their execution of this Agreement has any Hanson Party engaged in any wrongful conduct against, on behalf of or as the representative or agent of the Company, Starwood and their affiliates or subsidiaries.

(b) By the Executive: Employment Compensation. Executive acknowledges that, as of the Separation Date, he has received all outstanding unpaid earned compensation for services performed by him for the Company or any Investment Vehicle or B.R. Guest Entity, including (without limitation) all salary and accrued unused vacation pay earned through the date hereof. The Company shall reimburse the Executive for any approved business expenses incurred by him prior to the Separation Date, in conformance with Company reimbursement policies and procedures.

(c) Representations by the Parties.

(i) The Hanson Parties represent, warrant and covenant to each of the Company and Starwood Released Parties that at no time prior to or contemporaneous with their execution of this Agreement have they (or any of them) filed or caused or knowingly permitted the filing or maintenance, in any state, federal or foreign court, or before any local, state, federal or foreign administrative agency or other tribunal, any Claim, known or unknown, suspected or unsuspected, which they may now have or have ever had against the Company and Starwood Released Parties which is based in whole or in part on any Claim, nor will they (or either of them) do so as to any such Claim or matter. The Hanson Parties hereby grant the appropriate Company and Starwood Released Party their perpetual and irrevocable power of attorney with full right, power and authority to take all actions necessary to dismiss or discharge any such Claim. The Hanson Parties further covenant and agree that they will not encourage any person or entity, including but not limited to any current or former employee, officer, director or stockholder of a Company and Starwood Released Party to institute any Claim against the Company and Starwood Released Parties or any of them. The Hanson Parties acknowledge and

agree that a breach by any of them of this Section 8 will constitute a material breach of this Agreement.

(ii) Each of the Company and Starwood represents, warrants and covenants to each of the Executive Released Parties that at no time prior to or contemporaneous with their execution of this Agreement have they (or any of them) filed or caused or knowingly permitted the filing or maintenance, in any state, federal or foreign court, or before any local, state, federal or foreign administrative agency or other tribunal, any Claim, known or unknown, suspected or unsuspected, which they may now have or have ever had against the Released Parties which is based in whole or in part on any Claim, nor will they (or either of them) do so as to any such Claim or matter. The Company and Starwood hereby grant the appropriate Executive Released Party their perpetual and irrevocable power of attorney with full right, power and authority to take all actions necessary to dismiss or discharge any such Claim. The Company and Starwood further covenant and agree that they will not encourage any person or entity, including but not limited to any current or former employee, officer, director or stockholder of a Company or Starwood Released Party, to institute any Claim against the Executive Released Parties or any of them. The Company and Starwood acknowledge and agree that a breach by either of them of this Section 8 will constitute a material breach of this Agreement.

9. **Press Release.** No party, including a Released Party, shall make any Press Release or any other public announcement regarding this Agreement or any office events leading up to this Agreement except if first approved in writing by the other Parties.

10. **Life Insurance.** The Company is the Owner and beneficiary of a number of policies insuring the life of the Executive. Upon the Separation Date, the Company shall transfer and assign to Executive such policies. The Company shall not be entitled to payment for such transfer and assignment.

11. **Guarantees.** The Executive has personally guaranteed the obligations of the Company as set forth on Schedule IV. On or prior to the Separation Date, the Company and/or Starwood shall either have the Executive's guarantees removed and/or shall deposit cash in escrow with Executive's attorney in the amount of such guarantees.

12. **Disputes.** Any disputes between the Parties will be resolved in accordance with Section 9 (Dispute Resolution; Arbitration) of the Executive Employment Agreement. This Section 12 will be construed and enforced under the Federal Arbitration Act, 9 U.S.C. §§ 1 et seq. In the event of any dispute between the Parties, the prevailing Party shall be entitled to recover from the other Party reasonable attorney's fees and costs incurred in connection therewith (including, without limitation, any costs and expenses incurred in connection with any arbitration proceedings pursuant to this Section). In the event one party hereto (a "Claiming Party") makes a claim against another party hereto (a "Non-Claiming Party") for a specified sum of money and (a) after such claim is made, but prior to commencement of arbitration proceedings with respect to such claim, the Non-Claiming Party provides the Claiming Party with a written offer to settle such claim for a lesser sum of money than that set forth in the claim (the "Offered Settlement Amount"), and (b) the Claiming Party does not accept the Offered Settlement Amount but proceeds to arbitration, then, if the arbitration panel rules in favor of the Claiming Party in an amount that is less than the Offered Settlement Amount, the Non-Claiming Party shall be deemed the "prevailing party" for purposes of this Section. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY LITIGATION, ACTION, PROCEEDING, CROSS-CLAIM, OR COUNTERCLAIM IN ANY COURT (WHETHER BASED ON CONTRACT, TORT, OR OTHERWISE) ARISING OUT OF, RELATING TO OR IN CONNECTION WITH (a) THIS AGREEMENT OR THE VALIDITY, PERFORMANCE, INTERPRETATION, COLLECTION OR ENFORCEMENT HEREOF OR (b) THE ACTIONS OF SUCH PARTY IN THE NEGOTIATION, AUTHORIZATION, EXECUTION, DELIVERY, ADMINISTRATION, PERFORMANCE OR ENFORCEMENT HEREOF.

13. **Parties' Acknowledgment of Consideration.** Each of the Parties acknowledge that he or it has received sufficient consideration for his or its entry into this Agreement.

14. **General and Miscellaneous Terms** (see Schedule V, Sections A through O, which are incorporated herein by reference).

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the Parties have executed this Separation, Settlement and Mutual Release Agreement effective as of the date of the first signature affixed below or as otherwise provided in this Agreement.

READ CAREFULLY BEFORE SIGNING

The Hanson Parties represent and warrant that they have read this Separation, Settlement and Mutual Release Agreement and have had the opportunity to consult legal counsel prior to their signing of this Agreement. They further acknowledge that they understand that by executing this Agreement they will relinquish any rights or demands they may have against any of the Released Parties.

DATED: _____

By: _____
Name: Stephen P. Hanson

SPH HOLDINGS, LLC

DATED: _____

By: _____
Name: _____
Title: _____

SPH FAMILY HOLDINGS SUB, LLC

DATED: _____

By: _____
Name: _____
Title: _____

B.R. GUEST PARENT HOLDINGS, LLC

DATED: _____

By: _____
Name: _____
Title: _____

SOF U.S. RESTAURANT CO-INVEST HOLDINGS L.L.C.

DATED: _____

By: _____
Name: _____
Title: _____

42-31 NINTH STREET L.L.C.

(solely for purposes of Section 4(d) of this Agreement)

DATED: _____

By: _____

Name: _____

Title: _____

AS TO SECTION 7(b)

DATED: _____

Barry Sternlicht

SCHEDULE I
EXECUTIVE EMPLOYMENT AGREEMENT

SCHEDULE II
LLC AGREEMENT

SCHEDULE III
TERMINATION NOTICE

SCHEDULE IV

EXECUTIVE'S GUARANTEES

Capital One Letters of Credit guaranteed by the Executive in the name of:

1. B.R. Guest, LLC, which expires 7/15/2014 (SBLC#30200383); and
2. Third and 50th, LLC, which expires on 6/1/2014 (SBLC#30001394)

SCHEDULE V

(GENERAL AND MISCELLANEOUS AGREEMENT TERMS)

- (A) **Confidentiality.** The Company and the Hanson Parties agree that the terms and conditions of this Agreement and the circumstances of the Separation are to be strictly confidential, except that Executive may disclose such information to Executive's blood relatives or immediate family members, attorneys, accountants, tax consultants, state and federal tax authorities or as may otherwise be required by law or, in the case of the Released Parties, advisable in order to comply with any law or regulation. Except as otherwise expressly permitted by this Agreement, the Company may disclose the terms and conditions of this Agreement and the circumstances of the Separation only as the Company in good faith deems necessary to its officers, employees, managers, directors, stockholders, members, partners, insurers, attorneys, accountants, tax consultants, state and federal tax authorities, or as may otherwise be required by law or regulation or in connection with any investigations or proceedings by governmental entities. The Hanson Parties agree that except as expressly authorized by the Company or to correct misinformation, they will not discuss this Agreement or the circumstances of his Separation with any employee or officer or Representative of the Company.
- (B) **Remedies.**
- (i) The Hanson Parties hereby acknowledge and affirm that in the event of any breach by them (or any of them) of this Agreement (including other agreements expressly incorporated herein), monetary damages would be inadequate to compensate the affected Company and Starwood Released Party(ies). Accordingly, in addition to other remedies which may be available to affected Released Parties hereunder or otherwise at law or in equity, any Company and Starwood Released Party will be entitled to specifically enforce such covenants, obligations and restrictions through injunctive and/or equitable relief, in each case without the posting of any bond or other security with respect thereto. In the event of any breach by the Hanson Parties, in addition to other remedies which may be available to the Company or Starwood, hereunder or otherwise at law or in equity, the affected Party will be entitled to specifically enforce such covenants, obligations and restrictions through injunctive and/or equitable relief.
- (ii) The Company and Starwood hereby acknowledge and affirm that in the event of any breach by them (or any of them) of this Agreement (including other agreements expressly incorporated herein), monetary damages would be inadequate to compensate the affected Executive Released Party(ies). Accordingly, in addition to other remedies which may be available to the affected Hanson Released Parties hereunder or otherwise at law or in equity, any Hanson Released Party will be entitled to specifically enforce such covenants, obligations and restrictions through injunctive and/or equitable relief, in each case without the posting of any bond or other security with respect thereto. In the event of any breach by the Company or Starwood of this Agreement, in addition to other remedies which may be available to the Hanson Parties hereunder or otherwise at law or in equity, the affected Party will be entitled to specifically enforce such covenants, obligations and restrictions through injunctive and/or equitable relief.
- (C) **Acknowledgment of Voluntary Agreement.** Each of the Hanson Parties acknowledges it has entered into this Agreement freely and without coercion, that it has been advised to consult with

counsel of its choice, and that it has had adequate opportunity to so consult.

- (D) **Complete Agreement; Inconsistencies.** This Agreement constitutes the complete and entire agreement and understanding of the Parties with respect to the subject matter hereof. This Agreement otherwise supersedes in its entirety all prior understandings, commitments, obligations and/or agreements, whether written or oral, between the Hanson Parties, the Company and Starwood, and except as expressly incorporated herein, all such arrangements are hereby terminated and declared null and void.
- (E) **No Strict Construction.** The language used in this Agreement will be deemed to be the language mutually chosen by the Parties to reflect their mutual intent, and no doctrine of strict construction will be applied against any Party.
- (F) **Non-Admission.** Nothing in this Agreement will be deemed or construed to represent an admission by any of the Parties of any violation of law or other wrongdoing of any kind whatsoever.
- (G) **Third Party Beneficiaries.** The Released Parties are intended third-party beneficiaries of this Agreement, and this Agreement may be enforced by each of them in accordance with the terms hereof in respect of the rights granted to such Released Parties hereunder. This Agreement otherwise is not intended for the benefit of any person other than the Parties, and no such other person will be deemed to be a third party beneficiary hereof.
- (H) **Tax Withholdings.** Notwithstanding any other provision herein, the Company will be entitled to withhold from any amounts otherwise payable hereunder to the Hanson Parties any amounts required to be withheld in respect of federal, state or local taxes, as determined by the Company in good faith.
- (I) **Notices.** All notices, consents, waivers and other communications required or permitted by this Agreement will be in writing and will be deemed given to a Party when: (a) delivered to the appropriate address by hand or overnight delivery; (b) sent by facsimile or e-mail with confirmation of transmission by the transmitting equipment; or (c) three (3) days following mailing by certified or registered mail, postage prepaid and return receipt requested, in each case to the following addresses, facsimile numbers or e-mail addresses and marked to the attention of the Party (by name or title) designated below (or to such other address, facsimile number, e-mail address or person as a Party may hereafter designate by written notice to the other Parties):¹

If to the Company or Starwood:

c/o Starwood Capital Global Group, L.P..
591 West Putnam, Ave.
Greenwich, Connecticut 06830
Attention: Dan Yih
Email: [REDACTED]
Fax: [REDACTED]

¹ All required contact information to be inserted.

With mandatory copies to:

c/o Rinaldi, Finkelstein & Franklin
591 Putnam Avenue
Greenwich, Connecticut 06830
Attention: Ellis Rinaldi, Esq.
Email: [REDACTED]
Fax: [REDACTED]

And:

Kirkland & Ellis, LLP
601 Lexington Avenue
New York, New York 10022
Attention: Jonathan Schechter
Email: [REDACTED]
Fax: [REDACTED]

If to Executive:

Stephen P. Hanson
2109 Broadway
New York, New York 10028
Attention: Stephen P. Hanson
Email: [REDACTED]

With a mandatory copy to:

Muchnick, Golieb & Golieb, P.C.
Attorneys at Law
200 Park Avenue South
Suite 1700
New York, New York 10003
Attention: Howard M. Muchnick, Esq.
Email: [REDACTED]
Fax: [REDACTED]

- (J) **Governing Law.** All issues and questions concerning the construction, validity, enforcement and interpretation of this Agreement will be governed by, and construed in accordance with, the laws of the State of New York, without giving effect to any choice of law or conflict of law rules or provisions that would cause the application hereto of the laws of any jurisdiction other than the State of New York. In furtherance of the foregoing, the internal law of the State of New York will control the interpretation and construction of this Agreement, even though under any other jurisdiction's choice of law or conflict of law analysis the substantive law of some other jurisdiction may ordinarily apply.
- (K) **Severability.** The invalidity or unenforceability of any provision of this Agreement will not affect the validity or enforceability of any other provision of this Agreement, which will otherwise remain in full force and effect and should any provision of this Agreement be adjudged

to any extent invalid or unenforceable by any court or tribunal of competent jurisdiction, such tribunal shall be authorized to and will modify each such invalid or unenforceable provision to the minimum extent necessary to render it enforceable.

- (L) **Counterparts.** This Agreement may be executed in separate counterparts, each of which will be deemed to be an original and all of which taken together will constitute one and the same agreement. Delivery of an executed signature page to this Agreement by any Party by electronic transmission shall be as effective as delivery of a manually executed copy of the Agreement by such Party.

- (M) **Successors and Assigns.** The Parties' obligations hereunder will be binding upon their successors and assigns. The Parties' rights and the rights of the other Released Parties will inure to the benefit of, and be enforceable by, any of the Parties' and Released Parties' respective successors and assigns. The Company may assign all rights and obligations of this Agreement to any successor in interest to the assets of the Company. The Hanson Parties will have no right to transfer this Agreement or assign any rights or obligations hereunder.

- (N) **Amendments and Waivers.** No amendment to or waiver of this Agreement or any of its terms will be binding upon any Party unless consented to in writing by such Party.

