

EMPLOYMENT AGREEMENT

EMPLOYMENT AGREEMENT (this "Agreement"), dated as of February 23, 2007, by and between elevenseven Holdings, L.L.C., a Delaware limited liability company (the "Company") and Stephen P. Hanson (the "Executive").

WITNESSETH:

WHEREAS, the Company is governed by that certain Amended and Restated Limited Liability Company Agreement, dated as of February 23, 2007, among the Company, the Executive, B R Guest, Inc. and SOF U.S. Restaurant Co-Invest Holdings, L.L.C. (as the same may be amended, restated, modified and supplemented from time to time, the "LLC Agreement");

WHEREAS, the Company desires to secure the services and employment of the Executive on behalf of the Company, upon the terms and conditions hereinafter set forth; and

WHEREAS, the Executive desires to enter into such employment with the Company, upon the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein and for good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto, each intending to be legally bound hereby, agree as follows:

1. Employment. On the terms and subject to the conditions set forth herein, the Company hereby agrees to employ the Executive and the Executive hereby agrees to accept such employment, for the Employment Term (as defined below). During the Employment Term, the Executive shall serve as Chief Executive Officer and President of the Company and shall be the most senior officer of the Company. The Executive shall report exclusively to the Management Committee of the Company (the "Management Committee"), performing such duties and responsibilities as are set forth on Appendix A hereto, and such other duties as may be reasonably assigned to him by the Management Committee; *provided* that, notwithstanding anything in this Agreement to the contrary, in no event shall the Executive (i) take any action or make any decision on behalf of the Company in respect of any matter that constitutes a "Major Decision" (as defined in the LLC Agreement) or (ii) enter into any agreement or transaction with an Affiliate (as defined in the LLC Agreement) of the Executive, in each case without the express approval of the Management Committee. In his capacity as Chief Executive Officer and President, all officers of the Company, other than the Chief Financial Officer (or the person at time serving in the capacity of the Chief Financial Officer) shall report directly to the Executive. The Chief Financial Officer shall have direct reporting responsibilities jointly to the Executive and the Management Committee.

2. Performance. The Executive will serve the Company and its subsidiaries and affiliates faithfully and to the best of his ability and will devote his full business time, energy, experience and talents to the business of the Company and its subsidiaries and affiliates, as applicable; *provided, however*, that it shall not be a violation of this Agreement for the Executive

to (i) manage his personal investments (provided such management does not violate any of the terms of this Agreement or Executive's obligations under Section 9.7 of the LLC Agreement), (ii) engage in or serve such civic, community, charitable, educational, or religious organizations as he may reasonably select, or (iii) with the approval of the Management Committee, serve on other boards of directors or advisory committees of other entities, so long as such service does not interfere with the Executive's performance of his duties hereunder.

3. Employment Term. Subject to earlier termination pursuant to Section 6, the term of employment of the Executive hereunder shall begin the date of this Agreement (the "Commencement Date"), and shall continue through the date which is three (3) years following the Commencement Date (the "Initial Term"); provided that such employment term shall be automatically extended for additional one (1) year periods commencing on the first day immediately following the expiration date of the Initial Term and successively thereafter on the first day immediately following the expiration of each such one-year period (each such period an "Additional Term") unless the Company or the Executive shall have given notice to the other party that such party does not desire to extend the term of this Agreement, such notice to be given at least thirty (30) days prior to the end of the Initial Term or the applicable Additional Term (the Initial Term and any Additional Terms, if applicable, collectively, the "Employment Term"). Notwithstanding the immediately preceding sentence, unless and until a BRG Trigger Event (as defined in the LLC Agreement) shall have occurred, the Company may only deliver to the Executive a notice of non-renewal with the approval of the Management Committee and the consent of a majority of the BRG Representatives (as such term is defined in the LLC Agreement).

4. Principal Location. The location at which the Executive will perform services for the Company shall, subject to required travel, be the metropolitan area of New York City.

5. Compensation and Benefits.

(a) Salary. As compensation for his services hereunder and in consideration of the Executive's other agreements hereunder, during the Employment Term, the Company shall pay the Executive a base salary, payable in equal installments in accordance with Company payroll procedures, at an annual rate of One Million Dollars (\$1,000,000).

(b) Benefits. During the Employment Term, the Executive shall, subject to and in accordance with the terms and conditions of the applicable plan documents and all applicable laws, be eligible to participate in all of the employee benefit, fringe and perquisite plans, practices, policies and arrangements the Company generally makes available to its executive employees at a level and on such terms commensurate with the Executive's position, including, but not limited to, medical and dental benefit plans, long term disability and life insurance.

(c) Vacation. The Executive shall be entitled to no less than four (4) weeks paid vacation for each year during the Employment Term to be taken in accordance with the Company's policies and practices with respect to its executive employees.

(d) Business Expenses. The Executive shall be reimbursed by the Company for all reasonable business expenses actually incurred by him in connection with the performance of his duties hereunder. All payments under this paragraph (d) of this Section 5 will be made in

accordance with policies established by the Company from time to time and subject to receipt by, and approval of, the Company of appropriate documentation.

6. Covenants of the Executive. The Executive acknowledges that in the course of his employment with the Company he will become familiar with the Company's and its subsidiaries' trade secrets and with other confidential and proprietary information concerning the Company and its subsidiaries and that his services are of special, unique and extraordinary value to the Company and its subsidiaries. Therefore, the Company and the Executive mutually agree that it is in the interest of both parties for the Executive to enter into the restrictive covenants set forth in this Section 6 and that such restrictions and covenants are reasonable given the nature of the Executive's duties and the nature of the Company's and its subsidiaries' businesses. For purposes of this Agreement, subsidiary shall mean: (i) an "Investment Vehicle" as defined in the LLC Agreement and (ii) any entities, regardless of form, which the Company controls, whether by equity ownership, contract or otherwise. The Company shall also be deemed to be in control of any entity operating a restaurant with which the Company or one of its subsidiaries has a management agreement or other agreement or arrangement to provide management services or to operate such restaurant.

(a) Noncompetition. During the Employment Term and, in the event of Executive's voluntary termination of employment without Good Reason (as defined below) or termination of Executive's employment by the Company for Cause (as defined below), for the two (2) year period following such termination of the Executive's employment with the Company, the Executive shall not, within any jurisdiction or marketing area in which the Company or any of its subsidiaries is doing business, directly or indirectly, own, manage, operate, control, be employed by or participate in the ownership, management, operation or control of, any business of the type and character engaged in or competitive with the Company Business. For purposes of this Agreement, the "Company Business" shall mean (i) at any time during the Executive's employment with the Company, the business in which the Company and its subsidiaries are engaged at such time; or (ii) at any time following termination of the Executive's employment, the business in which the Company and its subsidiaries was engaged at the time of termination of Executive's employment, *provided* it shall not include any such business that the Company ceases to engage in following the date of such termination. 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.

(b) Nonsolicitation. Other than as may otherwise be required in the good faith performance of his duties hereunder or as may be expressly permitted by the Management Committee, during the Employment Term and for the period, if any, thereafter during which the Executive is subject to the non-competition provisions of Section 6(a) of this Agreement (the "Post-Employment Non-competition Period"), the Executive shall not, directly or indirectly, (i) employ, solicit for employment or otherwise contract for the services of any individual who is an employee of the Company or any of its subsidiaries; or (ii) otherwise induce or attempt to induce any employee of the Company or any of its subsidiaries to leave the employ of the Company or such subsidiary, or in any way knowingly interfere with the relationship between the Company or any such subsidiary and any employee respectively thereof.

(c) Noninterference. During the Employment Term and the Post-Employment Non-competition Period, if any, the Executive shall not, directly or indirectly, interfere with or otherwise disrupt the relationship between the Company or any of its subsidiaries and any individual or entity that is or was one of the lenders, investors, pension plan sponsors or advisors, suppliers, licensees, landlords or contractors of the Company, any of its subsidiaries or any restaurant operated by the Company or any subsidiary.

(d) Nondisclosure; Inventions. During the Employment Term and thereafter, (i) the Executive shall not divulge, transmit, publish, copy, distribute, furnish or otherwise disclose (except as legally compelled by court order, and then only to the extent required, after prompt notice to the Company of any such order), directly or indirectly, other than in the proper course of the business of the Company and its subsidiaries, any customer lists, trade secrets, know-how or other confidential or proprietary knowledge or information with respect to the operations or finances of the Company or its subsidiaries or with respect to confidential, proprietary or secret processes, services, techniques, customers (including, without limitation, the identity of the customers of the Company or its subsidiaries and the specific nature of the services provided by the Company or its subsidiaries), employees or plans of or with respect to the Company or its subsidiaries or the terms of this Agreement (all of the foregoing collectively hereinafter referred to as, "Confidential Information"), and (ii) the Executive will not use, directly or indirectly, any Confidential Information for the benefit of anyone other than the Company and its subsidiaries; *provided, however*, that the Executive has no obligation, express or implied, to refrain from using or disclosing to others any such knowledge or information which is or hereafter shall become available to the general public other than through improper disclosure by the Executive. All Confidential Information, new processes, techniques, know-how, methods, inventions, plans, products, patents and devices developed, made or invented by the Executive, alone or with others, while an employee of the Company which are related to the business of the Company and its subsidiaries and affiliates shall be and become the sole property of the Company unless released in writing by the Company and the Executive hereby assigns any and all rights therein or thereto to the Company.

(e) Nondisparagement. During the Employment Term and thereafter, (i) the Executive shall not disparage the Company and/or its subsidiaries or their respective employees, officers, directors, customers or owners, and (ii) the Company (A) shall not, (B) shall cause each of its subsidiaries to not, and (C) shall use its reasonable best commercial efforts to cause each member of the Management Committee and each of its officers and employees to not, disparage the Executive. Nothing contained in this Section 6(e) shall preclude the Executive or the Company from enforcing his or its rights under this Agreement, the LLC Agreement or any other agreement to which the Executive and/or the Company may be a party, or from truthfully responding to legal process or a governmental inquiry.

(f) Return of Company Property. 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 under this Agreement, shall be the exclusive property of the Company and shall be delivered to the Company, and not retained by the Executive (including, without limitation, any copies thereof), promptly upon request by the Company and,

in any event, promptly upon termination of the Employment Term; *provided* that, without limiting any of the provisions of this Section 6, the Executive may retain and use his rolodex and similar address books.

(g) Acquisition of Certain Securities. Without the prior written consent of the Company, at no time during the Employment Term or within the 180-day period following termination of the Employment Term, shall the Executive acquire any publicly or privately traded securities of an issuer, the securities or any assets of which, the Executive's knowledge (i) the Company or any of its subsidiaries was or is seeking to acquire, directly or indirectly, either in whole or in part (e.g., by way of merger, consolidation, tender offer, asset sale or otherwise) or which (ii) were or are material to any pending or contemplated transaction in which the Company or any of its subsidiaries has an interest, where (i) or (ii), as appropriate, shall have been the case at any time within the 180-day period prior to the date (the "Applicable Date") the Executive would otherwise acquire such securities and where the Applicable Date shall be a date as of which the Executive shall be restricted under the terms and provisions of this Section 6(g). The foregoing restrictions in this Section 6(g) shall not extend to (x) any distribution of securities by the Company or any of its subsidiaries and affiliates to the Executive or to any exercise of conversion privileges by the Executive in interest or securities distributed to the Executive by the Company or any of its subsidiaries and affiliates or (y) any securities acquired for the Executive's account with respect to which the acquisition decision was not controlled by the Executive (e.g., interests acquired by mutual funds in which the Executive may have invested).

(h) Change of Control. Notwithstanding anything in this Section 6 to the contrary, the Executive shall have no further obligations in respect of the covenants set forth in Section 6(a), (b) and (c) following the occurrence of a Change of Control (as defined below). A Change of Control shall mean the occurrence of any of the following events: (i) other than following a BRG Trigger Event, the acquisition by the Company, the Starwood Member or any subsidiary or affiliate of either the Company or the Starwood Member of the interests in the Company held by the BRG Member or the Hanson Member; (ii) any acquisition (which, for the avoidance of doubt, shall exclude any increase in interest in the Company resulting from the making of capital contributions to the Company) by any third party (other than the Starwood Member, the BRG Member, the Hanson Member or any affiliate of the foregoing) of interests in the Company representing 50% or more of the capital or profits interests in the Company, and (iii) other than following a BRG Trigger Event, the BRG Representatives ceasing to have the right to cast at least half of the votes entitled to be cast by Representatives on the Management Committee.

(i) Enforcement. The Executive acknowledges that a breach of his covenants contained in this Section 6 may cause irreparable damage to the Company and its subsidiaries and affiliates, the exact amount of which would be difficult to ascertain, and that the remedies at law for any such breach or threatened breach would be inadequate. Accordingly, the Executive agrees that if he breaches or threatens to breach any of the covenants contained in this Section 6, in addition to any other remedy which may be available at law or in equity, the Company and its subsidiaries and affiliates shall be entitled to (i) cease or withhold payment to the Executive of any amounts described in Section 7 for which he otherwise qualifies under such Section 7, and/or (ii) specific performance and injunctive relief to prevent the breach or any threatened breach

thereof without bond or other security or a showing that monetary damages will not provide an adequate remedy.

(j) Scope of Covenants. The Company and the Executive further acknowledge that the time, scope, geographic area and other provisions of this Section 6 have been specifically negotiated by sophisticated commercial parties and agree that they consider the restrictions and covenants contained in this Section 6 to be reasonable and necessary for the protection of the interests of the Company and its subsidiaries and affiliates, but if any such restriction or covenant shall be held by any court of competent jurisdiction to be void but would be valid if deleted in part or reduced in application, such restriction or covenant shall apply with such deletion or modification as may be necessary to make it valid and enforceable. The restrictions and covenants contained in each paragraph of this Section 6 shall be construed as separate and individual restrictions and covenants and shall each be capable of being severed without prejudice to the other restrictions and covenants or to the remaining provisions of this Agreement. Nothing in this Agreement shall be construed to limit or impair the enforceability or scope of any rights of the Company or any of its members with respect to any covenants entered into by the Executive as a member of the Company pursuant to the LLC Agreement or any other written agreement between the Executive or any of his affiliates and the Company or any of its members.

## 7. Termination.

(a) Termination of Employment. The employment of the Executive hereunder and the Employment Term may be terminated at any time (i) by the Company on written notice to the Executive for Cause; (ii) by the Company due to the Executive's Disability, on written notice to the Executive; (iii) by the Executive on sixty (60) days written notice to the Company; (v) without action by the Company, the Executive or any other person or entity, immediately upon the Executive's death; or (vi) due to the expiration of the Employment Term pursuant to Section 3. If the Executive's employment is terminated for any reason under this Section 7(a) (including for Cause), the Company shall be obligated to pay to the Executive (or his estate, as applicable) in a lump sum within thirty (30) days following such termination (A) any salary payable to the Executive pursuant to this Agreement, accrued up to and including the date on which the Executive's employment is terminated, (B) reimbursement for any unreimbursed business expenses incurred by the Executive prior to his date of termination pursuant to Section 5(d), and (C) payment for vacation time accrued as of the date of his termination ((A)-(C) collectively, the "Accrued Amounts").

(b) For purposes of this Agreement:

"Cause" shall mean: (A) any material breach by the Executive of the Executive's covenants under Section 6 or any other material provision of this Agreement; (B) a substantial and continual refusal by Executive in breach of this Agreement to perform the duties, responsibilities or obligations assigned to Executive pursuant to the terms hereof, provided that such duties, responsibilities or obligations are consistent with his positions as President of the Company and are otherwise lawful and appropriate; (C) Executive's conviction of a felony or the entering by Executive of a plea of nolo contendere to a felony charge, other than to the extent that any such charge is related to the operation of a motor vehicle; (D) gross negligence or

willful misconduct on the part of the Executive in the performance of his duties as an employee, officer or director of the Company or any of its subsidiaries which has had a material adverse effect on the business of the Company and its subsidiaries, unless Executive reasonably believed in good faith that such act or nonact (other than a repeated act or repeated failure to act) was in or not opposed to the best interests of the Company or (E) the occurrence of any voluntary BRG Change of Control (as defined in the LLC Agreement. A termination for Cause, other than as a result of the occurrence of a voluntary BRG Change of Control, shall not take effect unless the following provisions are complied with: (i) Executive shall be given written notice by the Management Committee of the intention to terminate him for Cause, such notice (A) to state in detail the particular act or acts or failure or failures to act that constitute the grounds on which the proposed termination for Cause is based and (B) to be given within 60 days of any of the Starwood Representatives on the Management Committee learning of such act or acts or failure or failures to act and (ii) Executive shall be given 30 days after the date that such written notice has been given to Executive in which to cure such conduct, to the extent such cure is possible, and Executive shall have failed to effect such cure.

"Disability" shall mean Executive having been incapable of substantially fulfilling the positions, duties, responsibilities and obligations set forth in this Agreement because of physical, mental or emotional incapacity resulting from injury, sickness or disease for a period of more than 180 days in any twelve month period. Any question as to the existence, extent or potentiality of Executive's disability upon which Executive and the Company cannot agree shall be determined by a qualified, independent physician jointly selected by the Company and Executive. If the Company and Executive cannot agree on the physician to make the determination, then the Company and Executive shall each select a physician and those physicians shall jointly select a third physician, who shall make the determination. The determination of any such physician shall be final and conclusive for all purposes of this Agreement. Executive or his legal representative or any adult member of his immediate family shall have the right to present to such physician such information and arguments as to Executive's disability as he, she or they deem appropriate, including the opinion of Executive's personal physician.

"Good Reason" shall mean any of the following events (or the last event in a series of events): (i) a reduction in Executive's annual base salary, (ii) the Management Committee (without the approval of the BRG Representatives) or any of the Starwood Representatives or any other controlled affiliate of the Starwood Member (as each such term is defined in the LLC Agreement) (collectively, the "Starwood Persons") taking any action or actions, or failing to take any action or actions, that, either individually or in the aggregate, impair, limit, constrain or otherwise impede in any material way, the ability of the Executive to perform the duties, responsibilities or authorities set forth in Appendix A hereto or otherwise assigned to the Executive in accordance with the terms of this Agreement, *provided, however*, that the exercise by the Management Committee or any of the Starwood Persons of any right, duty, power, responsibility or authority expressly reserved to such entity or person under this Agreement or the LLC Agreement shall not be deemed to constitute Good Reason; or (iii) failure to pay Executive's salary in a timely manner or any other material breach of this Agreement by the Company (other than a breach caused by the BRG Member or the Hanson Member). Notwithstanding the foregoing, a termination shall not be treated as a termination for Good Reason (i) if an event constituting grounds for Cause precedes the claim of termination for Good

Reason; provided, that, other than in the case of a voluntary BRG Change of Control, the Management Committee has given written notice to the Executive of the intention to terminate him for Cause, (ii) if Executive shall have consented in writing to the occurrence of the event giving rise to the claim of termination for Good Reason or such event shall have been approved by the BRG Representatives or (iii) unless Executive shall have delivered a written notice to the Starwood Member within 60 days of his having actual knowledge of the occurrence of one of such events stating that he intends to terminate his employment for Good Reason and specifying the factual basis for such termination, and such event, if capable of being cured, shall not have been cured within 30 days of the receipt of such notice.

8. Notice. Any notices required or permitted hereunder shall be in writing and shall be deemed to have been given when personally delivered or when mailed, certified or registered mail, or sent by reputable overnight courier, postage prepaid, to the addresses set forth as follows:

If to the Company:

c/o Starwood Capital Group Global, L.L.C.  
591 W. Putnam Avenue  
Greenwich, Connecticut 06830  
Attention: Jeffrey Dishner  
Facsimile: (203) 422-7809

with a copy to:

c/o Rinaldi, Finkelstein & Franklin  
591 W. Putnam Avenue  
Greenwich, Connecticut 06830  
Attention: Ellis Rinaldi, Esq.  
Facsimile: (203) 422-7873

With copies (which shall not constitute notice) to:

White & Case LLP  
1155 Avenue of the Americas  
New York, New York 10036  
Attention: Scott Berger, Esq.  
Facsimile: (212) 354-8113

If to the Executive:

At the Executive's residence address as maintained by the Company in the regular course of its business for payroll purposes.

With copies (which shall not constitute notice) to:

Muchnick, Golieb & Golieb, P.C.  
Attorneys at Law

200 Park Avenue South  
Suite 1700  
New York, New York  
Attention: Howard M. Muchnick, Esq.  
Facsimile: (212) 977-5133

and to:

Debevoise & Plimpton LLP  
919 Third Avenue  
New York, NY 10022  
Attention: Andrew L. Sommer, Esq.  
Facsimile: (212) 909-6836

or to such other address as shall be furnished in writing by either party to the other party; *provided* that such notice or change in address shall be effective only when actually received by the other party.

9. Dispute Resolution; Arbitration. Any dispute arising out of or in connection with this Agreement, including the breach, termination or validity thereof, shall be referred to final and binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association in effect at the time of the arbitration, except as those rules are modified herein or by mutual agreement of the parties. The place of arbitration shall be New York, New York.

The arbitration shall be conducted by three arbitrators. The claimant(s) shall appoint an arbitrator in the notice of arbitration. The respondent(s) shall appoint an arbitrator within 15 days of the receipt of the notice of arbitration. The two arbitrators appointed in accordance with the preceding sentences shall appoint the third arbitrator within 15 days after the appointment of the second arbitrator. The third arbitrator shall act as chair of the tribunal. If any of the three arbitrators is not appointed within the times prescribed above, then the American Arbitration Association ("AAA") shall appoint that arbitrator.

Each party has the right to apply to any court of competent jurisdiction for provisional measures, including pre-arbitral attachments or injunctions, provided however that, after the arbitrators are appointed, the arbitrators shall have sole jurisdiction to consider applications for provisional measures, and any provisional measures ordered by the arbitrators may be specifically enforced by any court of competent jurisdiction.

Unless the parties expressly agree in writing to the contrary, the arbitration shall be kept confidential and that the existence of the proceedings and all materials related to the proceedings (including but not limited to pleadings, briefs, documents submitted or exchanged, testimony or oral submissions and transcripts thereof, and awards) shall not be disclosed without the prior consent of the other party, beyond disclosure to the tribunal, the AAA, the parties, their counsel, accountants and auditors, insurers and re-insurers, and any person necessary to the conduct of the proceedings. The confidentiality obligations shall not apply (i) if disclosure is required by law, or in judicial or administrative proceedings, or (ii) as far as disclosure is necessary to enforce the rights arising out of the award.

In order to facilitate the comprehensive resolution of related disputes, and upon request of any party to the arbitration proceedings, the arbitration tribunal may consolidate the arbitration

proceedings initiated under this letter agreement with any other arbitration proceeding involving any of the parties hereto relating to this Agreement or to the LLC Agreement or any related agreement contemplated hereby or thereby. The arbitration tribunal shall consolidate such arbitrations unless it determines that (i) there are not issues of fact or law common to the two proceedings so that a consolidated proceeding would be more efficient than separate proceedings, or (ii) a party would be prejudiced as a result of such consolidation through undue delay or otherwise. In the event of different rulings on this question by the arbitration tribunal constituted hereunder and the tribunal constituted under the LLC Agreement or such other agreement, the ruling of the first-constituted arbitration tribunal shall control.

The arbitration award shall be final and binding on the parties. Judgment upon the award may be entered by any court having jurisdiction thereof or having jurisdiction over the relevant party or its assets.

#### 10. General.

(a) Governing Law. The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of New York applicable to contracts executed and to be performed entirely within said State.

(b) Construction and Severability. If any provision of this Agreement shall be held invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired, and the parties undertake to implement all efforts which are necessary, desirable and sufficient to amend, supplement or substitute all and any such invalid, illegal or unenforceable provisions with enforceable and valid provisions which would produce as nearly as may be possible the result previously intended by the parties without renegotiation of any material terms and conditions stipulated herein.

(c) Assignability. The Executive may not assign his interest in or delegate his duties under this Agreement. This Agreement is for the employment of the Executive, personally, and the services to be rendered by him under this Agreement must be rendered by him and no other person. The Company may not assign this Agreement. This Agreement shall be binding upon and inure to the benefit of and be enforceable by the Company and its successors and permitted assigns.

(d) Warranty by the Executive. The Executive represents and warrants to the Company that (i) the Executive is not subject to any contract, agreement, judgment, order or decree of any kind, or any restrictive agreement of any character, that restricts the Executive's ability to perform his obligations under this Agreement or that would be breached by the Executive upon his performance of his duties pursuant to this Agreement and (ii) Executive has received a copy of the LLC Agreement and is aware of, and fully understands, the contents of such LLC Agreement.

(e) Compliance with Rules and Policies. The Executive shall perform all services in accordance with the policies, procedures and rules established by the Company and the Management Committee. In addition, the Executive shall comply with all law, rules and regulations that are generally applicable to the Company or its subsidiaries or affiliates and their respective employees, directors and officers.

(f) Withholding Taxes. All amounts payable hereunder shall be subject to the withholding of all applicable taxes and deductions required by any applicable law.

(g) Entire Agreement; Modification. This Agreement constitutes the entire agreement of the parties hereto with respect to the subject matter hereof, supersedes all prior agreements and undertakings, both written and oral. This Agreement may not be modified or amended in any way except in writing by the parties hereto.

(h) Duration. Notwithstanding the Employment Term hereunder, this Agreement shall continue for so long as any obligations remain under this Agreement.

(i) Survival. The covenants set forth in Section 6 of this Agreement shall survive and shall continue to be binding upon the Executive notwithstanding the termination of this Agreement for any reason whatsoever.

(j) Waiver. No waiver by either party hereto of any of the requirements imposed by this Agreement on, or any breach of any condition or provision of this Agreement to be performed by, the other party shall be deemed a waiver of a similar or dissimilar requirement, provision or condition of this Agreement at the same or any prior or subsequent time. Any such waiver shall be express and in writing, and there shall be no waiver by conduct. Pursuit by either party of any available remedy, either in law or equity, or any action of any kind, does not constitute waiver of any other remedy or action. Such remedies are cumulative and not exclusive.

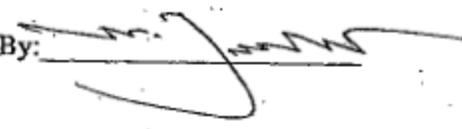
(k) Counterparts. This Agreement may be executed in two or more counterparts, all of which taken together shall constitute one instrument.

(l) Section References. The words Section and paragraph herein shall refer to provisions of this Agreement unless expressly indicated otherwise.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound, have hereunto executed this Agreement as of the day and year first written above.

elevenseven Holdings, L.L.C.

Date: February 23, 2007

By: 

STEPHEN P. HANSON

Date: February \_\_, 2007

(f) Withholding Taxes. All amounts payable hereunder shall be subject to the withholding of all applicable taxes and deductions required by any applicable law.

(g) Entire Agreement; Modification. This Agreement constitutes the entire agreement of the parties hereto with respect to the subject matter hereof, supersedes all prior agreements and undertakings, both written and oral. This Agreement may not be modified or amended in any way except in writing by the parties hereto.

(h) Duration. Notwithstanding the Employment Term hereunder, this Agreement shall continue for so long as any obligations remain under this Agreement.

(i) Survival. The covenants set forth in Section 6 of this Agreement shall survive and shall continue to be binding upon the Executive notwithstanding the termination of this Agreement for any reason whatsoever.

(j) Waiver. No waiver by either party hereto of any of the requirements imposed by this Agreement on, or any breach of any condition or provision of this Agreement to be performed by, the other party shall be deemed a waiver of a similar or dissimilar requirement, provision or condition of this Agreement at the same or any prior or subsequent time. Any such waiver shall be express and in writing, and there shall be no waiver by conduct. Pursuit by either party of any available remedy, either in law or equity, or any action of any kind, does not constitute waiver of any other remedy or action. Such remedies are cumulative and not exclusive.

(k) Counterparts. This Agreement may be executed in two or more counterparts, all of which taken together shall constitute one instrument.

(l) Section References. The words Section and paragraph herein shall refer to provisions of this Agreement unless expressly indicated otherwise.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound, have hereunto executed this Agreement as of the day and year first written above.

elevenseven Holdings, L.L.C.

Date: February \_\_, 2007

By: \_\_\_\_\_

STEPHEN P. HANSON

Date: February 23, 2007

Stephen P. Hanson

Duties and Responsibilities of the Executive

(A) Preparing development and operating budgets for approval by the Management Committee;

(B) Training, development and supervision of all executive level and restaurant managerial level employees;

(C) Developing the schematic and conceptual drawings for each restaurant for approval by the Management Committee;

(D) Within the parameters established in approved operating and development budgets, including, but not limited to, the following:

- (i) hiring and firing of the executive chef, sous chef and pastry chef;
- (ii) training and supervision of said chefs;
- (iii) menu and recipe development;
- (iv) kitchen design;
- (v) wine lists;
- (vi) providing room service;
- (vii) potentially handling catering for functions and banquets; and
- (viii) training and supervision of the general manager and assistant managers.

(E) Training, development, supervision and oversight of all executive level and restaurant managerial employees relating to the administrative, financial and other aspects of the restaurant operations including, but not limited to, the following:

- (i) hiring and firing of the bookkeeper for each restaurant;
- (ii) establishment of accounting and cash control policies and procedures;
- (iii) within the parameters established in approved operating and development budgets, selection of and negotiation with all liability, property, health and workers' compensation insurers;
- (iv) preparation of all operating and financial statements for each restaurant and the Company and the Investment Vehicles;
- (v) selection of the general manager and assistant managers for each restaurant; and

(vi) selection of the general and administrative staff (executive managerial and non-managerial) to support the restaurant and the Company and the Investment Vehicles.

(F) Subject to the approval by the Management Committee of the decision to launch a new restaurant, and a developmental budget for such project (which will include maximum expenditures for the lease for the selected site and the costs of build-out), full responsibility for the implementation of the establishment of such restaurant, including, but not limited to,

(i) negotiations with the landlords of the selected site(s) within the parameters established in the developmental budget(s); and

(ii) negotiation with and supervision of any contractors that the Executive shall select to perform any required build-out or other developmental work on the site within the parameters established in the developmental budget(s).

(G) Reporting to the Management Committee, in writing or in person at least monthly, on the progress of the development of any new restaurant for which the Management Committee has approved a developmental budget, including reports on negotiations with the landlord and any contractor;

(H) Reporting to the Management Committee, in writing or in person at least monthly on the operations of any established restaurants, including reports on any changes in key personnel, any labor issues, any results outside of expected levels of performance and, if known, the reasons therefore, and any other significant events or developments outside of the ordinary course of business.

**TO:** Barry Sternlicht  
**RE:** Just Some Thoughts  
**FROM:** Stephen P. Hanson  
**DATE:** October 9, 2012

---

First I want to say that I really dislike having to write these emails. I have the utmost respect for you and I actually enjoy working with you.

So going forward to save each other time and effort let's agree when either of us are upset we just keep sending these last two rounds of emails to each other; much more efficient – no?  
So-

If we are to have a constructive dialogue, you need to get over the significant dough and the \$10 million in notes at ten percent (10%) I received. To reiterate past exchanges, you paid a negotiated, fair price for BRG. After your purchase, the world went to crap. You know this better than I, as you saw your investments, including BRG, drop significantly in value, such that you never built the hotels that were to be the BRG pipeline of new restaurants and the purpose for your investment in BRG. BRG was never intended to be a stand alone investment; it was always planned to sit inside the 12 plus hotels you had in the making on day one of your BRG acquisition. And if you had built those hotels, BRG would be a 400+ million company at this point.

I accepted the \$10 million in notes as a courtesy to you! SCG was required to put the \$10 million into BRG when BRG purchased Dos 3, for which the \$10 million in notes arose (\$.5 million of the note was to repay the loan I had made to Dos 3). If I insisted on my legal rights, SCG would have been required to contribute the \$10 million and you would have charged BRG twelve percent (12%) on such contribution vs the 10% I have charged. Please note that Dos 3's

Barry Sternlicht  
Page 2  
October 9, 2012

2012 Ebitda pre management fee is projected to be \$3.93 million. At purchase, DOS 3's Ebitda was approximately 75% of this amount. Further, I accepted at closing of Dos 3, one half the Top up Payment to which I was entitled.

We made a bargained for deal; it did not work out the way either of us wanted it to. I would have been much happier to have BRG be more successful, and, in such event, I would have been much better paid. I had at the onset of our venture significant upside in BRG's growth, which is now all but gone, largely due to the down turn in the business but also, in part, for giving SCG \$21 million in preferred capital earning 12% per year (2.52M per annum) and compounding, while by our contract, SCG was not entitled to a preferred return on the \$21 million or to have the \$21 million itself be returned to you prior to my receiving an equal amount.

As to my compensation, I do not want to be, in my opinion, a brat, but my annual compensation alone is not adequate for my efforts and for what I can earn elsewhere. I have continued in my position to maximize my opportunity to share in BRG's growth and, especially in the last few years, to help SCG, my partner, profit from its investment. Please let me know if you wish to discuss termination of my employment and my exit, after which you would own 100% of BRG and BRG would not continue to incur the cost of my compensation and expenses.

You are rewriting history with your argument that BRG's bad numbers caused the repayment of BRG's recourse debt. My recollection is that Wachovia, the lender, needed the

Barry Sternlicht  
Page 3  
October 9, 2012

cash for its own liquidity. As the debt was recourse to SCG, and obviously SCG had the cash to satisfy the debt, BRG's numbers were immaterial to the required payoff. Plus, the loan was recourse when taken, when BRG's numbers were great.

As I have asked many times before, for which I never got an answer, why did SCG borrow the money short term from a bank with which SCG had a strong relationship but which was not in the business of lending to restaurants and why is SCG blaming BRG for the loan recall? If SCG had financed its acquisition for a longer term with a bank eager to work with restaurants, BRG would not have been required, to my detriment, to pay SCG a 12% preferred return rather than a much lower interest rate to a third party lender and I am sure, like most loans of that time period, could have been reduced if SCG had not made it recourse.

It appears SCG will lose money on this investment and I am unhappy that is so. I would much preferred for SCG to have been successful and, while I doubt the loss will be \$80 million, I believe the loss will be significant. But I am more upset by my loss. I will lose most, if not all, of the \$57+ million of capital I left in BRG when SCG became my partner. The \$57+ million was my money; your loss, while unpleasant, was that of your investors, not you.

As to the budget, I agree; we have not met budget in any year we have been partners. In the early years, the recession impacted BRG like it did every other business. Restaurants, a discretionary expenditure, were particularly hard hit. In the last few years, the budgets at SCG's request, reflected unrealistic amounts. SCG wanted the budgets to reflect a level of growth and

Barry Sternlicht  
Page 4  
October 9, 2012

success which BRG was unlikely to attain. SCG had more input into the budgets than I did. SCG had more resources to employ in the budget process and operations than I. I understand that you, Dan and other SCG people are consistently meeting with, and asking and receiving information from, Alex, Laurent and David Haas. You know all, if not more than, I know. SCG not only had the BRG staff, with whom SCG is in constant contact and has access to all of BRG's information, but also SCG's staff to help review and evaluate. Plus, SCG has equal say in the management. You may consider looking at SCG's actions, or lack thereof, in budgeting for and operating BRG.

As to the rental of "my building," its lease to BRG was one of the assets SCG received when it invested in BRG. As you may know, the rent charged was fair market when BRG entered the lease, as determined by independent real estate brokers. By the time SCG became a member of BRG, the rent was under market. I voluntarily waived rent increases provided for in the lease. BRG paid to me the rent it was contractually obligated to pay, as it would to any third party landlord.

I will address your complaints with our losing restaurants one by one.

Primehouse was a large loss but not close to \$15 million. It was a victim of too high a rent and an inability to attract the necessary guests, especially at lunch. The recession impacted particularly hard high end restaurants, such as Primehouse. BRG followed all of your suggestions to improve Primehouse's results, without avail. At SCG's repeated requests, we

closed Primehouse instead of limping along and trying to salvage it.

Kibo was a \$3.4 million loss for which, as president of BRG, I take responsibility, but you assisted in creating the loss. You wanted to bring in a COO younger than I to lead the company after SCG exited, and, most likely, to replace me even before such time. SCG vetted and chose Alex. We, you and I, gave Alex leeway to perform. Kibo was Alex' deal, blessed by us. If you want a COO, you need him to act as one. And we did. Further, Alex, not I, was to deliver Robuchon. Lastly, Alex did not replace me, I am still here and working as always.

We have lost a small amount of money at the underground under DOS; I expect to make it back in the next few months. We make a lot more at the underground bar next to it. The entry into the night club business has been profitable for BRG.

Atlantic City has been profitable for BRG. It provides positive cash flow. Management of the AC restaurants has issues, but what business venture does not? Bottom line it is profitable. I don't get the bitch about BRG making \$1 million in fees a year with little additional overhead cost.

The loss of the Dos Caminos in Vegas was a bitter blow, one that should not have happened. We survived the recession and the Venetian's lack of guests and began to become profitable. The Venetian then wanted to own the space for itself as part of an internal power play and found a captive Nevada court system to fulfill its wish. You should note that as of a few months ago the space was still vacant and Venetian's counsel told us that evicting Dos Caminos

Barry Sternlicht  
Page 6  
October 9, 2012

was a huge mistake.

We are not "being terminated" at Blue Fin; our lease is coming due and the rent will escalate to fair market value. Do you want BRG to pay it? Let me know. I hope you are not blaming me for the price of NYC rents. I did not think I was that powerful.

The Striphouse purchase is proving to be a success. If you are unhappy with the investment, I will discuss with our partners buying your total interests, for the \$7.7 million BRG invested. Please advise if you want me to do so.

As to your number of \$3 million of Ebitda for BRG, it must be the result of a new math which I cannot understand. If that is what you think our numbers are, you should tell it to the potential purchasers of, lenders to, BRG. I am sure they would be interested in it.

In response to your second paragraph:

1. Staffing with expensive bodies. Lets discuss who you wish to terminate and still run and/or expand the business.
2. At least you acknowledge that SCG approved Kibo. If you thought Kibo was a terrible idea, you could have stopped it.
3. You have no grounds to fire me; thus, you get no credit for not doing so. As I said earlier in this letter, I am willing to discuss with you my exit.

4. Corporate overhead is a push pull. You want to grow the company and hire more experienced, qualified personnel, and you want to cut overhead. Choose one, and I will endeavor to attain it. Remember Alex G was everyone's idea to have as a CEO/COO in place for a possible sale. He did not join to assist me – we hired him to learn the business and be a leader to benefit the sale.

5. Opening new venues. If you do not want to do so, fine. It's your capital and thus your call. I have seen no economic benefit to me for the last 24 months from making the effort to grow BRG. If you do want to do so, let's stop all growth. My capital is far behind yours. My only goal was to increase BRG's value, the benefit of which would flow entirely or almost entirely to SCG on exit. Without a pipeline of new restaurants, what is our growth story to potential purchasers? And what would be BRG's costs for the unbuilt restaurants if we sold in the next few months?

6. Morale. Again your call. If you do not want to give bonuses, lets not, except where we contractually are obligated to do so. I believe that failure to give bonuses will result in BRG losing the people it most wants to retain.

I have responded to your "just some thoughts." Now, I would like to give you some of mine. In many respects, you have been a great partner, and I honestly consider you a friend. But you have not performed.

Where are the pipeline of hotel restaurants you were to provide?

Where is the compensation to BRG for the work, and success we created, for you in St. Petersburg?

Where are the introductions to your friends and associates for more restaurants?

Where is your support? You sit back and complain about the failures instead of being proactive and participating in the process. And you fail to note the successes.

DOS 3, almost \$4 million in Ebitda and part of the very successful Dos Caminos brand.

AC, \$1 million in management fees at little additional cost to BRG.

Striphouse.

Bill's, a terrific, portable success.

Survival through the worst recession. In the darkest days at the depths of the recession, I stood by you and your investment. I could have stuck it to you and left or demanded a better deal. I did not. I fell for your line – we will address the cap stack – okay, you got me.

Further, you fail to acknowledge the economic concessions I gave to SCG. You may not recall, I gave BRG three (3) months of ownership, and thus nearly \$1 million of Ebitda, for the period prior to closing.

Acceptance of notes in lieu of cash payment on BRG's purchase of DOS 3.

Forgoing salary of \$2 million to which I was entitled and rent increases pursuant to 206 Spring's lease.

Allowing SCG to receive credit for \$21 million of preferred capital and earn 12% preferred return on \$21 million of capital which SCG was required to contribute as non-preferred capital. I note that the preferred return of over \$2.5 million per annum exceeds the aggregate of my salary, expenses, and interest on the \$10 million in notes.

Bottom line. We embarked on a venture together. You bought and I sold 50% of a restaurant business, after which I had cash equal to half of the value of the business and you had half of the business. I let you lever up BRG – I believed in your pipeline. You had the opportunity for success or failure with your half of the business, as I had with investment of the money I received and the half of the business I kept. I created a terrifically successful, unique restaurant business that you reviewed, analyzed and negotiated to acquire. You paid a fair price. Now, when the business fails to meet your expectations, you are not part of the management which oversaw the business.

Did I create the recession?

Did I create the higher NYC rents and higher labor costs?

Did I have successes?

Did I cause you not to build the 12 hotels you projected. You bought BRG only to

Barry Sternlicht  
Page 10  
October 9, 2012

service your hotels and increase their value. Any benefit from owning BRG would purely be a bonus to SCG.

Barry, neither of us has a need to be involved with a relationship that does not work. Let's discuss my exit and transition of the company. You will not thereafter have me being an impediment to you making BRG successful and you will be its sole owner.

My friend, we have crossed into the "life is too short" relationship.

Stephen

P:\CLIENTS\00000394\MEMO\2012\sternlicht.thoughts.1005.doc

EFTA01140479